



S.I.M.I.A. MANAGEMENT COMPANY

**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2003**



Company number: 1996681

S.I.M.L.A. MANAGEMENT COMPANY

**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2003**

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S.I.M.I.A. MANAGEMENT COMPANY

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

I R Jarrett
P N Lindrea
A Salim
H C Wodehouse

(Resigned 8th April 2004)

SECRETARY

I R Jarrett

REGISTERED OFFICE

International House
26 Creechurch Lane
London

AUDITORS

Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
London

S.I.M.I.A. MANAGEMENT COMPANY

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2003

The directors present their annual report and audited financial statements for the year ended 31 December 2003.

Principal activities and future developments

The main activity of the company during 2003 has been the management of the Solicitors Indemnity Mutual Insurance Association Limited. This activity will continue in 2004.

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 £5,962 (2002 - £4,667).

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 2004.

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 propose a final dividend of £5,962 (2002 - £4,667).

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 holding company is Thomas Miller Holdings Limited, a company incorporated in Bermuda. As the ultimate holding 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.

H C Wodehouse is a director of the ultimate parent company, Thomas Miller Holdings Ltd.

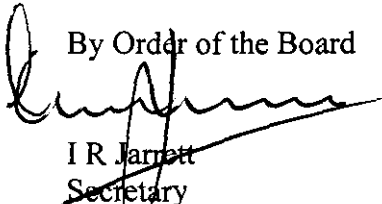
S.I.M.I.A. MANAGEMENT COMPANY

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2003 (continued)

Auditors

On 1 August 2003, Deloitte & Touche, the company's auditors transferred their business to Deloitte & Touche LLP, a limited liability partnership incorporated under the Limited Liability Partnerships Act 2000. The company's consent has been given to treating the appointment of Deloitte & Touche as extending to Deloitte & Touche LLP with effect from 11 September 2003 under the provisions of section 26(5) of the Companies Act 1989. 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

By Order of the Board

I R Jarrett
Secretary
28/6/2004

S.I.M.I.A. MANAGEMENT COMPANY

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 year. 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.

S.I.M.I.A. MANAGEMENT COMPANY

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF S.I.M.I.A. MANAGEMENT COMPANY

We have audited the financial statements of S.I.M.I.A. Management Company for the year ended 31 December 2003 which comprise the profit and loss account, the balance sheet and the related notes 1 to 11. 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.

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.

S.I.M.I.A. MANAGEMENT COMPANY

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF S.I.M.I.A.
MANAGEMENT COMPANY (continued)**

Opinion

In our opinion, the financial statements give a true and fair view of the state of the company's affairs as at 31 December 2003 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

12 July 2004

S.I.M.I.A. MANAGEMENT COMPANY

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2003**

	Note	2003 £	2002 £
Turnover	2	618,332	596,667
Administrative expenses		<u>(611,532)</u>	<u>(590,000)</u>
Operating profit on ordinary activities before taxation	3	6,800	6,667
Tax on profit on ordinary activities	4	<u>(838)</u>	<u>(2,000)</u>
Profit on ordinary activities after taxation	8	5,962	4,667
Dividends proposed		<u>(5,962)</u>	<u>(4,667)</u>
Retained profit for the financial year		-	-
Retained profit brought forward		-	-
Retained profit carried forward		<u>-</u>	<u>-</u>

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

All amounts derive from continuing activities.

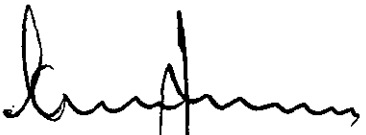
The notes on pages 9 to 12 form an integral part of these financial statements.

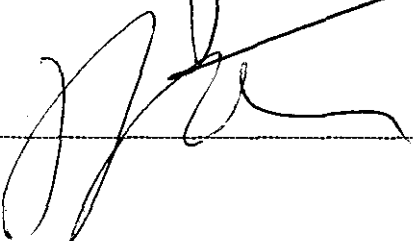
S.I.M.I.A. MANAGEMENT COMPANY

BALANCE SHEET AS AT 31 DECEMBER 2003

	Note	2003 £	2002 £
CURRENT ASSETS			
Debtors	5	19,163	13,767
CREDITORS: Amounts falling due within one year	6	<u>(19,063)</u>	<u>(13,667)</u>
Net current assets		<u>100</u>	<u>100</u>
Total assets less current liabilities		<u>100</u>	<u>100</u>
CAPITAL AND RESERVES			
Called up share capital	7	100	100
Profit and loss account		-	-
Equity shareholders' funds	8	<u>100</u>	<u>100</u>

The financial statements were approved by the Board of Directors on 28/6/04 and signed on behalf of the Board by


 _____ Director


 _____ Director

I. R. JARRETT

H. C. WOODHOUSE

The notes on pages 9 to 12 form an integral part of these financial statements.

S.I.M.I.A. MANAGEMENT COMPANY

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2003

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 agency and management fees attributable to the accounting year.

Deferred taxation

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

	2003 £	2002 £
United Kingdom	<u>618,332</u>	<u>540,000</u>

3. Operating profit on ordinary activities before taxation

	2003 £	2002 £
This is stated after charging:		
Auditors' remuneration		
Audit fees	<u>750</u>	<u>750</u>

All directors' remuneration is borne by other group companies. The company has no employees (2002 – nil).

S.I.M.I.A. MANAGEMENT COMPANY

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2003 (continued)

4. Tax on profit on ordinary activities

	2003 £	2002 £
a) Analysis of tax charge for the year		
UK Corporation Tax		
Current tax on income for the year	1,434	2,000
Adjustments in respect of prior years	<u>(596)</u>	<u>-</u>
Tax on profit on ordinary activities	<u>838</u>	<u>2,000</u>

b) Factors affecting tax charge for the year

The tax charge for the year is lower than the standard rate of Corporation Tax for the year. The differences are explained below:

Profit on ordinary activities before tax	<u>6,800</u>	<u>6,667</u>
Profit on ordinary activities before tax multiplied by standard rate of Corporation Tax in the UK of 30% (2002:30%)	2,040	2,000
Effects of:		
Marginal relief	(606)	
Adjustment to tax charge in respect of previous years	<u>(596)</u>	<u></u>
	<u>838</u>	<u>2,000</u>

There is no deferred tax charge for the year (2002 - £nil)

5. Debtors

	2003 £	2002 £
Amounts owed by group undertaking	<u>19,163</u>	<u>13,767</u>

S.I.M.I.A. MANAGEMENT COMPANY

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2003 (continued)

6. Creditors

	2003 £	2002 £
Amounts falling due within one year:		
Amounts due to parent undertaking	11,667	7,000
Corporation Tax	1,434	2,000
Proposed dividends	5,962	4,667
	<u>19,063</u>	<u>13,667</u>

7. Called up share capital

	2003 £	2002 £
Authorised		
Equity interests: 100 ordinary shares of £1	<u>100</u>	<u>100</u>
Allotted, called up and fully paid		
Equity interests: 100 ordinary shares of £1	<u>100</u>	<u>100</u>

8. Reconciliation of shareholders' funds

	2003 £	2002 £
Shareholders' funds at 1 January	100	100
Profit for the year after taxation	5,962	4,667
	<u>6,062</u>	<u>4,767</u>
Less: Proposed dividends	(5,962)	(4,667)
Shareholders' funds at 31 December	<u>100</u>	<u>100</u>
Representing: Equity Interests	<u>100</u>	<u>100</u>

9. Company status

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

10. Related parties

During the year the company entered into transactions in the normal course of business with its immediate parent company, Thomas Miller & Co Ltd and its other 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.

S.I.M.I.A. MANAGEMENT COMPANY

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2003 (continued)

11. Ultimate controlling party

The company is owned by Thomas Miller & Co. Ltd., a company registered in England and Wales and which is the parent undertaking of the smallest group in which the company is consolidated. The consolidated accounts of Thomas Miller & Co. Ltd are available to the public and may be obtained from: The Registrar of Companies, Companies House, 3 Crown Way, Maindy, Cardiff CF14 3UZ.

Thomas Miller & Co Ltd. is itself owned by Thomas Miller Holdings Ltd., a company registered in Bermuda and the ultimate controlling company. Thomas Miller Holdings Ltd. is the parent undertaking of the largest 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.