

BENFIELD CAPITAL LIMITED
(formerly Benfield Greig Asset Management Limited)

Financial Statements

for the year ended 31 December 2004



BENFIELD CAPITAL LIMITED
(formerly Benfield Greig Asset Management Limited)

COMPANY INFORMATION

DIRECTORS

AG Waring	Resigned 31 March 2004
JLP Whiter	
J Groenvold	

SECRETARY

JC Hermon

REGISTERED OFFICE

55 Bishopsgate
London EC2N 3BD

REGISTERED NUMBER

3819547

AUDITORS

PricewaterhouseCoopers LLP
Chartered Accountants & Registered Auditors
Southwark Towers
32 London Bridge Street
London
SE1 9SY

BENFIELD CAPITAL LIMITED
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BENFIELD CAPITAL LIMITED
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DIRECTORS' REPORT

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

Principal activities, review and future development of the business

The principal activity of the company is that of providing advisory services.

The company is regulated by the Financial Services Authority. The directors will continue to carry on this business in the forthcoming year.

Results and dividends

The results of the company for the year are shown on page 6.

The directors do not recommend the payment of a dividend and so the retained profit / (loss) of £25 (2003: £9,029 loss) has been credited to reserves.

Directors and their interests

The current directors of the company are listed on page 1, and have been directors throughout the period from 1 January 2004 to the date of this report except for Andrew Waring who resigned on 31 March 2004.

No director had any interest in the shares of the company during the year ended 31 December 2004.

The interests of John Whiter in the shares of the ultimate holding company, Benfield Group Limited, are disclosed in the financial statements of that company.

The interest of the other directors in the shares and options over the shares of Benfield Group Limited were as follows:

	At 31 December 2004 Number	At 31 December 2003 or date of appointment if later Number
Common shares of £0.01 each		
J Groenvold	100	100
Options over common shares of £0.01 each		
J Groenvold	-	-

BENFIELD CAPITAL LIMITED
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DIRECTORS' REPORT

Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. The directors are required to prepare the financial statements on a 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. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 31 December 2004 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

The auditors, PricewaterhouseCoopers LLP, have expressed their willingness to continue in office and a resolution to propose their appointment will be submitted at the Annual General Meeting.

by order of the Board



JC Hermon
Secretary

22 March 2005

BENFIELD CAPITAL LIMITED
(formerly Benfield Greig Asset Management Limited)

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF BENFIELD GRIEG ASSET MANAGEMENT

Independent auditors' report to the members of Benfield Capital Limited

We have audited the financial statements which comprise the profit and loss account, the balance sheet and the related notes which have been prepared under the historical cost convention and the accounting policies set out in the statement of accounting policies.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and 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 issued by the Auditing Practices Board. 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.

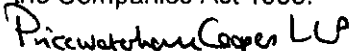
Basis of audit opinion

We conducted our audit in accordance with 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 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.


PricewaterhouseCoopers LLP

Chartered Accountants and Registered Auditors
London
22 March 2005

BENFIELD CAPITAL LIMITED
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PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2004

		<u>2004</u> £	<u>2003</u> £
Notes			
1	Net operating expenses	-	(15,806)
	Operating loss on ordinary activities	-	(15,806)
	Interest receivable	25	-
	Profit / (loss) on ordinary activities before taxation	25	(15,806)
3	Taxation on (loss) / profit on ordinary activities	-	6,777
	Profit / (loss) on ordinary activities after taxation	25	(9,029)
6	Retained profit / (loss) for the financial year	25	(9,029)

The company's expenses all relate to continuing operations.

There are no material differences between the profit on ordinary activities before taxation and retained profit for the year stated above and the historic cost equivalents.

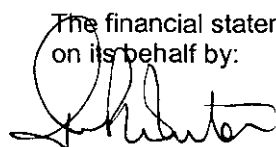
The company has no recognised gains and losses other than the profit / (loss) reported above.

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BALANCE SHEET
AS AT 31 DECEMBER 2004

		2004 £	2003 £
Notes			
	Current Assets		
4	Debtors	103,866	102,343
	Cash at bank and in hand	372	1,870
		<u>104,238</u>	<u>104,213</u>
	Current Liabilities		
	Creditors – amounts falling due within one year	-	-
		<u>-</u>	<u>-</u>
	Net Current Assets	<u>104,238</u>	<u>104,213</u>
	Net Assets	<u>104,238</u>	<u>104,213</u>
	Capital and Reserves		
5	Called up share capital	200,000	200,000
6	Profit and loss account	<u>(95,762)</u>	<u>(95,787)</u>
7	Total Shareholder's Funds - Equity	<u>104,238</u>	<u>104,213</u>

The financial statements on pages 8 to 10 were approved by the Board on 22 March 2005 and signed on its behalf by:



JLP Whiter
Director



J. Groenvold
Director

BENFIELD CAPITAL LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2004

ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared on the going concern basis under the historical cost convention, in accordance with the Companies Act 1985 and applicable UK accounting standards. A summary of the company's principal accounting policies, which have been applied consistently, is set out below.

Cash flow statement

The company is a wholly owned subsidiary of Benfield Group Limited and is included in the consolidated financial statements of that company, 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).

Turnover

Turnover represents advisory fees, which are credited to income when services are rendered.

Taxation

The charge for taxation is based on the result for the year at current rates of tax and takes into account deferred taxation.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the *balance sheet date where transactions or events that result in a future obligation to pay more tax or future right to pay less tax* have occurred. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements. Deferred tax is measured on a non-discounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Related party transactions

The company has taken advantage of the exemption in paragraph 3(c) of Financial Reporting Standard 8 from disclosing transactions with related parties that are part of the Group.

BENFIELD CAPITAL LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2004

1. NET OPERATING EXPENSES

Audit fees were borne by another group undertaking in 2004 and 2003.

2. DIRECTORS AND EMPLOYEES

There were no employees of the company during the year other than the directors.

None of the directors received any emoluments in respect of their services as the directors of the company in 2004 and 2003.

3. TAXATION

(a) Analysis of charge in year

	2004 £	2003 £
Current tax:		
Adjustments in respect of prior periods	-	6,777
	-	6,777

No provision has been made for corporation tax as any liability will be offset by group relief.

4. DEBTORS

	2004 £	2003 £
Amounts falling due within one year		
Amounts owed by group undertakings	103,866	102,343

5. CALLED UP SHARE CAPITAL

	2004 £	2003 £
Authorised		
200,000 Ordinary Shares of £1 each	200,000	200,000
Allotted and fully paid		
200,000 Ordinary Shares of £1 each	200,000	200,000

BENFIELD CAPITAL LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2004

6. PROFIT AND LOSS ACCOUNT

	2004 £	2003 £
Statement of retained loss		
Retained (loss) at the beginning of the year	(95,787)	(86,758)
Retained profit / (loss) for the year	25	(9,029)
At 31 December	(95,762)	(95,787)

7. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2004 £	2003 £
Opening shareholders' funds	104,213	113,242
Profit / (loss) for the year	25	(9,029)
Closing shareholders' funds	104,238	104,213

8. ULTIMATE PARENT COMPANY

The ultimate parent company and controlling party is Benfield Group Limited, a company incorporated in Bermuda, which is the parent undertaking of both Benfield Group Limited, the largest group to consolidate these financial statements, as well as Benfield Holdings Limited, the smallest group to consolidate these financial statements. Copies of the consolidated financial statements of Benfield Group Limited and Benfield Holdings Limited can be obtained from the Company Secretary at 55 Bishopsgate, London, EC2N 3BD.