

UIB INTERNATIONAL LIMITED
FINANCIAL STATEMENTS
FOR
31 DECEMBER 2001

Company Registration Number 02505995



UIB INTERNATIONAL LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2001

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UIB INTERNATIONAL LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31 DECEMBER 2001

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 December 2001.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company during the year was that of acting as an investment company.

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

RESULTS AND DIVIDENDS

The trading results for the year, and the company's financial position at the end of the year are shown in the attached financial statements.

The directors have not recommended a dividend.

DIRECTORS

The directors who served the company during the year were as follows:

PA Berridge	(Retired 31 December 2001)
MJ Davison	
BS Kabban	
GJ Kabban	
MG Kabban	
S Newton	(Appointed 31 May 2001)
PAC Tuite-Dalton	(Appointed 26 January 2001)
T Wakeman	(Appointed 31 May 2001)
AR Woods	(Appointed 31 May 2001)

AUDITORS

A resolution to re-appoint Mazars Neville Russell as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

Registered office:
69 Mansell Street
London
E1 8AN

Signed by order of the directors

MJ DAVISON
Company Secretary

Approved by the directors on the 7th June 2002

UIB INTERNATIONAL LIMITED
STATEMENT OF DIRECTORS' RESPONSIBILITIES
YEAR ENDED 31 DECEMBER 2001

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 at the end of the year and of the profit or loss for the year then ended.

In preparing those financial statements, the directors are required to:

select suitable accounting policies, as described on page 6, and then apply them consistently;

make judgements and estimates that are reasonable and prudent;

state whether applicable accounting standards have been followed, 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. The directors 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.

UIB INTERNATIONAL LIMITED**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS**

We have audited the financial statements on pages 4 to 11 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITORS

As described on page 2, the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

It is our responsibility 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 1985. 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. 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 evaluated 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 2001 and of the loss of the company for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

24 Bevis Marks
London
EC3A 7NR

7th June 2002


MAZARS NEVILLE RUSSELL
Chartered Accountants
& Registered Auditors

UIB INTERNATIONAL LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 DECEMBER 2001

	Note	2001 £	2000 £
TURNOVER		-	-
Administrative expenses		(8,066)	(8,152)
Other operating income	2	23	373
OPERATING LOSS	3	(8,043)	(7,779)
Income from shares in group undertakings	5	-	5,187
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(8,043)	(2,592)
Tax on loss on ordinary activities	6	-	405
LOSS FOR THE FINANCIAL YEAR		(8,043)	(2,997)
Balance brought forward		22,821	25,818
Balance carried forward		14,778	22,821

The company has no recognised gains or losses other than the results for the year as set out above.

All of the activities of the company are continuing.

UIB INTERNATIONAL LIMITED

BALANCE SHEET

31 DECEMBER 2001

	Note	2001 £	2000 £
FIXED ASSETS			
Investments	7	925,106	761,968
CURRENT ASSETS			
Debtors	8	318,448	71,272
Cash at bank		<u>1,187</u>	<u>1,165</u>
		319,635	72,437
CREDITORS: Amounts falling due within one year	9	<u>(1,229,961)</u>	<u>(811,582)</u>
NET CURRENT LIABILITIES		<u>(910,326)</u>	<u>(739,145)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>14,780</u>	<u>22,823</u>
CAPITAL AND RESERVES			
Called-up equity share capital	11	2	2
Profit and Loss Account		<u>14,778</u>	<u>22,821</u>
SHAREHOLDERS' FUNDS	12	<u>14,780</u>	<u>22,823</u>

These financial statements were approved by the directors on the 7th June 2002, and are signed on their behalf by:



PAC TUIITE-DALTON
Director

UIB INTERNATIONAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2001

1. ACCOUNTING POLICIES**Basis of accounting**

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

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

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.

Investments

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

Dividends

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

2. OTHER OPERATING INCOME

	2001	2000
	£	£
Interest receivable	4	90
Profit on exchange	19	283
	<u>23</u>	<u>373</u>

3. OPERATING LOSS

Operating loss is stated after charging:

	2001	2000
	£	£
Directors' emoluments	-	-
Auditors' remuneration		
- as auditors	<u>8,066</u>	<u>3,925</u>

4. PARTICULARS OF EMPLOYEES

No salaries or wages have been paid to employees, including the directors, during the year.

UIB INTERNATIONAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2001

5. INCOME FROM SHARES IN GROUP UNDERTAKINGS

	2001 £	2000 £
Income from group undertakings	-	<u>5,187</u>

6. TAX ON LOSS ON ORDINARY ACTIVITIES

	2001 £	2000 £
Corporation Tax	-	-
Adjustment in respect of prior years:		
Corporation Tax	-	405
	<u>-</u>	<u>405</u>

7. INVESTMENTS

	Subsidiary Companies £	Associated Companies £	Trade Investments £	Total £
COST				
At 1 January 2001	693,588	78,538	48,290	820,416
Additions	54,896	-	28,050	82,946
At 31 December 2001	<u>748,484</u>	<u>78,538</u>	<u>76,340</u>	<u>903,362</u>
AMOUNTS WRITTEN OFF				
At 1 January 2001 and 31 December 2001	<u>66,578</u>	-	-	<u>66,578</u>
LOANS				
At 1 January 2001	48,130	-	-	48,130
Advanced in year	80,192	-	-	80,192
At 31 December 2001	<u>128,322</u>	-	-	<u>128,322</u>
AMOUNTS WRITTEN OFF				
At 1 January 2001 and 31 December 2001	<u>40,000</u>	-	-	<u>40,000</u>
NET BOOK VALUE				
At 31 December 2001	<u>770,228</u>	<u>78,538</u>	<u>76,340</u>	<u>925,106</u>
At 31 December 2000	<u>635,140</u>	<u>78,538</u>	<u>48,290</u>	<u>761,968</u>

UIB INTERNATIONAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
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7. INVESTMENTS *(continued)*

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

(i) Subsidiaries held by the company

Subsidiary	Country of Incorporation	Ordinary shares held	Nature of Business
UIB Insurance Brokers SA	Switzerland	100%	Insurance broker
UIB Asia Reinsurance Brokers Pte Limited	Singapore	90%	Reinsurance broker
United Insurance Brokers EC	Bahrain	75%	Insurance broker
UIB Korea Insurance Agent Co. Limited	Korea	100%	Insurance broker
UIB Labuan Limited	Labuan, Malaysia	100%	Insurance broker

The company also owns 100% of the preference shares of UIB Asia Reinsurance Brokers Pte Limited, shown above.

Subsidiary	Period	Aggregate Capital and Reserves	Retained Profit/ (Loss) for the period
UIB Insurance Brokers SA	12 months ended 31 December 2001 (Audited)	£79,160 (CHF 190,989)	£11,303 (CHF 27,271)
UIB Asia Reinsurance Brokers Pte Limited	12 months ended 31 December 2001 (Audited)	£126,756 (S\$ 339,745)	£46,515 (S\$ 122,520)
United Insurance Brokers EC - Bahrain	12 months ended 31 December 2001 (Unaudited)	£148,286 (US\$ 215,563)	£38,098 (US\$ 55,383)
UIB Korea Insurance Agent Co. Limited	12 months ended 31 December 2001 (Audited)	£(159,264) (WON (304,166,153))	£(81,636) (WON (155,909,816))
UIB Labuan Limited	12 months ended 31 December 2001 (Audited)	£(3,556) (RM (19,392))	£(59,294) (RM (323,392))

UIB INTERNATIONAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2001

7. INVESTMENTS *(continued)*

(ii) Associates held by the company

Associate	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)	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:

Associate	Period	Attributable Capital and Reserves	Attributable Retained Profit/ (Loss) for the period
International Broking SL	Year ended 31 December 2001 (Unaudited)	£12,636 (PTS 3,453,465)	£8,718 (PTS 2,382,617)
United Insurance Brokers (LLC) - Dubai	Year ended 31 December 2001 (Unaudited)	£74,248 (AED 395,001)	£1,850 (AED 9,843)

(iii) Trade investments held by the company

Trade Investment	Country of Incorporation	Ordinary shares held	Nature of Business
MACS-ECICS Insurance Brokers PTE Limited	Singapore	11.9%	Insurance broker
Yamato Reinsurance (Dublin) Limited	Ireland	10.7%	Reinsurance company
Lubeke & Co GmbH	Germany	15%	Insurance broker

UIB INTERNATIONAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2001

8. DEBTORS

	2001 £	2000 £
Amounts owed by group undertakings	112,573	71,272
Other debtors	205,875	-
	<u>318,448</u>	<u>71,272</u>

9. CREDITORS: Amounts falling due within one year

	2001 £	2000 £
Amounts owed to group undertakings	1,208,759	806,582
Accruals and deferred income	21,202	5,000
	<u>1,229,961</u>	<u>811,582</u>

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:

Company and Relationship	Nature of Transaction	2001 Transactions (to)/ from £	2001 Balances due (to)/ from £	2000 Transactions (to)/ from £	2000 Balances due (to)/ from £
UIB Holdings (UK) Limited (Holding Company)	Inter-group finance	-	(806,582)	(130,339)	(806,582)
UIB Asia Reinsurance Brokers Pte Limited (Associate)	Fixed Asset Loan	80,192	88,322	-	8,130
United Insurance Brokers EC Bahrain (Fellow Subsidiary)	Inter-group finance	-	50,993	-	50,993
UIB Korea Insurance Agent Co. Limited (Fellow Subsidiary)	Inter-group finance	-	23,578	23,578	23,578

UIB INTERNATIONAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
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10. RELATED PARTY TRANSACTIONS *(continued)*

Company and Relationship	Nature of Transaction	2001 Transactions (to)/ from £	2001 Balances due (to)/ from £	2000 Transactions (to)/ from £	2000 Balances due (to)/ from £
United Insurance Brokers Limited (Fellow Subsidiary)	Inter-group finance	(402,177)	(402,177)	-	-
UIB Labuan Limited (Fellow Subsidiary)	Inter-group finance	41,301	41,301	-	-

11. SHARE CAPITAL**Authorised share capital:**

	2001 £	2000 £
300,000 Ordinary shares of £1.00 each	<u>300,000</u>	<u>300,000</u>

Allotted, called up and fully paid:

	2001 £	2000 £
Ordinary share capital	<u>2</u>	<u>2</u>

12. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2001 £	2000 £
Loss for the financial year	(8,043)	(2,997)
Opening shareholders' equity funds	<u>22,823</u>	<u>25,820</u>
Closing shareholders' equity funds	<u>14,780</u>	<u>22,823</u>

13. POST BALANCE SHEET EVENTS

UIB International Limited acquired 100% of Svenska Industriforsakringar Holding AB (a company incorporated in Sweden) in April 2002.

14. ULTIMATE PARENT UNDERTAKING

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