

FOR
31 DECEMBER 2002

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COMPANIES HOUSE

UIB INTERNATIONAL LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2002

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UIB INTERNATIONAL LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31 DECEMBER 2002

The directors present their report and the financial statements of the company for the year ended 31 December 2002.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

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

During the year under review, UIB International Limited continued to expand as the company acquired substantial interests in both Sweden and Turkey. Further details of these acquisitions can be found in the notes to these accounts.

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:

MJ Davison
BS Kabban
GJ Kabban
MG Kabban
S Newton
PAC Tuite-Dalton
AR Woods
MG Randall
T Wakeman

(Appointed 3 December 2002)
(Resigned 29 July 2002)

The directors set out above have held office from 1 January 2002 to the date of this report unless otherwise stated. As at 31 December 2002, none of the directors held beneficial interests in the £1 ordinary shares of the company.

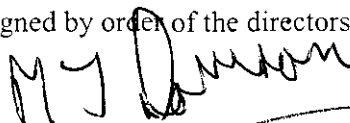
Messrs MJ Davison, BS Kabban, GJ Kabban and MG Kabban are also directors of the ultimate holding company, UIB Holdings (UK) Limited. Their beneficial interests in the £1 ordinary shares of the holding company are shown in that company's accounts.

AUDITORS

A resolution to re-appoint Mazars 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 9 May 2003

UIB INTERNATIONAL LIMITED

Statement of directors' responsibilities

YEAR ENDED 31 DECEMBER 2002

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; 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF UIB INTERNATIONAL LIMITED

We have audited the financial statements for the year ended 31 December 2002 which comprise the Profit and Loss Account, the Balance Sheet and related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described in the Statement of Directors' Responsibilities, the company's directors are responsible for the preparation of 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 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 Directors' Report and consider the implications for our report if we become aware of any apparent misstatement within it.

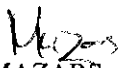
BASIS OF AUDIT OPINION

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 2002 and of its Loss for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.


MAZARS
Chartered Accountants
and Registered Auditors
24 Bevis Marks
London
EC3A 7NR

24 July 2003

UIB INTERNATIONAL LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 DECEMBER 2002

	Note	2002 £	2001 £
TURNOVER		—	—
Administrative expenses		(306,183)	(8,066)
Other operating income	2	—	23
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	3	(306,183)	(8,043)
Tax on loss on ordinary activities	5	—	—
LOSS FOR THE FINANCIAL YEAR		(306,183)	(8,043)
Balance brought forward		14,778	22,821
Balance carried forward		<u>(291,405)</u>	<u>14,778</u>

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 classed as continuing.

UIB INTERNATIONAL LIMITED

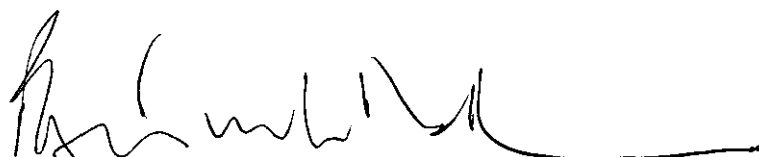
BALANCE SHEET

YEAR ENDED 31 DECEMBER 2002

	Note	2002 £	2001 £
FIXED ASSETS			
Investments	6	1,404,764	925,106
CURRENT ASSETS			
Debtors	7	196,747	318,448
Cash at bank		<u>1,121</u>	<u>1,187</u>
		197,868	319,635
CREDITORS: Amounts falling due within one year	8	<u>(1,669,035)</u>	<u>(1,229,961)</u>
NET CURRENT LIABILITIES		<u>(1,471,167)</u>	<u>(910,326)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(66,403)</u>	<u>14,780</u>
PROVISIONS FOR LIABILITIES AND CHARGES	9	<u>(225,000)</u>	<u>—</u>
		<u>(291,403)</u>	<u>14,780</u>
CAPITAL AND RESERVES			
Called-up equity share capital	11	2	2
Profit and Loss Account		<u>(291,405)</u>	<u>14,778</u>
(DEFICIENCY)/SHAREHOLDERS' FUNDS	12	<u>(291,403)</u>	<u>14,780</u>

These financial statements were approved by the directors on 9 May 2003 and are signed on their behalf by:

PAC TUIE-DALTON
Director



UIB INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2002

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

	2002 £	2001 £
Interest receivable	—	4
Profit on exchange	—	19
	<u>—</u>	<u>23</u>

3. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

Loss on ordinary activities before taxation is stated after charging:

	2002 £	2001 £
Directors' emoluments	—	—
Auditors' remuneration		
- as auditors	8,125	8,066
Provision for exceptional legal and professional fees in subsidiary undertaking (see note 9)	225,000	—
Exchange losses	<u>66</u>	<u>—</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

31 DECEMBER 2002

5. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2002 £	2001 £
(a) Analysis of charge in period		
UK Corporation tax on profits of the period	-	-
Adjustments in respect of prior periods	-	-
Current tax charge for period (see (b) below)	-	-
(b) Factors affecting tax charge for the period	2002 £	2001 £
The tax assessment for the period is different from the standard rate of corporation tax in the UK (30%). The differences are explained below:		
(Loss) on ordinary activities before tax	(306,183)	(8,043)
(Loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2001: 30%)	(91,855)	(2,413)
Effect of expenses not deductible for tax purposes	89,393	-
Group relief surrendered	2,462	2,413
Current tax charge for period (see (a) above)	-	-

6. INVESTMENTS

	Subsidiary Companies £	Associated Companies £	Trade Investments £	Total £
COST				
At 1 January 2002	748,484	78,538	76,340	903,362
Additions	168,848	313,756	353	482,957
Disposals	(3,299)	-	-	(3,299)
At 31 December 2002	<u>914,033</u>	<u>392,294</u>	<u>76,693</u>	<u>1,383,020</u>
AMOUNTS WRITTEN OFF				
At 1 January 2002 and 31 December 2002	<u>66,578</u>	-	-	<u>66,578</u>
LOANS				
At 1 January 2002	128,322	-	-	128,322
Advanced in year	-	-	-	-
At 31 December 2002	<u>128,322</u>	-	-	<u>128,322</u>
AMOUNTS WRITTEN OFF				
At 1 January 2002 and 31 December 2002	<u>40,000</u>	-	-	<u>40,000</u>
NET BOOK VALUE				
At 31 December 2002	<u>935,777</u>	<u>392,294</u>	<u>76,693</u>	<u>1,404,764</u>
At 31 December 2001	<u>770,228</u>	<u>78,538</u>	<u>76,340</u>	<u>925,106</u>

UIB INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2002

6. INVESTMENTS *(continued)*

Two further amounts of US\$150,000 each will become payable in respect of the company's investment in IBS Sigorta during 2003 and 2004 respectively. In accordance with FRS7, these amounts have been included in the cost of the investment shown above.

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	Bahrain	75%	Insurance broker
UIB Korea Insurance Agent Co. Limited	Korea	100%	Insurance broker
UIB Insurance Brokers Company Limited	Korea	100%	Insurance broker
UIB Labuan Limited	Labuan, Malaysia	100%	Insurance broker
UIB Nordic Holdings	Sweden	100%	Holding company
UIB Nordic AB	Sweden	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 2002 (Audited)	£142,993 (CHF 320,204)	£57,703 (CHF 129,215)
UIB Asia Reinsurance Brokers Pte Limited	12 months ended 31 December 2002 (Audited)	£150,363 (S\$ 418,294)	£28,236 (S\$ 78,549)
United Insurance Brokers EC - Bahrain	12 months ended 31 December 2002 (Unaudited)	£189,584 (US\$ 305,192)	£25,068 (US\$ 40,354)

UIB INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2002

6. INVESTMENTS *(continued)*

Subsidiary	Period	Aggregate Capital and Reserves	Retained Profit/(Loss) for the period
UIB Korea Insurance Agent Co. Limited	12 months ended 31 December 2002 (Unaudited)	£1,062 (WON 2,037,965)	£159,275 (WON 305,533,555)
UIB Insurance Brokers Company Limited	12 months ended 31 December 2002 (Unaudited)	£31,498 (WON 60,421,332)	£5,433 (WON 10,421,332)
UIB Labuan Limited	12 months ended 31 December 2002 (Audited)	£(69,128) (RM(420,708))	£(65,942) (RM(401,316))
UIB Nordic Holdings	12 months ended 31 December 2002 (Audited)	£50,711 (SEK 715,965)	£(7,113) (SEK (100,423))
UIB Nordic AB	12 months ended 31 December 2002 (Audited)	£2,534,610 (SEK 35,785,148)	£(8,714) (SEK (123,024))

(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
IBS Sigorta Brokerlik Hizm.	Turkey	40%	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 2002 (Unaudited)	£(8,555) (EURO (13,124))	£9,671 (EURO 14,837)
United Insurance Brokers (LLC) - Dubai	Year ended 31 December 2002 (Unaudited)	£55,298 (AED 326,278)	£(11,647) (AED (68,723))
IBS Sigorta Brokerlik Hizm.	Year ended 31 December 2002 (Audited)	£315,597 (US\$ 508,048)	£61,913 (US\$ 99,668)

UIB INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2002

6. INVESTMENTS *(continued)*

(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
Lubcke & Co. GmbH	Germany	15%	Insurance broker

7. DEBTORS: Amounts falling due within one year

	2002	2001
	£	£
Amounts owed by group undertakings	115,872	112,573
Other debtors	80,875	205,875
	<u>196,747</u>	<u>318,448</u>

8. CREDITORS: Amounts falling due within one year

	2002	2001
	£	£
Amounts owed to group undertakings	1,474,526	1,208,759
Other creditors	186,359	-
Accruals and deferred income	8,150	21,202
	<u>1,669,035</u>	<u>1,229,961</u>

9. PROVISIONS FOR LIABILITIES AND CHARGES

	2002
	£
At 1 January 2002	-
Movement in year	225,000
At 31 December 2002	<u>225,000</u>

The above provision relates to legal and professional fees arising from claims liabilities outstanding in UIB Nordic AB, a subsidiary undertaking.

UIB INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2002

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	2002 Transactions (to)/ from £	2002 Balances due (to)/ from £	2001 Transactions (to)/ from £	2001 Balances due (to)/ from £
UIB Holdings (UK) Limited (Holding Company)	Inter-group finance	-	(806,582)	-	(806,582)
UIB Asia Reinsurance Brokers Pte Limited (Fellow subsidiary)	Fixed Asset Loan	-	88,322	80,192	88,322
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
United Insurance Brokers Limited (Fellow subsidiary)	Inter-group finance	(265,782)	(667,944)	(402,177)	(402,177)
UIB Labuan Limited (Fellow subsidiary)	Inter-group finance	-	41,301	41,301	41,301

UIB INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2002

11. SHARE CAPITAL

Authorised share capital:

	2002 £	2001 £
300,000 Ordinary shares of £1 each	<u>300,000</u>	<u>300,000</u>

Allotted, called up and fully paid:

	2002 £	2001 £
Ordinary share capital	<u>2</u>	<u>2</u>

12. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2002 £	2001 £
Loss for the financial year	(306,183)	(8,043)
Opening shareholders' equity funds	<u>14,780</u>	<u>22,823</u>
Closing shareholders' equity (deficit)/funds	<u>(291,403)</u>	<u>14,780</u>

13. POST BALANCE SHEET EVENTS

In October 2002, UIB International Limited began liquidation of its 100% owned subsidiary company, UIB Korea Insurance Agent Co. Limited, and replaced it with a newly-incorporated company, UIB Insurance Brokers Company Limited. It is expected that this new company will take over all existing Korean operations from 2003.

In January 2003, UIB Labuan Limited, a subsidiary in Malaysia, was also liquidated.

In addition to the above, it is anticipated that UIB International Limited's trade investment, Yamato Reinsurance (Dublin) Limited, will be liquidated by its ultimate parent company, Japan Energy, sometime in 2003.

14. ULTIMATE PARENT UNDERTAKING

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