



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

**REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2000**



Company number: 1996681

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

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FOR THE YEAR ENDED 31 DECEMBER 2000**

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

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

I R Jarrett
A Salim
H C Wodehouse

SECRETARY

I R Jarrett

AUDITORS

Morison Blueprint
805 Salisbury House
31 Finsbury Circus
London
EC2M 5SQ

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

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2000

The directors present their report and the audited financial statements for the year ended 31 December 2000.

Review of Activities

The main activity of the company during 2000 has been the management of the Solicitors Indemnity Mutual Insurance Association Limited. This activity will continue in 2001.

The profit and loss account for the year is set out on page 6. The profit for the year, after taxation, amounted to £3,500.

The company does not employ its own staff nor lease its own premises. Thomas Miller & Co Ltd provides the personnel, the office space and other services and equipment required for the conduct of the company's business. No change is envisaged in these arrangements for 2001.

The company's results are included in the consolidated financial statements of its parent company Thomas Miller & Co Ltd. Thomas Miller & Co Ltd is itself wholly owned by the ultimate holding company Thomas Miller Holdings Limited, a company registered in Bermuda.

Dividends

The directors propose a dividend of £3,500 (1999 - £2,325).

Directors and their interests

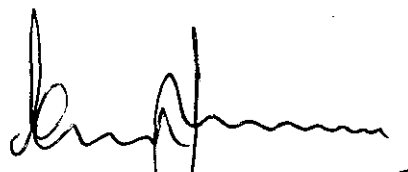
The present membership of the Board of Directors is shown on page 1.

None of the directors who held office during the year has a direct beneficial interest in the shares of the company. Directors' interests in the share capital of the ultimate parent company are set out in Note 8 to the financial statements.

Auditors

The auditors, Morison Stoneham, have transferred their audit business to Morison Blueprint. In accordance with section 26 of the Companies Act 1989, Morison Blueprint have been appointed as auditors to succeed Morison Stoneham, and will be proposed for reappointment in accordance with section 385 of the Companies Act 1985.

International House
26 Creechurch Lane
London
EC3A 5BA


By Order of the Board
I R Jarrett
Secretary

Date: 10th April 2001

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

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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 and of the profit and loss account for that period. 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; and
- prepare the financial statements on the 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 to 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.

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

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

We have audited the financial statements on pages 5 to 10 which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page 7.

Respective responsibilities of Directors and Auditors

As described on page 3 the company's directors are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of 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 estimates, 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 are 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 as at 31 December 2000 and of its profit for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

805 Salisbury House
31 Finsbury Circus
London
EC2M 5SQ



Morison Blueprint
Registered Auditors
Chartered Accountants

Date: 27 April 2001

Morison Blueprint is a trading name of Blueprint Audit Limited, a Registered Auditor

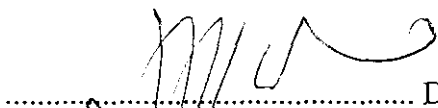
S.I.M.I.A. MANAGEMENT COMPANY

BALANCE SHEET AS AT 31 DECEMBER 2000

	Note	2000 £	1999 £
CURRENT ASSETS			
Debtors:			
Amounts owed by parent undertaking	2	5,100	1,108
CREDITORS: amounts due within one year	3	5,000	(1,008)
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	4	100	100
Profit and loss account		-	-
Total Shareholders Funds	6	<u>100</u>	<u>100</u>

The financial statements were approved by the Board of Directors on and signed on behalf of the Board by

10th April 2001

 Director

H.C. WODEHOUSE

 Director

I. R. JARRETT

The notes on pages 7 to 10 form an integral part of these financial statements.

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

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2000

	Note	2000 £	1999 £
TURNOVER	1	540,000	523,333
Administrative Expenses		(535,000)	(520,000)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>5,000</u>	<u>3,333</u>
Less: Taxation	5	<u>(1,500)</u>	<u>(1,008)</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		<u>3,500</u>	<u>2,325</u>
Dividends	7	<u>(3,500)</u>	<u>(2,325)</u>
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 year. All amounts derive from continuing activities.

The notes on pages 7 to 10 form an integral part of these financial statements.

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2000

1. Accounting Policies

The financial statements have been prepared using generally accepted United Kingdom accounting practice. The accounting policies which have been adopted, have been applied consistently in arriving at the financial information. The specific policies are:

Accounting convention

The financial statements have been prepared under the historical cost convention.

Turnover

Turnover, which excludes value added tax, represents the invoiced value of investment and advisory services attributable to the accounting year.

Cash Flow Statement

The company exercises its right to the exemption available to small companies under the Companies Act 1985 not to prepare a cash flow statement.

2. Debtors

	2000 £	1999 £
Amounts owed by parent undertaking	<u>5,100</u>	<u>1,108</u>

3. Creditors

	2000 £	1999 £
Amounts falling due within one year:		
Dividends payable	3,500	-
Corporation tax	<u>1,500</u>	<u>1,008</u>
	<u>5,000</u>	<u>1,008</u>

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2000 (continued)

4. Called Up Share Capital

	2000 £	1999 £
Equity interests:		
Authorised and issued - ordinary shares of £1	<u>100</u>	<u>100</u>
Allotted called-up and fully paid – ordinary shares of £1	<u>100</u>	<u>100</u>

5. Taxation

	2000 £	1999 £
The taxation charge is based on the profit for the year and represents:		
UK Corporation tax at 30% (1999 – 30.25%)	<u>1,500</u>	<u>1,008</u>

There is no provision for deferred taxation (1999 – Nil).

6. Reconciliation of Shareholders Funds

	2000 £	1999 £
Shareholders' funds at 1 January	100	100
Profit for the year after taxation	3,500	2,325
	<u>3,600</u>	<u>2,425</u>
Less: Dividends	(3,500)	(2,325)
Shareholders' funds at 31 December	<u>100</u>	<u>100</u>
Representing: Equity Interests	<u>100</u>	<u>100</u>

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2000 (continued)

7. Profit on Ordinary Activities

	2000 £	1999 £
This is stated after charging:		
Auditors' remuneration	<u>750</u>	<u>750</u>
Directors' emoluments	<u>Nil</u>	<u>Nil</u>
<u>Dividends paid or proposed</u>		
	£	£
On ordinary shares:		
Dividend paid	-	2,325
Dividend proposed	<u>3,500</u>	<u>-</u>

8. Directors and their interests

The directors' interests in the share capital of the ultimate parent company, Thomas Miller Holdings Ltd, are set out below. There has been no change in the 'A' and 'B' shareholding during the year.

Director	'A' shares 0.1p	'B' shares 0.1p	Ordinary 10p Shares held @1.1.2000	Purchases/ (Sales) during 2000	Ordinary 10p Shares held @31.12.2000
I R Jarrett	-	-	130,000	-	130,000
A Salim	-	-	60,000	4,000	64,000
H C Wodehouse	8,342	8,342	431,000	-	431,000

In addition to the above shareholding, each of the directors has 1,000 shares in the ultimate parent company held by Miller Profit Sharing Trustees Ltd.

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

I R Jarrett and A Salim held 5,000 and 10,000 options respectively to purchase shares in the ultimate holding company at a price of £2.50. The date of grant was 20 July 2000 and the options become exercisable between 20 July 2003 and 19 July 2010.

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

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2000 (continued)

9. Company Status

The company is incorporated in the United Kingdom and registered in England with unlimited liability.

10. Related Party Transactions

During the year the company entered into transactions in the normal course of business with Thomas Miller & Co Ltd, and its other subsidiary companies. These transactions have not been disclosed as this company and all the relevant fellow subsidiary companies are wholly owned and included in the consolidated financial statements of Thomas Miller & Co Ltd.

11. Ultimate Controlling Party

The immediate parent undertaking is Thomas Miller Professional Indemnity (Holdings) Ltd, which is wholly owned by Thomas Miller & Co Ltd. Both these companies are registered in England.

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