

COMPANY REGISTRATION NUMBER 02505995

UIB INTERNATIONAL LIMITED
FINANCIAL STATEMENTS
FOR
31 DECEMBER 2004



UIB INTERNATIONAL LIMITED

OFFICERS AND PROFESSIONAL ADVISORS

The board of directors

K Jabri
BS Kabban
GJ Kabban
MG Kabban
PB Mitchell
S Newton
MG Randall
PAC Tuite-Dalton
AR Woods

Company secretary

PM Sinfield

Registered office

69 Mansell Street
London
E1 8AN

Auditors

Littlejohn Frazer
Chartered Accountants
and Registered Auditors
1 Park Place
Canary Wharf
London
E14 4HJ

Bankers

British Arab Commercial Bank Limited
8-10 Mansion House Place
London
EC4N 8BJ

UIB INTERNATIONAL LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2004

CONTENTS	PAGE
The directors' report	1
Statement of directors' responsibilities	2
Independent auditors' report to the shareholders	3
Profit and loss account	5
Balance sheet	6
Notes to the financial statements	7
The following pages do not form part of the financial statements	
Detailed profit and loss account	15
Notes to the detailed profit and loss account	16

UIB INTERNATIONAL LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31 DECEMBER 2004

The directors present their report and the financial statements of the company for the year ended 31 December 2004.

PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS

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:

MJ Davison	(Resigned 10 January 2005)
K Jabri	
BS Kabban	
GJ Kabban	
MG Kabban	
PB Mitchell	
S Newton	
MG Randall	
PAC Tuite-Dalton	
AR Woods	

The directors set out above have held office from 1 January 2004 to the date of this report unless otherwise stated.

According to the register of directors' interests, none of the directors holding office on 31 December 2004 held beneficial interests in the £1 ordinary shares of the company. The beneficial interests of the directors holding office on 31 December 2004, in the share capital of the holding company, UIB Holdings (UK) Limited, are shown in the accounts of that company.

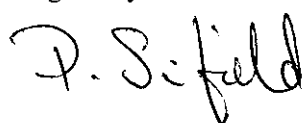
AUDITORS

Following the resignation of the company's auditors, Mazars, in September 2004, the directors appointed Littlejohn Frazer as auditors to fill the vacancy thus created.

A resolution to re-appoint Littlejohn Frazer 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



PM Sinfield
Company Secretary

Approved by the directors on 13 May 2005

UIB INTERNATIONAL LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

YEAR ENDED 31 DECEMBER 2004

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 7, 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.

UIB INTERNATIONAL LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS

We have audited the Financial Statements of UIB International Limited for the year ended 31 December 2004 which comprise the Profit and Loss Account, the Balance Sheet and related notes on pages 5 to 13. 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 shareholders, 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 shareholders 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The Directors' responsibilities for preparing the Annual Report and the Financial Statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities.

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 other information contained in the Annual Report and consider whether it is consistent with the audited Financial Statements. This other information comprises only the Directors' Report. 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.

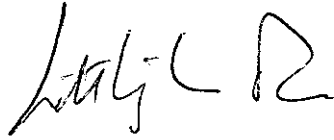
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Financial Statements are free from material misstatement, whether caused by fraud or other irregularity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

UIB INTERNATIONAL LIMITED

INDEPENDENT AUDITORS' REPORT TO MEMBERS *(continued)*

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 2004 and of its loss for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.



LITTLEJOHN FRAZER
Chartered Accountants
& Registered Auditors
1 Park Place
Canary Wharf
London
E14 4HJ

13 May 2005

UIB INTERNATIONAL LIMITED**PROFIT AND LOSS ACCOUNT****YEAR ENDED 31 DECEMBER 2004**

	Note	2004 £	2003 £
TURNOVER		—	—
Administrative expenses		(89,168)	42,101
Other operating income	2	1,303	1,355
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(87,865)	43,456
Tax on (loss)/profit on ordinary activities	5	(26,153)	28,352
RETAINED (LOSS)/ PROFIT FOR THE FINANCIAL YEAR		(61,712)	15,104
Balance brought forward		(276,301)	(291,405)
Balance carried forward		<u>(338,013)</u>	<u>(276,301)</u>

All of the activities of the company are classed as continuing.

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

The notes on pages 7 to 13 form part of these financial statements.

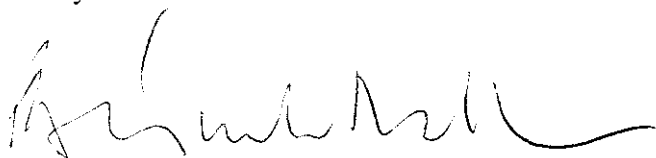
UIB INTERNATIONAL LIMITED

BALANCE SHEET

31 DECEMBER 2004

	Note	2004 £	2003 £
FIXED ASSETS			
Investments	6	913,338	812,958
CURRENT ASSETS			
Debtors	7	82,294	158,544
Cash at bank		36,238	32,729
		118,532	191,273
CREDITORS: Amounts falling due within one year	8	(1,369,881)	(1,280,530)
NET CURRENT LIABILITIES		(1,251,349)	(1,089,257)
TOTAL ASSETS LESS CURRENT LIABILITIES		(338,011)	(276,299)
CAPITAL AND RESERVES			
Called-up equity share capital	9	2	2
Profit and loss account		(338,013)	(276,301)
DEFICIENCY	10	(338,011)	(276,299)

These financial statements were approved by the directors on 13 May 2005 and are signed on their behalf by:



PAC TUITE-DALTON
Director

The notes on pages 7 to 13 form part of these financial statements.

UIB INTERNATIONAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2004

1. ACCOUNTING POLICIES

Basis of accounting

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

Group accounts are not presented as the company is a wholly-owned subsidiary of another company incorporated in the United Kingdom, which itself prepares group accounts.

The company has used the exemption provided in Financial Reporting Standard No. 1 ("Cashflow Statements") not to prepare a cashflow statement as it is a wholly-owned subsidiary of another company which prepares a consolidated cashflow statement. The consolidated financial statements are available from the registered office of the ultimate parent company.

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

	2004	2003
	£	£
Interest receivable	<u>1,303</u>	<u>1,355</u>

UIB INTERNATIONAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2004

3. (LOSS)/ PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

(Loss)/profit on ordinary activities before taxation is stated after charging:

	2004 £	2003 £
Loss on disposal of fixed asset investments	—	38,072
(Release) of provision against investments	—	(79,374)
Auditors' remuneration - as auditors	10,770	10,100
(Release)/ Provision for exceptional legal and professional fees in subsidiary undertaking	—	(184,500)
Exchange losses	<u>19,249</u>	<u>2,109</u>

4. PARTICULARS OF EMPLOYEES

No salaries or wages have been paid to employees, including the directors, during the year (2003 - £Nil).

5. TAXATION ON PROFIT ON ORDINARY ACTIVITIES

	2004 £	2003 £
(a) Analysis of charge in period		
UK Corporation tax on profits of the period	—	28,352
Group relief (receivable)	<u>(26,153)</u>	<u>—</u>
Current tax charge for period (see (b) below)	<u>(26,153)</u>	<u>28,352</u>

(b) Factors affecting tax charge for the period

	2003 £	2002 £
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)/ profit on ordinary activities before tax	<u>(87,865)</u>	<u>43,456</u>
(Loss)/ profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2003: 30%)	<u>(26,359)</u>	13,036
Effect of expenses not deductible for tax purposes	—	16,076
Rate differences	—	(318)
Group relief surrendered	26,153	—
(Receipt) for group relief	<u>(26,153)</u>	—
Short term timing differences	206	—
(Utilisation) of tax losses	—	(442)
Current tax charge for period (see (a) above)	<u>(26,153)</u>	<u>28,352</u>

UIB INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2004

6. INVESTMENTS

	Subsidiary Companies	Associated Companies	Trade Investments	Total
	£	£	£	£
COST				
At 1 January 2004	935,113	392,294	60,672	1,388,079
Additions	118,289	-	-	118,289
Disposals	-	-	-	-
At 31 December 2004	<u>1,053,402</u>	<u>392,294</u>	<u>60,672</u>	<u>1,506,368</u>
AMOUNTS PROVIDED AGAINST INVESTMENTS				
At 1 January 2004	524,995	128,438	10,010	663,443
Provided for in year	-	-	-	-
At 31 December 2004	<u>524,995</u>	<u>128,438</u>	<u>10,010</u>	<u>663,443</u>
LOANS				
At 1 January 2004	128,322	-	-	128,322
Exchange Differences	(17,909)	-	-	(17,909)
At 31 December 2004	<u>110,413</u>	<u>-</u>	<u>-</u>	<u>110,413</u>
AMOUNTS PROVIDED AGAINST LOANS				
At 1 January 2004 and 31 December 2004	<u>40,000</u>	<u>-</u>	<u>-</u>	<u>40,000</u>
NET BOOK VALUE				
At 31 December 2004	<u>598,820</u>	<u>263,856</u>	<u>50,662</u>	<u>913,338</u>
At 31 December 2003	<u>498,440</u>	<u>263,856</u>	<u>50,662</u>	<u>812,958</u>

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

UIB INTERNATIONAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2004

6. INVESTMENTS *(continued)*

(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	99%	Insurance broker
UIB Insurance Brokers Company Limited	Korea	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.

(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	48.998%	Insurance broker
IBS Sigorta Brokerlik Hizm.	Turkey	40%	Insurance broker

UIB INTERNATIONAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2004

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
Luebecke & Co. GmbH	Germany	15%	Insurance broker

7. DEBTORS: Amounts falling due within one year

	2004 £	2003 £
Amounts owed by group undertakings	41,997	100,209
Corporation tax	26,153	-
Other debtors	14,144	40,881
Prepayments and accrued income	-	17,454
	<u>82,294</u>	<u>158,544</u>

8. CREDITORS: Amounts falling due within one year

	2004 £	2003 £
Amounts owed to group undertakings	1,360,936	1,147,168
Corporation tax	-	28,352
Other creditors	-	94,968
Accruals and deferred income	8,945	10,042
	<u>1,369,881</u>	<u>1,280,530</u>

UIB INTERNATIONAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2004

9. SHARE CAPITAL

Authorised share capital:

	2004 £	2003 £
300,000 Ordinary shares of £1 each	<u>300,000</u>	<u>300,000</u>

Allotted, called up and fully paid:

	2004 No	£	2003 No	£
Ordinary shares of £1 each	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>

10. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2004 £	2003 £
(Loss)/Profit for the financial year	(61,712)	15,104
Opening shareholders' equity deficit	<u>(276,299)</u>	<u>(291,403)</u>
Closing shareholders' equity deficit	<u>(338,011)</u>	<u>(276,299)</u>

11. ULTIMATE PARENT UNDERTAKING

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

Consolidated financial statements are available from the registered office of the company at 69 Mansell Street, London, E1 8AN.

UIB INTERNATIONAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2004

12. RELATED PARTIES

The company has taken advantage of exemptions under Financial Reporting Standard No. 8 as the company is a wholly-owned subsidiary of UIB Holdings (UK) Limited. Transactions with entities that are part of the group are consolidated in that company's financial statements. These are available from the registered office of the ultimate parent company.