

UIB International Limited

Report and Financial Statements

For the year ended 31 December 2000



UIB INTERNATIONAL LIMITED

DIRECTORS:

P A Berridge (Chairman)
M J Davison
B S Kabban
G J Kabban
M G Kabban
S Newton
PAC Tuite-Dalton
T Wakeman
AR Woods

SECRETARY:

M J Davison

REGISTERED OFFICE:

69 Mansell Street
LONDON E1 8AN

COMPANY NUMBER:

02505995

AUDITORS:

Mazars Neville Russell
24 Bevis Marks
LONDON EC3A 7NR

CONTENTS

	Page
Report of the Directors	1 - 2
Report of the Auditors	3
Profit and Loss Account	4
Balance Sheet	5
Notes to the Financial Statements	6 - 12

REPORT OF THE DIRECTORS

The directors present their report and the financial statements for the year ended 31 December 2000.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- ensure that they comply with applicable accounting standards subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

PRINCIPAL ACTIVITY

The company's principal activity is that of acting as an investment company.

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The directors consider the company's business will continue to develop although trading conditions are expected to be difficult.

RESULTS AND DIVIDENDS

Loss for the period after taxation was £2,997 (1999 £9,503). The directors do not recommend a final dividend (1999: £Nil).

REPORT OF THE DIRECTORS (continued)

DIRECTORS

The directors set out in the table below have held office during the year from 1 January 2000 to the date of this report unless otherwise stated.

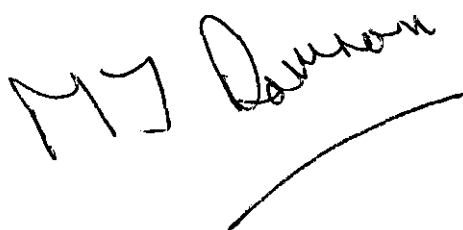
P A Berridge - Chairman	
M J Davison	
B S Kabban	
G J Kabban	
M G Kabban	
S Newton	Appointed 31 May 2001
N D J Oakley	Resigned 29 September 2000
PAC Tuite-Dalton	Appointed 26 January 2001
T Wakeman	Appointed 31 May 2001
AR Woods	Appointed 31 May 2001

None of the directors holding office on 31 December 2000 held beneficial interests in the ordinary shares of the company. The beneficial interests of the directors holding office on 31 December 2000, in the share capital of the holding company, UIB Holdings (UK) Limited, are shown in the accounts of that company.

AUDITORS

Our auditors, Mazars Neville Russell will be proposed for re-appointment in accordance with Section 385(2) of the Companies Act 1985.

By order of the Board

A handwritten signature in dark ink, appearing to read 'M J Davison', with a long horizontal flourish underneath.

M J Davison
Secretary

69 Mansell Street
London E1 8AN

31st August 2001

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF UIB INTERNATIONAL LIMITED

We have audited the financial statements on pages 4 to 12 . These financial statements have been prepared under the historical cost convention and the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement whether caused by fraud or other irregularity or error. In forming our opinion we also evaluate the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 2000, and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Mazars Neville Russell

MAZARS NEVILLE RUSSELL
CHARTERED ACCOUNTANTS
 and Registered Auditors
 24 Bevis Marks
 London
 EC3A 7NR

31 August 2001.

PROFIT AND LOSS ACCOUNT

For the year ended 31 December 2000

	Notes	2000 £	1999 £
Other operating income	2	373	5,382
Dividends received from subsidiary undertaking		5,187	-
Trading expenses		(8,152)	(14,885)
(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION	3	(2,592)	(9,503)
Taxation on (loss) on ordinary activities	4	(405)	-
RETAINED (LOSS) FOR THE YEAR	9	<u>£(2,997)</u>	<u>£(9,503)</u>

The company has no recognised gains or losses other than the loss for the year.

The loss for the year has been calculated on the historical cost basis.

The company's turnover and expenses all relate to continuing operations.

UIB INTERNATIONAL LIMITED

5

BALANCE SHEET as at 31 December 2000

	Notes	2000	1999
		£	£
FIXED ASSETS			
Investments	6	753,838	439,529
Loans	6	8,130	192,914
CURRENT ASSETS			
Cash at bank and in hand		1,165	223
Debtors	7	71,272	76,345
		<u>72,437</u>	<u>76,568</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	8	<u>811,582</u>	<u>683,191</u>
NET CURRENT LIABILITIES		<u>(739,145)</u>	<u>(606,623)</u>
NET ASSETS		<u>£22,823</u>	<u>£25,820</u>
CAPITAL AND RESERVES			
Called up share capital	9	2	2
Profit and loss account	9	22,821	25,818
EQUITY SHAREHOLDERS' FUNDS	9	<u>£22,823</u>	<u>£25,820</u>

Approved by the board on 31st August 2001
and signed on its behalf by

PA Berridge

PA Berridge
Director

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2000

1. ACCOUNTING POLICIES

(a) Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards.

(b) Basis of preparation

Consolidated accounts have not been prepared as permitted by the exemption available under Section 248 of the Companies Act 1985.

(c) Foreign currencies

Assets, liabilities, revenues and costs expressed in foreign currencies are translated into sterling at rates of exchange ruling on the date at which transactions occur, except for monetary assets and liabilities which are translated at the rate ruling at the balance sheet date.

Differences arising on the translation of such items are dealt with in the profit and loss account.

(d) Investments

Investments held as fixed assets are stated at cost less provision for any permanent diminution in value.

(e) Dividends

Dividends from investments are recognised in the period to which they relate.

2. OTHER OPERATING INCOME

	2000 £	1999 £
Interest receivable	90	229
Exchange gain	283	5,153
	<u>£373</u>	<u>£5,382</u>

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2000 (continued)

3. (LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION

	2000 £	1999 £
The (loss) on ordinary activities before taxation is after charging:		
Auditors' remuneration	3,925	2,900
Professional fees	<u>4,182</u>	<u>11,305</u>

4. TAXATION

	2000 £	1999 £
Underprovision in respect of prior years	<u>405</u>	<u>-</u>

5. DIRECTORS

None of the directors received emoluments from the company during the year (1999: £Nil).

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2000 (continued)

6. FIXED ASSET INVESTMENTS AND LOANS

(i) Unlisted investments

	Subsidiary Undertakings £	Associated Undertakings £	Trade Investments £	Total £
COST				
As at 1 January 2000				
Gross cost before provision	339,279	78,538	48,290	466,107
Provision for permanent diminution in value	(26,578)	-	-	(26,578)
Net cost after provision	312,701	78,538	48,290	439,529
Additions	355,148	-	-	355,148
Disposals	(40,839)	-	-	(40,839)
As at 31 December 2000	<u>£627,010</u>	<u>£78,538</u>	<u>£48,290</u>	<u>£753,838</u>

(ii) Loans

	Subsidiary Undertakings	Associated Undertakings	Other £	Total £
COST				
As at 1 January 2000				
Gross cost before provision	232,914	-	-	232,914
Provision for permanent diminution in value	(40,000)	-	-	(40,000)
Net cost after provision	192,914	-	-	192,914
Transfer to Fixed Asset Investments	(184,784)	-	-	(184,784)
As at 31 December 2000	<u>£8,130</u>	<u>-</u>	<u>-</u>	<u>£8,130</u>

The above loans have been guaranteed by the ultimate parent company, UIB Holdings (UK) Limited.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2000 (continued)

6. **FIXED ASSET INVESTMENTS (continued)**

(iii) **Subsidiaries held by the company**

Subsidiaries	Country of Incorporation	Ordinary shares held	Nature of business
UIB Insurance Brokers SA	Switzerland	100%	Insurance broker
UIB Asia Reinsurance Brokers Pte Ltd (the company also owns 100% of the preference shares)	Singapore	90%	Reinsurance broker
United Insurance Brokers EC	Bahrain	75%	Insurance broker
UIB Korea Insurance Agent Co. Ltd	Korea	100%	Insurance broker

Subsidiary	Period	Aggregate Capital and Reserves	Retained Profit/(loss) for the period
UIB Insurance Brokers SA	12 months ended 31 December 2000 (Audited)	£ 67,633 (CHF 163,718)	£ 4,151 (CHF 10,049)
UIB Asia Reinsurance Brokers Pte Ltd	12 months ended 31 December 2000 (Audited)	£ 83,871 (S\$ 217,225)	£ (30,342) (S\$ (78,585))
United Insurance Brokers EC - Bahrain	12 months ended 31 December 2000 (Audited)	£ 97,961 (US\$ 146,334)	£ 32,937 (US\$ 49,202)
UIB Korea Insurance Agent Co. Ltd	12 months ended 31 December 2000 (Audited)	£(78,682) (WON (148,256,336))	£(105,217) (WON (198,256,336))

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2000 (continued)

6. FIXED ASSET INVESTMENTS (continued)

(iv) Associates held by the company

Associates	Country of Incorporation	Ordinary shares held	Nature of business
International Broking SL	Spain	35%	Insurance broker
United Insurance Brokers (LLC) - Dubai (Held by a subsidiary company)	UAE	36.75%	Insurance Broker

As shown in the latest accounts, the aggregate of capital and reserves, and retained profits attributable to the company's interest for the period indicated, were as follows:

Associates	Period	Attributable Capital and Reserves	Attributable Retained Profit/ (Loss) for the period
International Broking SL	Year ended 31 December 2000 (Unaudited)	£ (23,873) (PTS (6,320,136))	£ 6,707 (PTS 1,775,538)
United Insurance Brokers (LLC) – Dubai	Year ended 31 December 2000 (Audited)	£ 69,998 (AED 384,064)	£ 14,535 (AED 79,795)

(v) Trade investments held by the company

Trade Investment	Country of Incorporation	Ordinary shares held	Nature of business
MACS-ECICS Insurance Brokers Pte Ltd	Singapore	11.9%	Insurance broker
Yamato Reinsurance (Dublin) Ltd	Ireland	10.7%	Reinsurance company

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2000 (continued)

7. DEBTORS

	2000 £	1999 £
Amounts falling due within one year:		
Amounts owed from group undertakings	71,272	76,345

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2000 £	1999 £
Amounts owed to group undertakings	806,582	676,241
Accruals	5,000	2,900
Other creditors	-	4,050
	<u>£811,582</u>	<u>£683,191</u>

9. SHARE CAPITAL, RESERVES AND RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	Share Capital Authorised, Allotted, Issued & Fully Paid Ordinary Shares of £1 each £	Profit and Loss Account £	Total Shareholders' Funds £
Balance at 1 January 1999	2	35,321	35,323
Retained loss for the year	-	(9,503)	(9,503)
	<u>2</u>	<u>25,818</u>	<u>25,820</u>
Balance at 31 December 1999	2	25,818	25,820
Retained loss for the year	-	(2,997)	(2,997)
	<u>2</u>	<u>22,821</u>	<u>22,823</u>
Balance at 31 December 2000	£2	£22,821	£22,823

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2000 (continued)

10. RELATED PARTY TRANSACTIONS

The company had various transactions with certain related parties during the year. Details of transactions and balances, together with details of the parties' relationship with the company are as follows:

Relationship	Nature of Transaction	2000 Transactions (to)/from £	2000 Balances due (to)/from £	1999 Transactions (to)/from £	1999 Balances due (to)/from £
UIB Holdings (UK) Limited					
Holding company	Inter-group finance	(130,339)	(806,582)	66,364	(676,241)
UIB Asia Reinsurance Brokers Pte Limited					
Associate	Fixed asset loan	-	8,130	5,153	192,914
United Insurance Brokers EC - Bahrain					
Fellow Subsidiary	Inter-group finance	-	50,993	50,993	50,993
UIB Korea Insurance Agent Co. Limited					
Fellow subsidiary	Inter-group finance	23,578	23,578	28,651	28,651

11. POST BALANCE SHEET EVENTS

UIB Labuan Limited was incorporated as a wholly-owned subsidiary on 2nd January 2001.

12. ULTIMATE PARENT UNDERTAKING

The ultimate parent company is UIB Holdings (UK) Limited, a company registered in England and Wales.