

Jardine Lloyd Thompson UK Limited

**Annual report
for the year ended 31 December 2005**

Registration Number: 115332



Jardine Lloyd Thompson UK Limited

Annual report for the year ended 31 December 2005

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Jardine Lloyd Thompson UK Limited

Directors' report for the year ended 31 December 2005

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

Principal activities, review of the business and future developments

The company acted as a service company for subsidiary companies within the Jardine Lloyd Thompson UK Holdings group and is expected to do so in the foreseeable future.

Results and dividends

The retained profit for the financial year is £3,978,000 (2004: £1,571,000 loss). This result is after dividend payments to Jardine Lloyd Thompson UK Holdings Limited of 2004 final dividend of £6,000,000 at £0.60 per £1 share and 2005 interim dividend of £5,000,000 at £0.50 per £1 share (2004: nil). The result before payment of this dividend is therefore a profit of £14,978,000 (2004: £1,571,000 loss). The directors have decided not to declare any further dividends (2004: £nil).

Donations

During the year the company made charitable donations totalling £27,846 (2004: £16,567).

No donations were made for political purposes.

Directors and their interests

The directors who held office during the year and up to the date of signing these financial statements are given below:

J P Hastings-Bass	(resigned 20 th January 2005)
M T Brown	
D J Burke	(resigned 18 th January 2006)
A B Girling	
P E Goodings	
D Howorth	
D L Jones	(resigned 31 st January 2005)
P M Redhead	
W J N Nabarro	(appointed 19 th May 2005)

There being no provision in the company's Articles of Association for the retirement of directors by rotation, the remaining directors will continue in office.

Directors' interests are disclosed on page 18.

Jardine Lloyd Thompson UK Limited

Directors' report for the year ended 31 December 2005 (*continued*)

Employees

The staff are kept informed of corporate developments, both locally and throughout Jardine Lloyd Thompson Group plc by electronic bulletin boards and information circulars.

The company also has an informal mechanism that allows all staff to have a forum for discussing corporate matters and issues of mutual concern with their immediate managers. All staff are encouraged to raise matters regarding the company's strategic plans and performance.

Applications for employment by disabled people are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the company continues and the appropriate training is arranged. It is the policy of the company that the training, career development and promotion of a disabled person should, as far as possible, be identical to that of a person who does not suffer from a disability.

Financial Risk Management

Jardine Lloyd Thompson Group plc has in place a risk management programme and policies that seek to limit the adverse impact upon the group and its subsidiaries by the use of financial instruments, including debt, to fix currency and interest rates. The nature of the company's operations as a service company for other Jardine Lloyd Thompson UK group entities exposes it to liquidity risk.

The Jardine Lloyd Thompson Group plc treasury policies are approved by the Company's Board and are implemented through the Group's central treasury function and the Company's finance department. *These bodies operate within a framework of policies and procedures that establish guidelines to manage currency risk, liquidity risk and interest rate risk and the use of counter-parties and financial instruments to manage these.* The Jardine Lloyd Thompson Group plc treasury department and the Company's finance department are subject to regular internal and external audit review.

Liquidity Risk

Jardine Lloyd Thompson Group plc maintains a combination of short-term uncommitted facilities and long-term uncommitted facilities to ensure that it has adequate funds available to finance individual subsidiaries and the Group's overall growth.

Policy and practices on payment of creditors

The Company agrees payment terms with suppliers when it enters into contracts for the purchase of goods or services and seeks to abide by those terms when it is satisfied that the supplier has provided the goods or services in accordance with the agreed terms and conditions. The company does not have a standard code that deals specifically with the payment of suppliers.

The Company had 6.7 days purchases outstanding at 31 December 2005 based on the average daily amount invoiced by suppliers (2004: 27.1 days).

Jardine Lloyd Thompson UK Limited

Directors' report for the year ended 31 December 2005 (*continued*)

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial period that give a true and fair view of the state of affairs of the company and of the profit or loss for that period. The directors are required to prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors confirm that suitable accounting policies have been used and applied consistently with the exception of the changes arising on the adoption of new accounting standards in the period as explained under 'Accounting policies'. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the period ended 31 December 2005 and that applicable accounting standards have been followed.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and 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.

Auditors

Messrs PricewaterhouseCoopers LLP have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

By order of the board



P E Goodings
Director

27th September 2006

Jardine Lloyd Thompson UK Limited

Independent Auditors' report to the members of Jardine Lloyd Thompson UK Limited

We have audited the financial statements of Jardine Lloyd Thompson UK Ltd for the year ended 31 December 2005 which comprise the profit and loss account, the balance sheet, statement of total recognised gains and losses and the related notes. These financial statements have been prepared under the accounting policies set out therein.

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 (UK GAAP).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 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). 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.

Jardine Lloyd Thompson UK Limited

Independent Auditors' report to the members of Jardine Lloyd Thompson UK Limited

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 profit for the year then ended; and
- have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
London

27th September 2006

Jardine Lloyd Thompson UK Limited

Profit and loss account for the year ended 31 December 2005

	Note	Year ended 31 December 2005 £000	Restated Year ended 31 December 2004 £000
Turnover and gross profit			
Continuing operations	3	5,696	8,602
		<u>5,696</u>	<u>8,602</u>
Staff costs	5	(3,335)	(5,238)
Depreciation	5	(1,553)	(1,413)
Other operating charges (excluding exceptional items)		(909)	(1,977)
Operating exceptional items	5	(6,624)	(3,488)
		<u>(12,421)</u>	<u>(12,116)</u>
Operating loss – continuing operations		(6,725)	(3,514)
Income from shares in Group undertakings		20,000	-
		<u>13,275</u>	<u>(3,514)</u>
Profit/(loss) on ordinary activities before interest and taxation			
Interest receivable		2,308	1,996
Interest payable	4	(659)	(35)
		<u>14,924</u>	<u>(1,553)</u>
Profit/(loss) on ordinary activities before taxation			
Taxation on profit on ordinary activities	6	54	(18)
		<u>14,978</u>	<u>(1,571)</u>
Profit/(loss) for the financial year			
Dividends – including non-equity	7	(11,000)	-
		<u>3,978</u>	<u>(1,571)</u>
Retained profit/(loss) for the financial year	15		

There is no difference between the profit/(loss) on ordinary activities before taxation and the retained profit/(loss) for the period stated above and their historical cost equivalents.

The notes on pages 9 to 20 form an integral part of these financial statements.

Jardine Lloyd Thompson UK Limited

Profit and loss account for the year ended 31 December 2005

Statement of Recognised Gains and Losses

	Year ended 31 December 2005 £'000	Year ended 31 December 2004 (Re-stated) £'000
Profit / (loss) for the financial year	14,978	(1,571)
Total recognised gains / (losses) for the financial year	14,978	(1,571)
Prior year adjustment - FRS 20	13	-
Total Gains / (Loss) recognised since last report	14,991	-

The notes on pages 9 to 20 form an integral part of these financial statements.

Jardine Lloyd Thompson UK Limited

Balance Sheet as at 31 December 2005

		31 December 2005	Restated 31 December 2004
	Note	£'000	£'000
Fixed assets			
Tangible assets	8	4,117	4,142
Investments	9	108,465	115,063
		<u>112,582</u>	<u>119,205</u>
Current assets			
Debtors	10	103,694	82,934
Cash at bank and on hand		5,263	276
		<u>108,957</u>	<u>83,210</u>
Creditors – amounts falling due within one year			
Bank loans and overdrafts		(26,428)	(7,038)
Trade creditors	12	(482)	(1,609)
Sundry creditors	12	(95,066)	(98,182)
		<u>(121,976)</u>	<u>(106,829)</u>
Net current liabilities		<u>(13,019)</u>	<u>(23,619)</u>
Total assets less current liabilities		<u>99,563</u>	<u>95,586</u>
Provisions for liabilities and charges	13	(530)	(551)
Net assets		<u>99,033</u>	<u>95,035</u>
Capital and reserves			
Called up share capital	14	10,053	10,053
Share premium account	15	56,278	56,278
Reserves – Profit & loss account	15	32,669	28,691
Reserves – Other	15	33	13
Total shareholders' funds – equity	16	<u>99,033</u>	<u>95,035</u>

The financial statements on pages 6 to 20 were approved by the board of directors on 27th September 2006 and were signed on its behalf by:



P E Goodings
Director

The notes on pages 9 to 20 form an integral part of these financial statements.

Jardine Lloyd Thompson UK Limited

Notes to the financial statements for the year ended 31 December 2005

1. Accounting policies

a) Basis of preparation

These financial statements are prepared on the going concern basis under the historical cost convention and in accordance with the Companies Act 1985 and applicable accounting standards. A summary of the principal accounting policies is set out below, together with an explanation of where changes have been made to previous policies on the adoption of new accounting standards in the period.

Changes in accounting policies

The Company has partially adopted FRS20 – “Share Based Payments” and fully adopted FRS21 – “Events after the balance sheet date” in these financial statements. FRS20 has been applied to those grants, which have been received since 7 November 2002. The impact on the 2004 opening balances reserves is immaterial and has not been restated.

The adoption of these standards represents a change in accounting policy and the comparative figures have been restated accordingly.

b) Turnover

Turnover represents management fee income received from subsidiary companies to whom management services are provided.

c) Share-based compensation and payments

The entity participates in a number of equity-settled, share-based compensation plans operated by Jardine Lloyd Thompson Group plc. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions (for example, profitability and revenue growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. At each balance sheet date, the entity revises its estimates of the number of options that are expected to become exercisable. It recognises the impact of the revision of original estimates, if any, in the profit and loss account, and corresponding adjustment to equity over the remaining vesting period.

d) Taxation

The charge for taxation is based on the result for the year at current rates of tax and takes into account deferred tax. Deferred taxation is provided in full on all timing differences, including revaluation gains and losses on investments. Deferred tax assets are recognised to the extent that it is regarded more likely than not that they will be recovered. Deferred tax is calculated at the rates at which it is expected that the tax liability or benefit will arise. Deferred tax is recognised in the profit and loss account for the period except to the extent that it is attributable to a gain or loss that is recognised directly in the statement of total recognised gains or losses. Deferred tax balances are not discounted.

e) Tangible fixed assets

Tangible fixed assets are stated at cost and depreciated over their estimated useful lives on a straight-line basis. The following rates apply:

Furniture, office equipment	20%
Motor vehicles	25%
Leasehold land and buildings, including additions and improvements	Over the life of the lease.

Jardine Lloyd Thompson UK Limited

Notes to the financial statements for the year ended 31 December 2005 *(continued)*

f) Leased assets

Assets held under leasing arrangements that transfer substantially all the risks and rewards of ownership to the entity are included in tangible fixed assets. The capital elements of the related lease obligations are included in creditors. The interest element of the lease obligations are charged to the profit and loss account as incurred. Rental payments made in respect of all other leasing arrangements are treated as operating leases and charged to the profit and loss account.

g) Vacant property

Provision is made for the future rental cost of vacant property. In calculating the provision required, account is taken of the duration of the lease and any recovery of cost achievable from subletting.

h) Investments and investment income

Investments are stated at the lower of cost and market value except where they are held as fixed assets, in which case they are stated at cost less any provision for permanent diminution in value. Interest on deposits and interest bearing investments is credited as it is earned.

Consolidated accounts have not been prepared since the Company is a wholly owned subsidiary of Jardine Lloyd Thompson UK Holdings Limited and is included in the consolidated financial statements of Jardine Lloyd Thompson Group plc, which are publicly available.

i) Pension costs

Pension costs comprise the normal contributions for the period, determined according to actuarial advice where appropriate, together with appropriate proportions of actuarial deficiencies or surpluses, which are recognised over the average of the expected remaining service lives of the employees concerned. Actuarial reviews are normally carried out every three years.

2. Cash flow statement and related party disclosures

The company is a wholly owned subsidiary of Jardine Lloyd Thompson UK Holdings Limited and is included in the consolidated financial statements of Jardine Lloyd Thompson Group plc, which are publicly available. Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard 1 (revised 1996). The company is also exempt under the terms of Financial Reporting Standard 8 from disclosing related party transactions with entities that are part of the Jardine Lloyd Thompson Group or investees of the Jardine Lloyd Thompson Group. All related party transactions external to the group are disclosed in the consolidated financial statements of Jardine Lloyd Thompson Group plc.

3. Segmental information

All turnover and related loss before taxation for the company is derived from the provision of management services, all of which are transacted with subsidiaries within the United Kingdom.

Jardine Lloyd Thompson UK Limited

Notes to the financial statements for the year ended 31 December 2005 (continued)

4. Interest payable

	Year ended 31 December 2005 £'000	Year ended 31 December 2004 £'000
Interest payable to a group undertaking	(635)	-
Interest payable on finance leases	-	(4)
Notional interest on future pension provision discounting	(24)	(31)
Total interest payable	(659)	(35)

5. Profit on ordinary activities before taxation

	Year ended 31 December 2005 £'000	Restated Year ended 31 December 2004 £'000
Profit before taxation is stated after charging/(crediting)		
Wages and salaries	2,401	3,762
Social security costs	310	459
Pension costs	486	301
Share-based payments	19	13
Other staff costs	119	703
Staff costs	3,335	5,238
Depreciation of tangible fixed assets	1,553	1,415
Operating exceptional items		
Write down of investment in subsidiary	6,598	3,366
Profund acquisition expenses	-	122
Merger costs	26	-
Operating lease charges		
Land and buildings	98	220
Other	-	16
Auditors' Remuneration		
Statutory Audit	170	165
FRAG 21	20	20
Other non-audit services	10	15

Jardine Lloyd Thompson UK Limited

Notes to the financial statements for the year ended 31 December 2005 (continued)

6. Tax on (loss)/profit on ordinary activities

	Year ended 31 Dec 2005 £'000	Restated Year ended 31 Dec 2004 £'000
Current tax:		
UK corporation tax on profits of the period	-	-
Adjusted in respect of previous periods	-	-
Total current tax	-	-
Deferred tax:		
Deferred taxation current period	(21)	49
Deferred taxation prior year adjustment	(33)	(31)
Total deferred tax (note 11)	(54)	18
Tax on profit/(loss) on ordinary activities	(54)	18

The taxation charge for the period is lower than the standard rate of corporation tax in the UK (30 per cent). The differences are explained below:

	Year ended 31 Dec 2005 £'000	Restated Year ended 31 Dec 2004 £'000
Profit/(loss) on ordinary activities before tax	14,924	(1,553)
(Loss)/profit on ordinary activities multiplied by standard rate in UK 30% (2003: 30%)	4,477	(466)
Effects of:		
Permanent additions to taxable result principally non-deductible expenses and surrender of losses to other group companies.	2,140	1,164
Permanent deductions from taxable result principally offset of losses surrendered by other group companies	(6,638)	(649)
Other temporary differences	26	18
Book depreciation in excess of capital allowances	(5)	(67)
Adjustment to tax charge in respect of previous period	-	-
Current tax charge for the period	-	-

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Notes to the financial statements for the year ended 31 December 2005 (continued)

7. Dividends

	Year ended 31 Dec 2005 £'000	Restated Year ended 31 Dec 2004 £'000
2004 final Dividend paid at £0.60 per £1 share	6,000	
2005 interim Dividend paid at £0.50 per £1 share	5,000	-
Total dividends	11,000	-

8. Tangible fixed assets

	Leasehold land and buildings £'000	Fixtures, equipment and motor vehicles £'000	Total £'000
Cost			
At 1 January 2005	4,139	5,211	9,350
Additions	1,033	1,276	2,309
Disposals	(324)	(2,100)	(2,424)
Transfers to group undertakings	-	(628)	(628)
Reclassification	(168)	168	-
At 31 December 2005	4,680	3,927	8,607
Accumulated depreciation			
At 1 January 2005	1,814	3,394	5,208
Charge in the year	835	725	1,560
Disposals	(324)	(1,761)	(2,085)
Transfers to group undertakings	-	(193)	(193)
Reclassification	(42)	42	-
At 31 December 2005	2,283	2,207	4,490
Net Book Value			
At 31 December 2005	2,397	1,720	4,117
At 31 December 2004	2,325	1,817	4,142

Jardine Lloyd Thompson UK Limited

Notes to the financial statements for the year ended 31 December 2005 (continued)

9. Fixed asset investments

	<u>£'000</u>
Cost	
At 1 January 2005	128,584
At 31 December 2005	<u>128,584</u>
Provisions	
At 1 January 2005	13,521
Provided in the year	6,598
At 31 December 2005	<u>20,119</u>
Net book value	
At 31 December 2005	<u>108,465</u>
At 31 December 2004	<u>115,063</u>

Shares in group undertakings

In the opinion of the directors the value of the shares in group undertakings, including amounts owed by such group undertakings, is not less than the aggregate amount at which they are shown in the balance sheet. The subsidiary undertakings held at year end are as follows (ownership is 100% unless otherwise stated):

Name <i>Held by the company</i>	Principal activities
Jardine Financial Consultants Limited	Dormant
JLT Corporate Risks Limited	Insurance broker
JLT Financial Consultants Limited	Pension and investment advisor
JLT Benefit Solutions Limited	Employee benefits, consulting, actuarial and administration services
Profund Solutions Limited	Pensions administration software house
JLT Pension Trustees Limited	Dormant
JLT Trustees (Southern) Limited	Dormant
JLT Trustees Limited	Dormant
JLT Benefit Consultants Limited	Dormant
Burke Ford Personal Lines Limited	Dormant
Burke Ford Insurance Brokers Limited	Dormant
Jardine Reeves Brown (Financial Services) Limited	Dormant
JLT Healthcare Limited	Medical insurance and employee benefit provider
Lyndon Jones & Co Limited	Dormant
Burke Ford Trustees (Leicester) Limited	Dormant
Jardine Pension Trust Limited	Dormant
Personal Pension Trustees Limited	Dormant
Gracechurch Trustees Limited	Trustee for occupational pension schemes
Leadenhall Independent Trustees Limited	Trustee for occupational pension schemes
Independent Trustees Services Limited	Trustee for occupational pension schemes

Jardine Lloyd Thompson UK Limited

Notes to the financial statements for the year ended 31 December 2005 (continued)

10. Debtors

	31 Dec 2005	Restated 31 Dec 2004
	£'000	£'000
Amount falling due within one year:		
Amounts owed by group undertakings	101,188	79,268
Deferred tax (see note 11)	460	406
Other debtors	1,565	3,017
Prepayments and accrued income	481	243
	<u>103,694</u>	<u>82,934</u>

Amounts owed by group undertakings are unsecured, interest free and have no fixed date for repayment with the exception of one amount owed by a Jardine Lloyd Thompson Group plc of £40,918,989, on which an interest rate of 5.64% has been charged.

11. Deferred Taxation

	31 December 2005	Restated 31 December 2004
	£'000	£'000
Excess book depreciation over tax depreciation	363	358
Provisions deductible in future periods	54	30
Share based payments	43	18
Closing deferred tax asset	<u>460</u>	<u>406</u>
Reconciliation of movement in deferred tax asset	£'000	
Provision at 1 January 2005 – as previously reported	379	
Prior year adjustment	27	
Provision at 1 January 2005 as restated	<u>406</u>	
Profit & loss account credit	54	
Provision at 31 December 2005	<u>460</u>	

12. Creditors - Amounts falling due within one year

	31 December 2005	Restated 31 December 2004
	£'000	£'000
Trade creditors – external	<u>482</u>	<u>1,609</u>
Amounts owed to group undertakings	87,616	89,459
Other creditors	4,942	4,839
Other taxes and social security costs	1,569	1,586
Accruals	939	2,295
Defined retirement plans	-	3
	<u>95,066</u>	<u>98,182</u>

Amounts due to group undertakings are unsecured, interest free and have no fixed date for payment with the exception of certain amounts owed to Jardine Lloyd Thompson Group plc totalling £2,800,000, on which an interest rate of 5.64% has been charged.

Jardine Lloyd Thompson UK Limited

Notes to the financial statements for the year ended 31 December 2005 (continued)

13. Provisions for liabilities and charges

	Property provision £'000	Pension provision £'000	Restated Total £'000
At 1 January 2005	31	520	551
Charged/(credited) during the year	73	(24)	49
Utilised during the year	(14)	(56)	(70)
At 31 December 2005	90	440	530

The Company has onerous leases in respect of premises that it formerly occupied. The property provision relates to the future rental and incidental costs of these leases. The future rental costs have been provided in line with lease terms. The ancillary costs, including dilapidations, are estimated using the Company's past experience of similar expenses.

The pension provision is in respect of future pension commitments for a previous employee.

In accordance with the requirements of FRS12 certain provisions have been discounted to their present values. The notional interest charge has been included within the profit and loss account within interest payable.

14. Called up share capital

	31 Dec 2005 £'000	31 Dec 2004 £'000
Authorised		
10,052,583 ordinary shares of £1 each	10,053	10,053
965,451 deferred shares of 5p each	48	48
17,650 deferred shares of 34p each	6	6
	10,107	10,107
Issued and fully paid:		
9,998,609 ordinary shares of £1 each	9,999	9,999
965,451 deferred shares of 5p each	48	48
17,650 deferred shares of 34p each	6	6
	10,053	10,053

Jardine Lloyd Thompson UK Limited

Notes to the financial statements for the year ended 31 December 2005 (continued)

15. Reserves

	Share premium account £'000	Profit and loss account £'000	Other reserves £'000	Total £'000
At 1 January 2005	56,278	22,678	-	78,956
Prior year adjustment – FRS20	-	(13)	13	-
Prior year adjustment for taxation	-	26	-	26
Prior year adjustment – FRS21	-	6,000	-	6,000
At 1 January 2005 as restated	56,278	28,691	13	84,982
Share-based payments current year charge			20	20
Retained profit for the year	-	3,978	-	3,978
At 31 December 2005	56,278	32,669	33	88,980

16. Reconciliation of movements in shareholders' funds

	Year ended 31 December 2005 £'000	Restated Year ended 31 December 2004 £'000
Profit/(Loss) for the year (before dividends paid)	14,978	(1,584)
Prior year adjustment for FRS20 – Share based payments	-	(13)
Prior year adjustment for taxation	-	26
Dividends paid	(11,000)	-
Retained earnings (restated)	3,978	(1,571)
Share-based payment current year charge	20	13
Net increase/(decrease) to shareholders' funds	3,998	(1,558)
Opening shareholders' funds	95,035	96,593
Closing shareholders' funds	99,033	95,035

17. Employee information

The average number of persons (including executive directors) employed by the company during the year was:

	31 December 2005	31 December 2004
United Kingdom	35	94

Jardine Lloyd Thompson UK Limited

Notes to the financial statements for the year ended 31 December 2005 (continued)

18. Directors' emoluments

	31 December 2005 £'000	31 December 2004 £'000
Aggregate emoluments excluding pension scheme contributions	40	221
Pension contributions – defined contribution schemes	3	7
	43	228

Of the remaining directors at 31 December 2005, 5 directors were members of a defined benefit pension scheme (2004: 5) and 1 was a member of a defined contribution scheme (2004: 2).

Highest paid director

The total amount of emoluments and amounts (excluding shares) for the highest paid director is as follows:

	31 December 2005 £'000	31 December 2004 £'000
Aggregate emoluments excluding pension scheme contributions	-	98
Pension contributions – defined contribution scheme	-	6
	-	104

The highest paid director for the period has not been disclosed as the aggregate emoluments shown above do not exceed £200,000 in accordance with section 246 of the Companies Act 1985.

19. Directors' interests

M T Brown, A B Girling, P E Goodings, D Howorth and P M Redhead are directors of Jardine Lloyd Thompson UK Holdings Limited. D J Burke is a director of Jardine Lloyd Thompson Group plc. Any relevant directors' interests for these directors which are disclosable in accordance with section 324 of the Companies Act 1985 are disclosed in the accounts of those companies.

The interests of the remaining director in the ordinary shares of Jardine Lloyd Thompson Group plc, all of which are beneficially held, are set out below:

	31 December 2005			1 January 2005 (or later appointment)	
	Number of shares	Number of options	Options granted (exercised) [lapsed]	Number of shares	Number of options
W J N Nabarro	-	19,337	-	-	19,337

Jardine Lloyd Thompson UK Limited

Notes to the financial statements for the year ended 31 December 2005 (continued)

20. Pension commitments

Employees of the Company are members of a funded occupational pension scheme operated by Jardine Lloyd Thompson Group plc. The scheme is the Jardine Lloyd Thompson Pension Scheme ("the Scheme") which is based in the UK, and which has both a defined benefit and a defined contribution section. The defined benefit section of the Scheme was closed to new company employees from 1 January 2001. Since that date new company employees have joined the defined contribution section. On 1 July 2003 a qualified actuary carried out a formal actuarial valuation of the Scheme. At that date, the market valuation of the Scheme's assets, excluding insured annuities, was £172.3m which represented 52.8% of the value of the benefits that had accrued to members after allowing for expected future increases in salary. The Company has increased its contributions to the defined benefit section with the objective of eliminating the deficiency as disclosed within the accounts of Jardine Lloyd Thompson Group plc.

It is not possible to identify the company's share of the underlying assets and liabilities of the defined benefit section of the Scheme on a consistent and reasonable basis, and so the company has accounted for the Scheme as if it were entirely a defined contribution scheme.

The cost of the defined benefit section of the Scheme to the company for the year was £205,187 (2004: £163,738) based on a contribution rate of 18.65% of pensionable salaries (2004: 18.65%). The contribution rate has been determined using the projected unit credit method.

Details of the Scheme and the disclosures required by FRS 17 appear in the accounts of Jardine Lloyd Thompson Group plc. The assets of the Scheme are held in a trustee administered fund separate from the company.

Contributions to the defined contribution section of the Scheme are charged to the profit and loss account in the period for which the contributions are payable. The cost to the company for the period in relation to these contributions was £31,454 (2004: £80,668).

21. Financial commitments

Operating leases

The company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	31 December 2005 £'000	31 December 2004 £'000
Expiring within one year	-	78
Expiring between one and five years	60	118
Expiring after more than five years	2	-
	<u>62</u>	<u>196</u>

Payments or receipts due under operating leases have been charged to the profit and loss account on an accruals basis. Certain operating leases for land and buildings are subject to periodical rent reviews.

Jardine Lloyd Thompson UK Limited

Notes to the financial statements for the year ended 31 December 2005 (continued)

22. Restatement of comparatives

The prior year comparatives have been adjusted in relation to the implementation of FRS20 (Share Based Payments) and FRS21 (Events after the balance sheet date).

The impact on 2004 on the adoption of FRS20 was to increase staff costs by £13,000 and decrease the corporation tax charge and deferred taxation liability by £26,000. FRS21 has resulted in the reduction of dividends payable – proposed and sundry creditors by £6,000,000.

	As previously reported £'000	FRS20 £'000	FRS21 £'000	As restated £'000
Administrative expenses	(12,119)	(13)		(12,132)
Loss on ordinary activities before interest and tax	(3,501)	(13)		(3,514)
Taxation on profit on ordinary activities	(44)	26		(18)
Dividends payable - proposed	(6,000)		6,000	-
Retained loss for the financial year	(7,584)	13	6,000	(1,571)
Debtors	82,908	26		82,934
Sundry creditors	(104,182)		6,000	(98,182)

23. Post Balance Sheet Events

On 3rd January 2006 the company entered into a share sale agreement with JLT Financial Consultants Limited, for the sale of its holding of 5,342,320 ordinary £0.10 shares in the share capital of JLT Financial Consultants Limited for a consideration of £4,220,433 which was settled by inter-company transfer.

24. Parent undertaking

The company's immediate parent undertaking is Jardine Lloyd Thompson UK Holdings Limited registered in the United Kingdom.

Jardine Lloyd Thompson Group plc is the ultimate parent company for which consolidated group accounts are prepared and of which the company is a member:

Copies of the consolidated accounts can be obtained from:

Name	Jardine Lloyd Thompson Group plc
Country of incorporation Or registration	England
Address from where copies of the group accounts can be obtained	6 Crutched Friars London EC3N 2PH