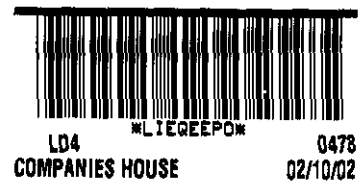


3819547

BENFIELD GREIG ASSET MANAGEMENT LIMITED

Financial Statements

for the year ended 31 December 2001



BENFIELD GREIG ASSET MANAGEMENT LIMITED

COMPANY INFORMATION

DIRECTORS

D J Coldman (Chairman)	(Resigned 20 April 2001)
R Shankar	(Resigned 12 September 2001)
A G Waring	
J L P Whiter	
G D Kelly	(Resigned 20 April 2001)
J McGrane	(Appointed 20 April 2001; Resigned 5 February 2002)
D Kearney	(Appointed 1 November 2001; Resigned 5 February 2002)

SECRETARY

G R G Stiff	(Resigned 17 October 2001)
J C Hermon	(Appointed 17 October 2001)

REGISTERED OFFICE

55 Bishopsgate
London EC2N 3BD

REGISTERED NUMBER

3819547

AUDITORS

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

BENFIELD GREIG ASSET MANAGEMENT LIMITED

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BENFIELD GREIG ASSET MANAGEMENT LIMITED

DIRECTORS' REPORT

The directors present their report and the audited financial statements for the year ended 31 December 2001.

Activities

The principal activity of the company is that of providing advisory services. The company is regulated by the Financial Services Authority.

Review and future development of the business

The company will continue to carry on the business of providing advisory services.

Share Capital

Details of the current share capital of the company are given in note 9.

Results and dividends

The results of the company for the year are shown on page 8.

The directors do not recommend the payment of a dividend and so the retained loss of £25,915 has been charged to reserves.

Directors

The current directors of the company are listed on page 2, and remain directors at the date of this report unless stated otherwise.

BENFIELD GREIG ASSET MANAGEMENT LIMITED

DIRECTORS' REPORT CONTINUED

Directors' interests

No director had any interest in the shares of the company during the year ended 31 December 2001.

The interests of D J Coldman, J L P Whiter and J McGrane in the shares of the ultimate holding company, Benfield Group plc (formerly Benfield Greig Group plc) are disclosed in the financial statements of that company.

The interests of the other directors in the shares of Benfield Group plc are as follows:

	At 31 December 2001	At date of appointment
	Ordinary shares of 1p each	Ordinary shares of 1p each
A G Waring	250	-

Directors' responsibilities

Company law requires the directors to prepare financial statements which give a true and fair view of the state of affairs of the company as at 31 December 2001 and of the results of the company for the accounting year.

In preparing these financial statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make reasonable and prudent judgements and estimates;
- State whether applicable accounting standards have been followed, subject to any material departures being disclosed and explained in the financial statements;
- Prepare the financial statements on a 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 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.

The directors confirm that they have complied with the above requirements.

BENFIELD GREIG ASSET MANAGEMENT LIMITED

DIRECTORS' REPORT CONTINUED

Auditors

The auditors, PricewaterhouseCoopers, have indicated their willingness to continue in office, and a resolution that they be reappointed will be proposed at the Annual General Meeting.

by order of the board



J C Hermon
Secretary

55 Bishopsgate
London EC2N 3BD

25 April 2002

BENFIELD GREIG ASSET MANAGEMENT LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BENFIELD GREIG ASSET MANAGEMENT LIMITED

We have audited the financial statements on pages 8 to 14 which have been prepared under the historical cost convention and the accounting policies set out on page 10.

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 on page 5.

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.

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 other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatement or material inconsistencies with the financial statements.

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 2001 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

PricewaterhouseCoopers
PricewaterhouseCoopers

Chartered Accountants and Registered Auditors
London
25 April 2002

BENFIELD GREIG ASSET MANAGEMENT LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2001

		Year ended 31 December 2001 £	Period ended 31 December 2000 £
Notes			
1	Turnover	416,190	372,717
2	Net operating expenses	(452,142)	(445,876)
	Operating loss on ordinary activities	(35,952)	(73,159)
	Interest receivable	10,037	10,344
	Loss on ordinary activities before taxation	(25,915)	(62,815)
5	Taxation on loss on ordinary activities	-	-
	Loss on ordinary activities after taxation	(25,915)	(62,815)
10	Retained loss for the year	(25,915)	(62,815)

The company's turnover and expenses all relate to continuing operations.


The company has no recognised gains and losses other than the loss reported above.

BENFIELD GREIG ASSET MANAGEMENT LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2001

	31 December 2001 £	31 December 2000 £
Notes		
Current assets		
6 Debtors	-	133,163
Cash and deposits	<u>269,948</u>	<u>275,357</u>
	269,948	408,520
7 Creditors – amounts falling due within one year	<u>(158,678)</u>	<u>(121,335)</u>
Net current assets	<u>111,270</u>	<u>287,185</u>
Total assets less current liabilities	<u>111,270</u>	<u>287,185</u>
8 Creditors – amounts falling due after more than one year	<u>-</u>	<u>(150,000)</u>
Net assets	<u>111,270</u>	<u>137,185</u>
Capital and reserves		
9 Called up share capital	200,000	200,000
10 Profit and loss account	<u>(88,730)</u>	<u>(62,815)</u>
Equity shareholders' funds	<u>111,270</u>	<u>137,185</u>

The financial statements on pages 8 to 14 were approved by the Board on 25 April 2002 and signed on its behalf by:



J L P Whiter
Director



A G Waring
Director

BENFIELD GREIG ASSET MANAGEMENT LIMITED

ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with applicable UK accounting standards including Financial Reporting Standard 18, 'Accounting Policies' ("FRS 18") which has come into force since the previous year end. FRS 18 addresses the adoption of appropriate accounting policies, judged against the objectives of relevance, reliability, comparability and understandability. The directors have reviewed the company's existing accounting policies and continue to consider them to be appropriate following the adoption of FRS 18.

The group has also adopted Financial Reporting Standard 19, 'Deferred tax'. The change in policy accounting policy has had no effect on the financial statements.

A summary of the company's accounting policies, which have been applied consistently, are set out below.

Cash flow statement

The company is a wholly owned subsidiary of Benfield Group plc (formerly Benfield Greig Group plc) 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 cashflow 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 profit 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 an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences give rise to 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.

BENFIELD GREIG ASSET MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2001

1 TURNOVER

Turnover is attributable to the principal activity of advisory services and was derived wholly in the UK.

	Year ended 31 December 2001 £	Period ended 31 December 2000 £
Fees	416,190	372,717

2 NET OPERATING EXPENSES

	Year ended 31 December 2001 £	Period ended 31 December 2000 £
Expenses are shown		
After charging:		
Auditors' remuneration - audit fee	10,000	10,000

3 STAFF COSTS

	Year ended 31 December 2001 £	Period ended 31 December 2000 £
Emoluments		
Wages and salaries	156,307	260,039
Social security costs	19,664	29,813
Other pension costs	28,166	28,346
	204,137	318,198
	2001 Number	2000 Number

The average number of people employed by the company during the financial year is set out below:

Management	2	3
Support services	1	2
	3	5

The average number of employees disclosed above includes executive directors other than those who are also directors of Benfield Group plc.

BENFIELD GREIG ASSET MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

4 DIRECTORS

	2001 £	2000 £
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Remuneration

Only one director received emoluments in respect of services as a director of the company during the year of trading as disclosed below:

Total emoluments	79,332	168,229
Contributions to money purchase pension scheme	20,666	10,328

The emoluments of D J Coldman, J McGrane, J L P Whiter, A G Waring and G D Kelly were borne by other companies in the Benfield Group which make no recharge for these services.

D J Coldman, J McGrane and J L P Whiter were also directors of the ultimate parent company, Benfield Group plc, and a number of other subsidiaries and it is not possible to make an accurate apportionment of their emoluments in respect of each of the subsidiaries. Accordingly, the above details include no emoluments in respect of these directors. Their total emoluments are disclosed in the aggregate of directors emoluments disclosed in the financial statements of Benfield Group plc.

5 TAXATION

The company has made a loss and has no corporation tax liability for the year.

There is an unrecognised deferred tax asset of £21,027 relating to losses which is unlikely to be utilised in the foreseeable future.

6 DEBTORS

	31 December 2001 £	31 December 2000 £
Due within one year		
Other debtors	-	426
Prepayments and accrued income	-	132,737
	-	133,163

BENFIELD GREIG ASSET MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

7 CREDITORS – AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 December 2001 £	31 December 2000 £
Amounts due to group undertakings	158,678	110,852
Taxation and social security	-	10,483
	<u>158,678</u>	<u>121,335</u>

Amounts due to group undertakings includes a subordinated loan of £150,300 (2000: £150,000).

8 CREDITORS – AMOUNTS FALLING DUE AFTER ONE YEAR

	31 December 2001 £	31 December 2000 £
Amounts due to group undertakings (see note 7)	-	150,000

9 SHARE CAPITAL

	31 December 2001 £	31 December 2000 £
Authorised		
200,000 Ordinary Shares of £1 each	<u>200,000</u>	<u>200,000</u>
Allotted, issued and fully paid		
200,000 Ordinary Shares of £1 each	<u>200,000</u>	<u>200,000</u>

BENFIELD GREIG ASSET MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

10 PROFIT AND LOSS ACCOUNT

	2001 £	2000 £
Statement of retained loss		
Retained (loss) at the beginning of the year	(62,815)	-
Retained (loss) for the year	(25,915)	(62,815)
Retained loss at the end of the year	(88,730)	(62,815)

11 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2001 £	2000 £
Opening shareholders' funds	137,185	200,000
(Loss) for the year	(25,915)	(62,815)
Closing shareholders' funds	111,270	137,185

12 PENSION COMMITMENTS

The company does not operate a pension scheme of its own, but staff are eligible to join the scheme of the parent company, Benfield Group plc. The scheme is a defined contribution scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £28,166 (2000: £28,346) in the year.

13 ULTIMATE PARENT COMPANY

The ultimate parent company is Benfield Group plc (formerly Benfield Greig Group plc), a company registered in England and Wales. Copies of Benfield Group plc consolidated financial statements can be obtained from the Company Secretary at 55 Bishopsgate, London, EC2N 3BD.