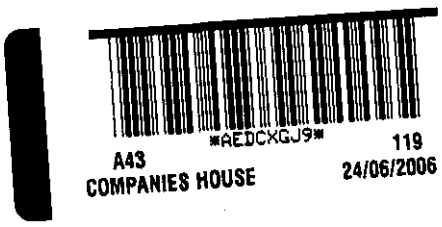
COMPANY REGISTRATION NUMBER 02505995

UIB INTERNATIONAL LIMITED

FINANCIAL STATEMENTS

FOR

31 DECEMBER 2005



UIB INTERNATIONAL LIMITED

OFFICERS AND PROFESSIONAL ADVISORS

The board of directors	CD Bishop K Jabri BS Kabban GJ Kabban MG Kabban SJ Newton BA Small DP Trezies PAC Tuite-Dalton AR Woods
Company secretary	PM Sinfield
Registered office	69 Mansell Street London E1 8AN
Auditors	CLB 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 2005

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 2005

The directors present their report and the financial statements of the company for the year ended 31 December 2005.

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 the payment of a dividend (2004 - £Nil)

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

CD Bishop	**(Appointed 15 March 2006)**
K Jabri	
BS Kabban	
GJ Kabban	
MG Kabban	
PB Mitchell	**(Resigned 23 August 2005)**
SJ Newton	
MG Randall	**(Resigned 21 January 2006)**
BA Small	**(Appointed 17 March 2006)**
DP Trezies	**(Appointed 5 September 2005)**
PAC Tuite-Dalton	
AR Woods	

The directors set out above have held office from 1 January 2005 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 2005 held beneficial interests in the £1 ordinary shares of the company. The beneficial interests of the directors holding office on 31 December 2005, in the share capital of the holding company, UIB Holdings (UK) Limited, are shown in the financial statements of that company.

AUDITORS
On 1 June 2005, our auditors, Littlejohn Frazer, changed their name to CLB Littlejohn Frazer. In accordance with section 386 of the Companies Act 1985, the company has passed an elective resolution to retain CLB Littlejohn Frazer as auditors without the need for annual re-election. CLB Littlejohn Frazer has indicated its willingness to continue in office.

Registered office:
69 Mansell Street
London
E1 8AN

Signed by order of the directors

PM Sinfield
Company Secretary

Approved by the directors on 20 June 2006

UIB INTERNATIONAL LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

YEAR ENDED 31 DECEMBER 2005

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.

The directors are responsible for ensuring that the Directors' Report is prepared in accordance with company law in the United Kingdom.

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 2005 which comprise the Profit and Loss Account, the Balance Sheet, the accounting policies and the related notes 1 to 15. These Financial Statements have been prepared under 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

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 (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the Financial Statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 misstatements within it.

BASIS OF AUDIT OPINION

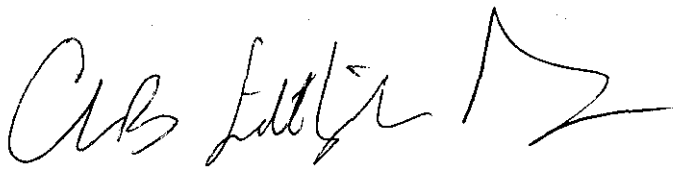
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the Financial Statements. It also includes an assessment of the 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.

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS *(continued)*

OPINION

In our opinion the Financial Statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2005 and of its loss for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.



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

20 June 2006

UIB INTERNATIONAL LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 DECEMBER 2005

	Note	2005 £	2004 £
TURNOVER		–	–
Administrative expenses		**(322,217)**	(89,168)
Other operating income	**2**	**5,730**	1,303
(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		**(316,487)**	(87,865)
Tax on loss on ordinary activities	**5**	**(102,717)**	(26,153)
RETAINED (LOSS) FOR THE FINANCIAL YEAR	**10**	**(213,770)**	(61,712)

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 2005

	Note	2005 £	£	2004 £
FIXED ASSETS				
Investments	6		920,021	913,338
CURRENT ASSETS				
Debtors	7	60,111		82,294
Cash at bank		38,866		36,238
		98,977		118,532
CREDITORS: Amounts falling due within one year	8	(1,570,779)		(1,369,881)
NET CURRENT (LIABILITIES)			(1,471,802)	(1,251,349)
TOTAL ASSETS LESS CURRENT LIABILITIES			(551,781)	(338,011)
CAPITAL AND RESERVES				
Called-up equity share capital	9		2	2
Profit and loss account	10		(551,783)	(338,013)
SHAREHOLDERS' FUNDS	11		(551,781)	(338,011)

These financial statements were approved by the directors on 20 June 2006 and are signed on their behalf by:

DP TREZIES
Director

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

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

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 group cashflow statement. The group 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

Up to 2004, dividends from investments were recognised in the period to which they related. In accordance with Financial Reporting Standards No. 21 and No. 25, which are applicable for the first time to these Financial Statements, the policy for recognising dividends has changed so that dividends are recognised in the period in which they are received. The comparative figures for 2004 have been restated to show a consistent treatment.

For 2005, there is no effect of this change of accounting policy on either shareholders' funds or results for the year (2004 - £Nil).

2. OTHER OPERATING INCOME

	2005	2004
	£	£
Interest receivable	1,872	1,303
Income from investments	3,858	–
	5,730	1,303

3. (LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION

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

	2005 £	2004 £
Auditors' remuneration - audit fees	9,410	7,945
- tax fees	3,125	2,825
Exchange (profit)/ loss	(13,642)	19,249

4. PARTICULARS OF EMPLOYEES

The aggregate payroll costs of the above were:

	2005 £	2004 £
Wages and salaries	220,567	-
Social security costs	3,233	-
	223,800	-

5. TAXATION ON (LOSS) ON ORDINARY ACTIVITIES

	2005 £	2004 £
(a) Analysis of charge in year		
UK Corporation tax on profits of the year	-	-
Group relief (receivable)	(89,083)	(26,153)
Adjustments in respect of prior years	(13,634)	-
Current tax charge for year (see (b) below)	(102,717)	(26,153)

(b) Factors affecting tax charge for the year	2005 £	2004 £
The tax assessment for the year is different from the standard rate of corporation tax in the UK (30%). The differences are explained below:		
(Loss) on ordinary activities before tax	(316,487)	(87,865)
(Loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2004: 30%)	(94,946)	(26,359)
Effect of expenses not deductible for tax purposes	7,742	-
Amounts charged directly to STRGL or otherwise transferred	528	-
Group relief surrendered	86,883	26,153
(Receipt) for group relief	(89,083)	(26,153)
Short term timing differences	(207)	206
Adjustments to tax charge in respect of prior years	(13,634)	-
Current tax charge for year (see (a) above)	(102,717)	(26,153)

6. INVESTMENTS

	Subsidiary Companies	Associated Companies	Trade Investments	Total
	£	£	£	£
COST				
At 1 January 2005 and 31 December 2005	1,053,402	392,294	60,672	1,506,368
AMOUNTS PROVIDED AGAINST INVESTMENTS				
At 1 January 2005 and 31 December 2005	524,995	128,438	10,010	663,443
LOANS				
At 1 January 2005	110,413	-	-	110,413
Exchange Differences	6,683	-	-	6,683
At 31 December 2005	117,096	-	-	117,096
AMOUNTS PROVIDED AGAINST LOANS				
At 1 January 2005 and 31 December 2005	40,000	-	-	40,000
NET BOOK VALUE				
At 31 December 2005	605,503	263,856	50,662	920,021
At 31 December 2004	598,820	263,856	50,662	913,338

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

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 broking
UIB Asia Reinsurance Brokers Pte Limited	Singapore	90%	Reinsurance broking
United Insurance Brokers EC - Bahrain	Bahrain	99%	Insurance broking
UIB Insurance Brokers Company Limited	Korea	100%	Insurance broking
UIB Nordic Holdings	Sweden	100%	Holding company
UIB Nordic AB (Held by a subsidiary)	Sweden	100%	Insurance broking

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 broking
United Insurance Brokers (LLC) - Dubai (Held by a subsidiary)	UAE	48.998%	Insurance broking
IBS Sigorta Brokerlik Hizm.	Turkey	40%	Insurance broking

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 broking
Luebcke & Co. GmbH	Germany	15%	Insurance broking

7. DEBTORS: Amounts falling due within one year

	2005	2004
	£	£
Amounts owed by group undertakings	46,732	41,997
Corporation tax repayable	529	26,154
Other taxation	12,850	14,143
	60,111	82,294

8. CREDITORS: Amounts falling due within one year

	2005	2004
	£	£
Amounts owed to group undertakings	1,561,479	1,360,936
Accruals and deferred income	9,300	8,945
	1,570,779	1,369,881

9. SHARE CAPITAL

Authorised share capital:

	2005 £	2004 £
300,000 Ordinary shares of £1 each	**300,000**	300,000

Allotted, called up and fully paid:

	2005 No	2005 £	2004 No	2004 £
Ordinary shares of £1 each	**2**	**2**	2	2

10. PROFIT AND LOSS ACCOUNT

	2005 £	2004 £
Balance at 1 January 2005	**(338,013)**	(276,301)
Retained (loss) for the year	**(213,770)**	(61,712)
Balance at 31 December 2005	**(551,783)**	(338,013)

11. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2005 £	2004 £
(Loss) for the financial year	**(213,770)**	(61,712)
Opening shareholders' equity funds	**(338,011)**	(276,299)
Closing shareholders' equity funds	**(551,781)**	(338,011)

12. ULTIMATE PARENT COMPANY

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

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

13. 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.

14. GUARANTEES

The company has provided two guarantees to a wholly-owned subsidiary, UIB Nordic AB. These amount to £73,191 in respect of a bank overdraft facility and £26,715 required by the Icelandic Authorities in respect of broker liabilities in Iceland where that company is licensed.

15. FINANCIAL COMMITMENT FROM ULTIMATE PARENT COMPANY

The ultimate parent company, UIB Holdings (UK) Limited, has provided the company with a financial commitment whereby it has agreed to ensure that the company has sufficient financial resources to honour its contractual commitments entered into in accordance with the group's standard terms of business. Such commitments will not extend to any liabilities of the company which have been incurred other than in the ordinary course of business and/ or as a result of negligence or other default of the company or its directors.

The commitment shall be subject to review and cancellation at any time by the ultimate parent company and shall be subject to such limits and other requirements as made from time to time by the ultimate parent company.