

BENFIELD CAPITAL LIMITED

Financial Statements

for the year ended 31 December 2006

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BENFIELD CAPITAL LIMITED

COMPANY INFORMATION

DIRECTORS

JLP Whiter (Chief Executive)
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

DIRECTORS' REPORT

The directors present their report and the audited financial statements of the company for the year ended 31 December 2006

Review and future development of the business

The company has not traded during the year nor has it made any profits or losses. Until April 2006, the company was regulated by the Financial Services Authority. From 2007, the principal activity of the company will be to act as an investment holding company and for this purpose, the company will be recapitalised to allow it take advantage of future investment opportunities.

The directors do not recommend the payment of a dividend.

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 2006 to the date of this report.

No director had any interest in the shares of the company during the year ended 31 December 2006.

The interests of JLP Whiter in the shares of the ultimate holding company, Benfield Group Limited, are disclosed in the financial statements of that company. At 31 December 2006, J Groenvold held 100 (2005: 100) common shares of 1p each and 73,068 (2005: 100,000) options over common shares of 1p each in Benfield Group Limited.

Statement of 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 2006 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 and disclosure of information to auditors

The Directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware. They also confirm that they have each taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

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

by order of the Board



JC Hermon
Secretary
28 March 2007

BENFIELD CAPITAL LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BENFIELD CAPITAL LIMITED

We have audited the financial statements of Benfield Capital Limited for the year ended 31 December 2006 which comprise the Balance Sheet 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 (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). 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 report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements. We also report to you if, in our opinion, 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 other 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

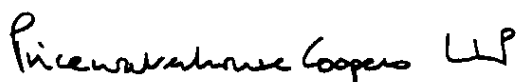
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2006,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements.



PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
London
29 March 2007

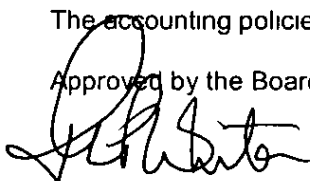
BENFIELD CAPITAL LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2006

		2006	2005
		£	£
Notes			
	Current Assets		
3	Debtors	104,238	103,866
	Cash at bank and in hand	-	372
	Net Assets	104,238	104,238
	Capital and Reserves		
4	Called up share capital	200,000	200,000
	Profit and loss account	(95,762)	(95,762)
	Equity Shareholder's Funds	104,238	104,238

The accounting policies and notes on pages 7 and 8 form an integral part of the financial statements

Approved by the Board on 28 March 2007 and signed on its behalf by



JLP Whiter
Director

BENFIELD CAPITAL LIMITED

ACCOUNTING POLICIES FOR THE YEAR ENDED 31 DECEMBER 2006

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.

Related party transactions

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

BENFIELD CAPITAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2006

1 NET OPERATING EXPENSES

The company has not traded during the year ended 31 December 2006. Audit fees were borne by another group undertaking.

2 DIRECTORS AND EMPLOYEES

There were no employees of the company during the period other than the directors. None of the directors received any emoluments in respect of their services as directors of the company.

3 DEBTORS

	2006 £	2005 £
Amounts falling due within one year		
Amounts owed by group undertakings	104,238	103,866

Amounts owed by group undertakings relate wholly to UK undertakings and are unsecured, interest free and have no fixed date of repayment.

4 SHARE CAPITAL

	2006 £	2005 £
Authorised		
200,000 Ordinary Shares of £1 each	200,000	200,000
Allotted, issued and fully paid		
200,000 Ordinary Shares of £1 each	200,000	200,000

5 ULTIMATE PARENT COMPANY

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