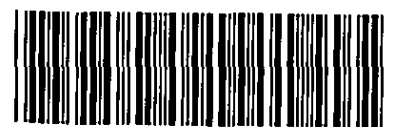


**Jardine Lloyd Thompson UK Holdings Limited
(formerly Jardine Lloyd Thompson UK Limited)**

Annual report for the year ended 31 December 2006

Registration Number 115332

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**Jardine Lloyd Thompson UK Holdings Limited
(formerly Jardine Lloyd Thompson UK Limited)**

Annual report for the year ended 31 December 2006

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Jardine Lloyd Thompson UK Holdings Limited (formerly Jardine Lloyd Thompson UK Limited)

Directors' report for the year ended 31 December 2006

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

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 Investment Holdings group (formerly Jardine Lloyd Thompson UK Holdings group) but has now ceased to do so. The company will act as holding company for various United Kingdom based subsidiary companies and is expected to do so in the foreseeable future.

Jardine Lloyd Thompson UK Holdings Ltd entered into a share sale and purchase agreement with JLT Financial Consultants Limited ('JLTFC'), for the sale of JLTFC's holding of 5,342,320 ordinary shares of £0.10 each in the share capital of JLT Benefit Solutions Limited. The consideration of £4,220,433 was settled by inter-company transfer.

Jardine Lloyd Thompson UK Holdings Ltd entered into a share sale and purchase agreement with JLT Healthcare Limited ('JLTH') for the acquisition of JLTH's holding of 3,335,772 ordinary shares of £0.10 each in the share capital of JLT Benefit Solutions Limited. The consideration of £2,635,260 was settled by inter-company transfer.

Post balance sheet events

On 31 January 2007 the company entered into a share sale agreement with Jardine Lloyd Thompson Limited ('JLTL') (formerly JLT Risk Solutions Limited) whereby the Company acquired JLTL's holding of 581,000 ordinary shares of £1 each in the capital of Jardine Lloyd Thompson UK Limited (formerly JLT Corporate Risks Limited). The consideration of £4 million was settled by inter-company transfer.

On 2 July 2007 the company changed its name from Jardine Lloyd Thompson UK Limited to Jardine Lloyd Thompson UK Holdings Limited.

Results and dividends

The loss transferred to reserves for the financial year is £3,360,000 (2005 £3,978,000 profit). This result is after dividend payments to Jardine Lloyd Thompson UK Holdings Limited of 2006 interim dividend of £22,000,000 at £2.20 per £1 share (2005 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). The result before payment of this dividend is therefore a profit of £18,640,000 (2005 £14,978,000 profit). The directors have decided not to declare any further dividends (2005 £nil).

Donations

No charitable donations were made during the year (2005 £27,846) and 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:

M T Brown
A B Girling
P E Goodings

D Howorth
W J N Nabarro
P M Redhead

D J Burke (resigned 18 January 2006)

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.

Jardine Lloyd Thompson UK Holdings Limited (formerly Jardine Lloyd Thompson UK Limited)

Directors' report for the year ended 31 December 2006 (*continued*)

W J N Nabarro and D J Burke are also directors of Jardine Lloyd Thompson Group plc and all disclosable interests are set out in the Remuneration report within that company's annual report

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.

For the first part of 2006 the payment of suppliers was carried out by the company and then recharged onto other group companies by means of an inter-company recharge. From July 2006 the other group companies each paid their suppliers directly, but still followed the code of practice as set out by Jardine Lloyd Thompson UK Holdings Ltd (formerly Jardine Lloyd Thompson UK Ltd).

As of March 2007 the payment of suppliers was centralised for all UK operating companies of Jardine Lloyd Thompson Group plc, and from that date is carried out by JLT Management Services Limited and then recharged onto the relevant company by means of an inter-company recharge. The company therefore now abides by the code of practice specifically dealing with the payment of suppliers of Jardine Lloyd Thompson Group plc. Further details of this code can be found in the statutory accounts of Jardine Lloyd Thompson Group plc.

The Company had nil days purchases outstanding at 31 December 2006 based on the average daily amount invoiced by suppliers (2005: 6.7 days).

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.

**Jardine Lloyd Thompson UK Holdings Limited (formerly Jardine
Lloyd Thompson UK Limited)**

Directors' report for the year ended 31 December 2006 (*continued*)

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 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.

All the directors who are in office at the date this report is approved confirm there is no relevant audit information of which the auditors are unaware and that each director has taken all reasonable steps to make himself aware of any relevant audit information and established that the auditors are aware of that information.

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

27 July 2007

Jardine Lloyd Thompson UK Holdings Limited (formerly Jardine Lloyd Thompson UK Limited)

Independent Auditors' report to the members of Jardine Lloyd Thompson UK Holdings Limited (formerly Jardine Lloyd Thompson UK Limited)

We have audited the financial statements of Jardine Lloyd Thompson UK Holdings Ltd (formerly Jardine Lloyd Thompson UK Ltd for the year ended 31 December 2006 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

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) 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 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 whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we 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.

**Jardine Lloyd Thompson UK Holdings Limited (formerly Jardine
Lloyd Thompson UK Limited)**

**Independent Auditors' report to the members of Jardine Lloyd Thompson
UK Holdings Limited (formerly 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 2006 and of its profit for the year then ended,
- 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 27 July 2007*

Jardine Lloyd Thompson UK Holdings Limited (formerly Jardine Lloyd Thompson UK Limited)

Profit and loss account for the year ended 31 December 2006

	Note	Year ended 31 December 2006 £000	Year ended 31 December 2005 £000
Turnover and gross profit			
Continuing operations	3	2,435	5,696
		<u>2,435</u>	<u>5,696</u>
Staff costs	5	(812)	(3,335)
Depreciation	5	(1,180)	(1,553)
Other operating charges (excluding exceptional items)		(467)	(909)
Operating exceptional items	5	-	(6,624)
		<u>(2,459)</u>	<u>(12,421)</u>
Operating loss – continuing operations		(24)	(6,725)
Income from shares in Group undertakings		18,062	20,000
Profit on ordinary activities before interest and taxation		<u>18,038</u>	<u>13,275</u>
Interest receivable		699	2,308
Interest payable	4	(12)	(659)
Profit on ordinary activities before taxation		<u>18,725</u>	<u>14,924</u>
Taxation on profit on ordinary activities	6	(85)	54
Profit for the financial year		<u>18,640</u>	<u>14,978</u>
Dividends	7	(22,000)	(11,000)
Retained (loss)/profit for the financial year	15	<u>(3,360)</u>	<u>3,978</u>

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 21 form an integral part of these financial statements

**Jardine Lloyd Thompson UK Holdings Limited (formerly Jardine
Lloyd Thompson UK Limited)**

Profit and loss account for the year ended 31 December 2006

Statement of Total Recognised Gains and Losses

	Year ended 31 December 2006	Year ended 31 December 2005
	£'000	£'000
Profit for the financial year	18,640	14,978
Total recognised gains for the financial year	18,640	14,978
Prior year adjustment - FRS 20	-	13
Total Gains recognised since last report	18,640	14,991

The notes on pages 9 to 21 form an integral part of these financial statements

Jardine Lloyd Thompson UK Holdings Limited (formerly Jardine Lloyd Thompson UK Limited)

Balance Sheet as at 31 December 2006

		31 December 2006	31 December 2005
	Note	£'000	£'000
Fixed assets			
Tangible assets	8	3,443	4,117
Investments	9	115,421	108,465
		<u>118,864</u>	<u>112,582</u>
Current assets			
Debtors	10	143,085	103,694
Cash at bank and on hand		-	5,263
		<u>143,085</u>	<u>108,957</u>
Creditors – amounts falling due within one year			
Bank loans and overdrafts		(4,146)	(26,428)
Trade creditors	12	-	(482)
Sundry creditors	12	(161,977)	(95,066)
		<u>(166,123)</u>	<u>(121,976)</u>
Net current liabilities		<u>(23,028)</u>	<u>(13,019)</u>
Total assets less current liabilities		<u>95,826</u>	<u>99,563</u>
Provisions for liabilities and charges		-	(530)
Net assets		<u>95,826</u>	<u>99,033</u>
Capital and reserves			
Called up share capital	13	10,053	10,053
Share premium account	14	56,278	56,278
Reserves – Profit & loss account	14	29,309	32,669
Reserves – Other	14	186	33
Total shareholders' funds – equity	15	<u>95,826</u>	<u>99,033</u>

The financial statements on pages 6 to 21 were approved by the board of directors on 27 July 2007 and were signed on its behalf by



P E Goodings
Director

The notes on pages 9 to 21 form an integral part of these financial statements

Jardine Lloyd Thompson UK Holdings Limited (formerly Jardine Lloyd Thompson UK Limited)

Notes to the financial statements for the year ended 31 December 2006

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.

b) Turnover

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

c) 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.

d) 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

e) 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.

f) 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.

Jardine Lloyd Thompson UK Holdings Limited (formerly Jardine Lloyd Thompson UK Limited)

Notes to the financial statements for the year ended 31 December 2006 (continued)

g) 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 JLT UK Investment Holdings Limited (formerly Jardine Lloyd Thompson UK Holdings Limited) and is included in the consolidated financial statements of Jardine Lloyd Thompson Group plc, which are publicly available.

h) 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 JLT UK Investment Holdings Limited (formerly 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.

4. Interest payable

	Year ended 31 December 2006 £'000	Year ended 31 December 2005 £'000
Interest payable to a group undertaking	-	(635)
Notional interest on future pension provision discounting	(12)	(24)
Total interest payable	(12)	(659)

Jardine Lloyd Thompson UK Holdings Limited (formerly Jardine Lloyd Thompson UK Limited)

Notes to the financial statements for the year ended 31 December 2006
(continued)

5. Profit on ordinary activities before taxation

	Year ended 31 December 2006 £'000	Year ended 31 December 2005 £'000
Profit before taxation is stated after charging/(crediting)		
Wages and salaries	635	2,401
Social security costs	86	310
Pension costs	111	486
Share-based payments	-	19
Other staff costs	(20)	119
Staff costs	812	3,335
Depreciation of tangible fixed assets	1,180	1,553
Operating exceptional items		
Write down of investment in subsidiary	-	6,598
Merger costs	-	26
Operating lease charges		
Land and buildings	26	98
Auditors' Remuneration		
Fees payable to the Company's Auditors for the audit of the statutory accounts	129	170
Non Audit Services - Services relating to corporate finance transactions entered into by or on behalf of the company or any of its subsidiaries	-	20
Non Audit Services - All other services	-	10

6. Taxation on ordinary activities

	Year ended 31 Dec 2006 £'000	Year ended 31 Dec 2005 £'000
UK Corporation tax:		
Deferred taxation current period	77	(21)
Deferred taxation prior year adjustment	8	(33)
	85	(54)
Taxation on profit/(loss) before exceptional items	85	(54)
	85	(54)

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

Jardine Lloyd Thompson UK Holdings Limited (formerly Jardine Lloyd Thompson UK Limited)

Notes to the financial statements for the year ended 31 December 2006
(continued)

6. Taxation on ordinary activities (continued)

	Year ended 31 Dec 2006 £'000	Year ended 31 Dec 2005 £'000
UK Corporation Tax on profit on ordinary activities	5,618	4,477
Permanent additions to taxable result (principally non-taxable company reorganisations)	89	2,140
Permanent deductions from taxable result (principally UK dividends received and offset of losses surrendered by other group companies)	(5,630)	(6,638)
Book depreciation in excess of tax depreciation	(70)	(5)
Share based payments	(7)	26
Current tax charge for the period	-	-

7. Dividends

	Year ended 31 Dec 2006 £'000	Year ended 31 Dec 2005 £'000
2004 final Dividend paid at £0 60 per £1 share	-	6,000
Interim Dividend paid at £2 19 (2005 £0 50) per £1 share	22,000	5,000
Total dividends	22,000	11,000

8. Tangible fixed assets

	Leasehold land and buildings £'000	Fixtures, equipment and motor vehicles £'000	Total £'000
Cost			
At 1 January 2006	4,680	3,927	8,607
Additions	556	516	1,072
Disposals	-	(125)	(125)
Transfers to group undertakings	(2)	(904)	(906)
At 31 December 2006	5,234	3,414	8,648
Accumulated depreciation			
At 1 January 2006	2,283	2,207	4,490
Charge in the year	537	627	1,164
Disposals	-	(86)	(86)
Transfers to group undertakings	(1)	(362)	(363)
At 31 December 2006	2,819	2,386	5,205
Net Book Value			
At 31 December 2006	2,415	1,028	3,443
At 31 December 2005	2,397	1,720	4,117

Jardine Lloyd Thompson UK Holdings Limited (formerly Jardine Lloyd Thompson UK Limited)

Notes to the financial statements for the year ended 31 December 2006 (continued)

9. Fixed asset investments

	<u>£'000</u>
Cost	
At 1 January 2006	128,584
Additions	<u>6,956</u>
At 31 December 2006	<u>135,540</u>
Provisions	
At 1 January 2006	20,119
Provided in the year	<u>-</u>
At 31 December 2006	<u>20,119</u>
Net book value	
At 31 December 2006	<u>115,421</u>
At 31 December 2005	<u>108,465</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	Principal activities
<i>Held by the company</i>	
Jardine Financial Consultants Limited	Dormant
Jardine Lloyd Thompson UK Ltd (formerly JLT Corporate Risks Ltd)	Insurance broker
JLT Financial Consultants Limited	Pension and investment advisor
JLT Benefit Solutions Limited	Employee benefits, consulting, actuarial and administration services
Pension Capital Strategies Limited	Pension scheme advisor
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
Expacare Limited (formerly JLT Healthcare Ltd)	Medical insurance & employee benefits
Triangle Underwriting Ltd (formerly Lyndon Jones & Co Limited)	Dormant

Jardine Lloyd Thompson UK Holdings Limited (formerly Jardine Lloyd Thompson UK Limited)

Notes to the financial statements for the year ended 31 December 2006
(continued)

10. Debtors

	31 Dec 2006 £'000	31 Dec 2005 £'000
Amount falling due within one year:		
Amounts owed by group undertakings	142,710	101,188
Deferred tax (see note 11)	375	460
Other debtors	-	1,565
Prepayments and accrued income	-	481
	<u>143,085</u>	<u>103,694</u>

Amounts owed by Jardine Lloyd Thompson Group plc are unsecured and bear an interest rate of 6 3/2% and are repayable on demand

11. Deferred Taxation

	31 December 2006 £'000	31 December 2005 £'000
Excess book depreciation over tax depreciation	292	363
Provisions deductible in future periods	47	54
Share based payments	36	43
Closing deferred tax asset	<u>375</u>	<u>460</u>

Comprised of

Net deferred tax assets	375	460
Net deferred tax liabilities	<u>-</u>	<u>-</u>
	<u>375</u>	<u>460</u>

Reconciliation of movement in deferred tax asset

	£'000
Provision at 1 January 2006	460
Profit & loss account	<u>(85)</u>
Provision at 31 December 2006	<u>375</u>

Jardine Lloyd Thompson UK Holdings Limited (formerly Jardine Lloyd Thompson UK Limited)

Notes to the financial statements for the year ended 31 December 2006
(continued)

12. Creditors - Amounts falling due within one year

	31 December 2006 £'000	31 December 2005 £'000
Trade creditors – external	482	1,609
Amounts owed to group undertakings	161,977	87,616
Other creditors	-	4,942
Other taxes and social security costs	-	1,569
Accruals	-	939
	<u>161,977</u>	<u>95,066</u>

Amounts owed by Jardine Lloyd Thompson Group plc are unsecured and bear an interest rate of 6.32% and are repayable on demand

13. Called up share capital

	31 Dec 2006 £'000	31 Dec 2005 £'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
	<u>10,107</u>	<u>10,107</u>
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
	<u>10,053</u>	<u>10,053</u>

14. Reserves

	Share premium account £'000	Profit and loss account £'000	Other reserves £'000	Total £'000
At 1 January 2006	56,278	32,669	33	88,980
Share-based payments current year charge	-	-	153	153
Retained (loss) for the year	-	(3,360)	-	(3,360)
At 31 December 2006	<u>56,278</u>	<u>29,309</u>	<u>186</u>	<u>85,773</u>

Jardine Lloyd Thompson UK Holdings Limited (formerly Jardine Lloyd Thompson UK Limited)

Notes to the financial statements for the year ended 31 December 2006
(continued)

15. Reconciliation of movements in shareholders' funds

	Year ended 31 December 2006 £'000	Year ended 31 December 2005 £'000
Profit for the year (before dividends paid)	18,640	14,978
Dividends paid	(22,000)	(11,000)
Retained earnings (restated)	(3,360)	3,978
Share-based payment current year charge	153	20
Net increase/(decrease) to shareholders' funds	(3,207)	3,998
Opening shareholders' funds	99,033	95,035
Closing shareholders' funds	95,826	99,033

16. Employee information

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

	31 December 2006	31 December 2005
United Kingdom	-	35

17. Directors' emoluments

	31 December 2006 £'000	31 December 2005 £'000
Aggregate emoluments excluding pension scheme contributions	9	40
Pension contributions – defined contribution schemes	-	3
	9	43

In respect of the other directors at 31 December 2006, 5 were members of a defined benefit pension scheme (2005 5) and 4 were members of a defined contribution scheme (2005 1) From 1 December 2006 the defined benefit section of the Scheme was closed to future accruals

Highest paid director

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

Jardine Lloyd Thompson UK Holdings Limited (formerly Jardine Lloyd Thompson UK Limited)

Notes to the financial statements for the year ended 31 December 2006 (continued)

18 Equity settled share based payments

The Company's equity-settled share-based payments comprise the Restricted Share Plan, Executive Share Option Plan and the Sharesave Scheme

FRS20 applies to grants made after 7 November 2002, the issue date of the original exposure draft. Since that date the Company has made grants under a number of share-based payment arrangements, which are described below

SUMMARY OF GRANTS MADE		Options granted	Option price	Number of employees	Performance criteria	Assumed lapse rate %
Share Options – Executive Share Option Scheme						
2003	8 September	87,500	578.00	6	Note 1	5.6
2004	8 September	41,000	422.00	10	Note 1	5.00
2005	6 April	220,000	387.85	11	Note 1	5.00
Sub-total		348,500		27		
Sharesave Scheme 2003						
2003	30 September – 3 year	32,390	456.50	355	None	46.63
2003	30 September – 5 year	18,313	456.50	158	None	59.689
2006	9 October – 3 year	35,691	313.00	39	None	20.00
2006	9 October – 5 year	18,179	313.00	10	None	20.00
Sub-total		104,573		562		
Total		453,073		589		

Note 1 These options may only be exercised if there has been growth in the earnings per share in excess of RPI for the three consecutive financial accounting periods preceding the date of exercise

Jardine Lloyd Thompson UK Holdings Limited (formerly Jardine Lloyd Thompson UK Limited)

Notes to the financial statements for the year ended 31 December 2006 (continued)

18. Equity settled share based payments (Continued)

Fair Value Awards

Under FRS 20 the fair value of awards granted since 7 November 2002, calculated using a Black-Scholes model, is shown on the following table

Black-Scholes model assumptions									
		Exercise price (pence)	Perform period	Share price on grant date (pence)	Volatility %	Dividend yield %	Maturity years	Risk free interest rate %	Fair value of one award (pence)
Executive Share Option Scheme									
2003	08 September	578 00	2003 – 06	578 00	23 99	3 50	5	4 21	108 65
2004	08 September	422 00	2004 – 07	422 00	21 49	4 80	5	4 88	62 79
2005	06 April	387 85	2006 – 08	387 85	24 24	5 25	5	4 59	59 32
Sharesave Scheme									
2003	30 Sept – 3yr	456 50	2003 – 06	570 72	21 25	3 50	3	4 21	135 93
2003	30 Sept – 5yr	456 50	2003 – 08	570 72	23 99	3 50	5	4 33	154 64
2004	09 Oct – 3yr	313 00	2004 – 09	391 25	31 24	5 256	3	4 82	100 34
2006	09 Oct – 5yr	313 00	2006 – 1109	391 25	27 13	5 256 8	5	4 72	94 73

The option holders who have awards under the Restricted Share Scheme also receive discretionary payments equating to the dividends payable on their shares (subject to meeting the performance criteria) Under the Black-Scholes model if the dividend yield is assumed to be zero then the fair value will equal the share price at date of grant

The volatility has been calculated based on the historical share price of the Company, using either a 3 or 5 year term

All options granted under the share option schemes are conditional upon the employees remaining in the Company's employment during the vesting period of the option, the actual period varies according to the scheme in which the employee participates In calculating the cost of options granted, a factor is included to take account of anticipated lapse rates

Jardine Lloyd Thompson UK Holdings Limited (formerly Jardine Lloyd Thompson UK Limited)

Notes to the financial statements for the year ended 31 December 2006 (continued)

18. Equity settled share based payments (Continued)

Movement in number of options

		Options Outstanding at 1st Jan 2006 number	Transferred internally Number	Granted Number	Lapsed Number	Exercised Number	Options Outstanding at 31st Dec 2006 Number	Weighted average exercise price	Options exercisable at 31st Dec 2006	Remaining contractual life years
Share Options - Executive Share Option Scheme										
2003	8 September	9,000	(7,000)	-	(2,000)	-	-	-	-	6.69
2004	8 September	16,000	(14,000)	-	(2,000)	-	-	-	-	7.70
2005	6 April	-	10,000	-	(10,000)	-	-	413.29	-	8.27
Sub-total		25,000	(11,000)	-	(14,000)	-	-	-	-	-
Sharesave Scheme										
2003	30 Sep- 3yr	185,776	-	-	(32,718)	-	153,058	360.64	-	0.25
2003	30 Sep- 5yr	189,025	-	-	(91,853)	-	97,172	-	-	2.25
2006	9 Oct - 3yr	-	5,224	35,691	-	-	40,915	-	-	3.27
2006	9 Oct - 5 yr	-	-	18,179	-	-	18,179	-	-	5.27
Sub-total		374,801	5,224	53,870	124,571	-	309,324	-	-	-
Total		399,801	(5,776)	53,870	138,571	-	309,324	-	-	-

		Options Outstanding at 1st Jan 2005 number	Transferred internally Number	Granted Number	Lapsed Number	Exercised Number	Options Outstanding at 31st Dec 2005 Number	Weighted average exercise price	Options exercisable at 31st Dec 2005	Remaining contractual life years
Share Options - Executive Share Option Scheme										
2003	8 September	15,000	-	-	(6,000)	-	9,000	-	-	7.69
2004	8 September	20,000	-	-	(4,000)	-	16,000	-	-	6.70
Sub-total		35,000	-	-	(10,000)	-	25,000	-	-	-
Sharesave Scheme										
2000	26 Apr - 5yr	107,241	8,035	-	(7,712)	-	107,564	-	-	-
2003	30 Sep - 3yr	278,065	-	-	(62,289)	-	185,776	-	-	1.25
2003	30 Sept - 5 yr	229,596	-	-	(40,571)	-	189,025	-	-	3.25
Sub-total		584,902	8,035	-	(110,572)	-	482,365	-	-	-
Total		619,902	8,035	-	120,572	-	507,365	-	-	-

Jardine Lloyd Thompson UK Holdings Limited (formerly Jardine Lloyd Thompson UK Limited)

Notes to the financial statements for the year ended 31 December 2006 *(continued)*

19. 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 and to any further accruals for existing members from 1 December, 2006. Since 1 January 2004 new company employees have joined the defined contribution section and from 1 December 2006 members of the defined benefit section became eligible to join 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. The 2003 valuation has been updated to 31 December 2006 by a qualified actuary independent from the Group but, at the date of this report, has not been finalised.

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 £81,264 (2005: £205,187) based on a contribution rate of 21.65% of pensionable salaries (2005: 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 £5,050 (2005: £31,454).

Jardine Lloyd Thompson UK Holdings Limited (formerly Jardine Lloyd Thompson UK Limited)

Notes to the financial statements for the year ended 31 December 2006
(continued)

20. Financial commitments

Operating leases

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

	Land and buildings	
	31 December	31 December
	2006	2005
	£'000	£'000
Expiring within one year	-	-
Expiring between one and five years	-	60
Expiring after more than five years	-	2
	-	62

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.

21. Parent undertaking

The company's immediate parent undertaking is JLT UK Investment Holdings Limited (formerly 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