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THOMAS MILLER RISK MANAGEMENT (UK) LTD.

**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2004**

Company number: 1206978



THOMAS MILLER RISK MANAGEMENT (UK) LTD.

**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2004**

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THOMAS MILLER RISK MANAGEMENT (UK) LTD.

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

C J Charman
G C A Dickson
B M Kesterton
L A Tricker

resigned 26 February 2004

SECRETARY

I R Jarrett

REGISTERED OFFICE

International House
26 Creechurch Lane
London
EC3A 5BA

AUDITORS

Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
London

THOMAS MILLER RISK MANAGEMENT (UK) LTD.

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2004

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

Principal activities and future developments

The principal activities of the company have not changed during the year and continue to comprise the provision of risk management and consultancy services. These activities will continue in the foreseeable future.

Results and dividends

The profit and loss account for the year is set out on page 7. The profit for the year after taxation amounted to £28,022 (2003 – loss £136,791).

Thomas Miller & Co Ltd provides the personnel, the office space and other services and equipment required for the conduct of the company's business, and charges the company accordingly. No change is envisaged in these arrangements for 2005.

The company is included in the consolidated financial statements of Thomas Miller & Co Ltd. Thomas Miller & Co Ltd is itself wholly owned by the ultimate parent company Thomas Miller Holdings Ltd., a company registered in Bermuda.

The directors do not propose a final dividend (2003 - £nil).

Directors and their interests

The present membership of the Board of Directors is shown on page 1, all of whom held office throughout the year.

The company's ultimate parent company is Thomas Miller Holdings Ltd., a company incorporated in Bermuda. As the ultimate parent company is a body corporate registered outside Great Britain, the directors are exempt from the requirements to notify the company of interests in shares in other group companies incorporated outside Great Britain. There are no other interests requiring disclosure.

THOMAS MILLER RISK MANAGEMENT (UK) LTD.

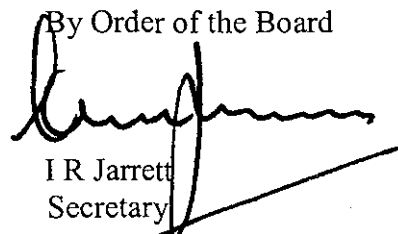
**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2004 (continued)**

Auditors

A resolution to re-appoint Deloitte & Touche LLP as the company's auditors will be proposed at the forthcoming Annual General Meeting

International House
26 Creechurch Lane
London
EC3A 5BA

By Order of the Board



I R Jarrett
Secretary

18/10/ 2005

THOMAS MILLER RISK MANAGEMENT (UK) LTD.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

United Kingdom 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 as at the end of the financial year and of the profit or loss for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business; and
- state whether applicable United Kingdom accounting standards have been followed.

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. They are also responsible for the system of internal control, 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 THOMAS MILLER RISK MANAGEMENT (UK) LTD

We have audited the financial statements of Thomas Miller Risk Management (UK) Ltd for the year ended 31 December 2004, which comprise the profit and loss account, the balance sheet, and the related notes 1 to 12. These financial statements have been prepared under 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 auditors' 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 the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and 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 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 for the above year and consider the implications for our report if we become aware of any apparent misstatements.

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.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THOMAS MILLER
RISK MANAGEMENT (UK) LTD (continued)**

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 affairs of the company as at 31 December 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche LLP

Deloitte & Touche LLP

Chartered Accountants and Registered Auditors
London

19 October 2005

THOMAS MILLER RISK MANAGEMENT (UK) LTD

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2004

	Notes	2004 £	2003 £
Turnover	2	519,690	320,342
Administrative expenses		<u>(477,785)</u>	<u>(548,281)</u>
Operating profit/(loss) on ordinary activities before taxation	3	41,905	(227,939)
Tax (charge)/credit on profit/(loss) on ordinary activities	4	<u>(13,883)</u>	<u>91,148</u>
Profit/(loss) on ordinary activities after taxation and retained profit/(loss) for the financial year	9	28,022	(136,791)
Retained loss brought forward		<u>(473,876)</u>	<u>(337,085)</u>
Retained loss carried forward		<u>(445,854)</u>	<u>(473,876)</u>

There are no recognised gains or losses other than the profit for the current financial year and the loss for the preceding year shown above. Accordingly, no statement of total recognised gains and losses is required.

All amounts derive from continuing activities.

The notes on pages 9 to 13 form an integral part of these financial statements.

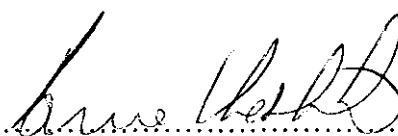
THOMAS MILLER RISK MANAGEMENT (UK) LTD

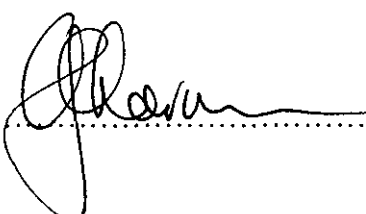
BALANCE SHEET AS AT 31 DECEMBER 2004

	Notes	2004 £	2003 £
Current assets			
Debtors	5	433,553	204,924
Creditors: Amounts falling due within one year	6	(379,587)	(678,780)
Net current assets/(liabilities)		<u>53,966</u>	<u>(473,856)</u>
Total assets less current liabilities		<u>53,966</u>	<u>(473,856)</u>
Capital and reserves			
Called-up share capital	8	1,000	20
Share premium		498,820	-
Profit and loss account		<u>(445,854)</u>	<u>(473,876)</u>
Equity shareholders' funds/(deficit)	9	<u>53,966</u>	<u>(473,856)</u>

These financial statements were approved by the Board of Directors on
and signed on behalf of the Board by

18/10/05

..........Director BM KESTERAN

..........Director CJ CHAPMAN

The notes on pages 9 to 13 form an integral part of these financial statements.

THOMAS MILLER RISK MANAGEMENT (UK) LTD

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2004

1. Accounting policies

The financial statements have been prepared in accordance with applicable United Kingdom law and accounting standards and under the historical cost convention. The accounting policies that have been adopted have been applied consistently in arriving at the financial information. The specific policies are:

Turnover

Turnover, which excludes value added tax, represents the value of risk management and consultancy services attributable to the accounting year.

Foreign currencies

Transactions denominated in foreign currencies are translated into Sterling at the rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated at the rates ruling at that date. These translation differences are dealt with in the profit and loss account.

Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements.

Deferred tax assets are recognised to the extent that it is regarded more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

2. Turnover

Turnover by location of client:

	2004 £	2003 £
United Kingdom	<u>519,690</u>	<u>320,342</u>

All turnover derives from the principal activities of the company.

THOMAS MILLER RISK MANAGEMENT (UK) LTD

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2004 (continued)

3. Operating profit/(loss) on ordinary activities before taxation

	2004 £	2003 £
This is stated after charging:		
Auditors' remuneration		
Audit fees	-	(10,000)

Auditors' fees for the year were borne by another group company.

All directors' remuneration is borne by other group companies and they are not paid for services provided specifically to the company in the current or prior year.

The non executive director is not paid by the company for services provided specifically to the company.

The company has no employees (2003 – nil).

4. Tax charge/(credit) on profit/(loss) on ordinary activities

	2004 £	2003 £
a) Analysis of charge in year		
Current tax charge/(credit):		
UK corporation tax at 30% (2003 – 30%)	13,233	(67,867)
Adjustments in respect of prior years	-	(20,681)
Total current tax charge/(credit) for the year	13,233	(88,548)
Deferred taxation (note 7)	650	(2,600)
Tax charge/(credit) on profit/(loss) on ordinary activities	13,883	(91,148)

THOMAS MILLER RISK MANAGEMENT (UK) LTD

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2004 (continued)

4. Tax on profit/(loss) on ordinary activities (continued)

b) Factors affecting tax charge/(credit) for the year

	2004 £	2003 £
The tax charge for the year is higher than the standard rate of corporation tax for the year.		
The differences are explained below:		
Profit/(loss) on ordinary activities before tax	<u>41,905</u>	<u>(227,939)</u>
Profit/(loss) on ordinary activities before tax multiplied by standard rate of corporation tax in the UK of 30% (2003 – 30%)	12,572	(68,382)
Effects of:		
Depreciation in excess of capital allowances	(650)	(867)
Expenses not deducted for tax purposes	1,311	1,382
Adjustments to tax charge in respect of previous year	-	(20,681)
Tax on profit/(loss) on ordinary activities	<u>13,233</u>	<u>(88,548)</u>

5. Debtors

	2004 £	2003 £
Trade debtors	70,331	69,897
Amounts owed by group undertakings	361,272	22,499
Taxation recoverable	-	67,867
Deferred tax (note 7)	1,950	2,600
Prepayments and accrued income	-	42,061
	<u>433,553</u>	<u>204,924</u>

THOMAS MILLER RISK MANAGEMENT (UK) LTD

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2004 (continued)

6. Creditors

	2004 £	2003 £
Amounts falling due within one year:		
Amounts owed to group undertakings	366,354	648,783
Corporation tax	13,233	-
Other creditors	-	29,997
	<u>379,587</u>	<u>678,780</u>

7. Deferred tax

	2004 £	2003 £
Accelerated capital allowances	<u>1,950</u>	<u>2,600</u>
Asset at 1 January	2,600	-
(Charge)/credit for the year (note 4)	(650)	2,600
Asset at 31 December	<u>1,950</u>	<u>2,600</u>

8. Called-up share capital

	2004 £	2003 £
Authorised:		
Equity interests: 1,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid:		
Equity interests: 1,000 (2003 – 20) ordinary shares of £1 each	<u>1,000</u>	<u>20</u>

During the year the company allotted 980 ordinary shares with a nominal value of £1 each at a total premium of £498,920 in connection to the capitalisation of the inter-company creditors.

THOMAS MILLER RISK MANAGEMENT (UK) LTD

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2004 (continued)

9. Reconciliation of shareholders' funds/(deficit)

	2003 £	2002 £
Shareholders' deficit at 1 January	(473,856)	(337,065)
New shares issued	499,800	-
Retained profit/(loss) for the financial year	28,022	(136,791)
Shareholders' funds/(deficit) at 31 December	<u>53,966</u>	<u>(473,856)</u>

10. Company status

The company is incorporated in Great Britain and registered in England and Wales with limited liability.

11. Related parties

During the year the company entered into transactions in the normal course of business with Thomas Miller & Co Ltd and its other fellow subsidiary companies. These transactions have not been disclosed as the company has taken advantage of the exemption available under Financial Reporting Standard 8 "Related party disclosures" not to disclose transactions between entities, 90% or more of whose voting rights are controlled within the group. There are no other transactions requiring disclosure.

12. Ultimate controlling party

On 31 December 2004, Thomas Miller & Co Ltd, the immediate parent company, sold its entire shareholding to Thomas Miller Holdings Ltd. The ultimate controlling company, Thomas Miller Holdings Ltd. is a company registered in Bermuda and is the parent undertaking of the largest and smallest group in which the company is consolidated. Copies of the Directors' Report and Financial Statements for Thomas Miller Holdings Ltd. may be obtained from the Company Secretary, Thomas Miller Holdings Ltd., 18 Queen Street, PO Box HM 665, Hamilton, Bermuda.