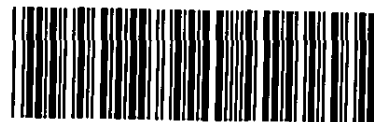


COMPANY REGISTRATION NUMBER 2265140

BENFIELD HOLDINGS LIMITED
FINANCIAL STATEMENTS
31 DECEMBER 2009

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BENFIELD HOLDINGS LIMITED

YEAR ENDED 31 DECEMBER 2009

CONTENTS	PAGES
Company information	1
Directors' report	2-3
Independent auditor's report to the shareholders	4-5
Income statement	6
Balance sheet	7
Statement of changes in equity	8
Cash flow statement	9
Notes to the financial statements	10-20

BENFIELD HOLDINGS LIMITED

COMPANY INFORMATION

Directors

G D Chilton
D J Coldman (resigned on 30 June 2009)
E R C Cruttwell (resigned on 1 June 2010)
P F Clayden (appointed on 1 March 2010)
M C Heap (appointed on 19 December 2008 and resigned on 19 March 2010)
J L P Whiter (resigned on 31 March 2009)
Y J Fisher (appointed on 1 June 2010)
S D Gale (appointed on 1 June 2010)

Company secretary

CoSec 2000 Limited (appointed on 31 March 2009)
G R G Stiff (resigned on 31 March 2009)

Registered office

8 Devonshire Square
London
EC2M 4PL

Auditor

Ernst & Young LLP
Registered Auditor
1 More London Place
London
SE1 2AF

BENFIELD HOLDINGS LIMITED

DIRECTORS' REPORT YEAR ENDED 31 DECEMBER 2009

The directors present their report and the financial statements for the year ended 31 December 2009

Principal activities, review and future development of the business

The company is a holding company whose subsidiaries carry on the business of insurance and reinsurance broking in the United Kingdom and overseas

It is not anticipated that there will be any changes in the activity of the company in the foreseeable future

Principal Risks and going concern

As the company's assets and liabilities are dominated by balances due to and from other group companies and investments in subsidiary companies, its principal risk relates to the recoverability of those amounts. The directors, having made the relevant enquiries of Aon Corporation, the company's ultimate parent company, are satisfied that obligations under those balances will be met in full and that the carrying values of investments are recoverable. Accordingly, the directors continue to adopt the going concern basis in preparing the annual report and accounts

Results and dividends

The results for the year and the company's financial position at the end of the year are shown in the attached financial statements

The directors have not recommended a dividend (2008: £102,853,158)

DIRECTORS

The directors who served the company during the year and up to the date of this report are listed on page 1

M C Heap was appointed as a director on 19 December 2008 and resigned on 19 March 2010

P F Clayden was appointed as a director on 1 March 2010

J L P Whiter resigned on 31 March 2009

D J Coldman resigned on 30 June 2009

E R C Cruttwell resigned on 1 June 2010

Y J Fisher and S D Gale were appointed as directors on 1 June 2010

RESPONSIBILITIES OF THE DIRECTORS

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the directors must not approve the financial statements unless they are satisfied that they 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. In preparing these 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,
- state whether applicable International Financial Reporting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and

BENFIELD HOLDINGS LIMITED

DIRECTORS' REPORT YEAR ENDED 31 DECEMBER 2009

- 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 that are sufficient to show and explain the company's transactions and 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 2006. 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.

DISCLOSURE OF INFORMATION TO THE AUDITORS

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information required in connection with the auditor's report, of which the auditor is unaware. Each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

AUDITORS

Ernst & Young LLP are deemed to be reappointed in accordance with an elective resolution made under section 386 of the Companies Act 1985 which continues in force under the Companies Act 2006.

By order of the board



For and on behalf of
CoSec 2000 Limited
Company Secretary

Date 15 September 2010
Registered Number 2265140

BENFIELD HOLDINGS LIMITED

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

YEAR ENDED 31 DECEMBER 2009

We have audited the financial statements of Benfield Holdings Limited for the year ended 31 December 2009, which comprise the Income Statement, the Balance Sheet, the Statement of Changes in equity, Cashflow statement and the related notes 1 to 17. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 the Companies Act 2006. 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 auditor's 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 explained more fully in the Statement of Directors' Responsibilities set out on pages 2 and 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). These standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

OPINION ON THE FINANCIAL STATEMENTS

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2009 and of its loss for the year then ended,
- have been properly prepared in accordance with IFRSs adopted by the European Union, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

BENFIELD HOLDINGS LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
BENFIELD HOLDINGS LIMITED
YEAR ENDED 31 DECEMBER 2009

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept by the company, or
- the company financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

Ernst & Young LLP

Kevin Senior (Senior Statutory Auditor)
For and on behalf of Ernst & Young LLP, Statutory Auditor
London

Date *16 September 2010*

BENFIELD HOLDINGS LIMITED

INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2009

		2009 £'000	2008 £'000
	Notes		
Operating income	2	-	220,001
Operating expenses		450	(6,626)
Total operating profit		450	213,375
Other operating income		481	-
Gain on disposal of investments in subsidiary undertakings		431	-
Provision for investments in subsidiary undertakings	6	(799)	-
Write-off of financial assets		-	(1,140)
Finance income	3	168	87
Finance costs	3	(10,280)	(7,414)
(Loss)/profit before taxation	4	(9,549)	204,908
Taxation	5	7,065	2,003
(Loss)/profit for the financial year		(2,484)	206,911

All of the activities of the company are classed as continuing

BENFIELD HOLDINGS LIMITED

BALANCE SHEET

FOR THE YEAR ENDED 31 DECEMBER 2009

		2009 £'000	2008 £'000
	Notes		
ASSETS			
Non-current assets			
Investments in subsidiary and associated undertakings	6	366,724	365,613
Financial assets	7	7,518	7,518
		<u>374,242</u>	<u>373,131</u>
Current assets			
Trade and other receivables	9	91,682	100,101
Financial Assets	10	-	13
Cash and cash equivalents		391	40
		<u>92,073</u>	<u>100,154</u>
LIABILITIES			
Current liabilities			
Trade and other payables	11	67,240	222,498
Current tax payable		333	2,405
Provisions	12	-	170
		<u>67,573</u>	<u>225,073</u>
Net current assets/(liabilities)		24,500	(124,919)
Non-current liabilities			
Trade and other payables	11	156,206	-
Deferred tax liabilities	8	-	3,192
		<u>156,206</u>	<u>3,192</u>
Net assets		<u>242,536</u>	<u>245,020</u>
SHAREHOLDERS' EQUITY			
Share capital	13	1,412	1,412
Share premium		120,739	120,739
Capital redemption reserve		10,263	10,263
Retained earnings		110,122	112,606
Total shareholders' equity		<u>242,536</u>	<u>245,020</u>

Approved and authorised for issue by the Board on 15 September 2010 and signed on its behalf by


P F Clayden
 Director

BENFIELD HOLDINGS LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2009

	Share capital £'000	Share premium £'000	Capital redemption reserve £'000	Retained earnings £'000	Total £'000
At 1 January 2008	1,412	120,739	10,263	8,548	140,962
Retained profit for the year	-	-	-	206,911	206,911
Dividends	-	-	-	(102,853)	(102,853)
At 31 December 2008	1,412	120,739	10,263	112,606	245,020
Loss for the year	-	-	-	(2,484)	(2,484)
At 31 December 2009	1,412	120,739	10,263	110,122	242,536

BENFIELD HOLDINGS LIMITED

CASHFLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2009

	2009 £'000	2008 £'000
Cash flows from operating activities		
Cash generated from operations (note 14)	10,141	159,964
Interest received	168	87
Taxation received	1,801	3,206
Net cash generated from operating activities	<u>12,110</u>	<u>163,257</u>
Cash flows from investing activities		
Increase investment in associates	-	(7,518)
Acquisition of subsidiary undertaking	(2,625)	(25,425)
Proceeds from disposal of financial asset	-	55
Proceeds from disposal of associate	1,146	-
Net cash used in investing activities	<u>(1,479)</u>	<u>(32,888)</u>
Cash flows from financing activities		
Repayment of borrowings	-	(20,062)
Finance costs	(10,280)	(7,414)
Dividends paid	-	(102,853)
Net cash used in financing activities	<u>(10,280)</u>	<u>(130,329)</u>
Net increase in cash and cash equivalents	351	40
Cash and cash equivalents at 1 January	<u>40</u>	<u>-</u>
Cash and cash equivalents at 31 December	<u>391</u>	<u>40</u>

BENFIELD HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

1. ACCOUNTING POLICIES

Basis of accounting

The company is obliged to prepare its financial statements in accordance with the UK Companies Act 2006, which permits a company to prepare its financial statements under International Financial Reporting Standards ("IFRS"). Accordingly, the financial statements have been prepared in accordance with UK law, under the historical cost convention as modified by the revaluation of available-for-sale investments and derivative financial instruments, and in accordance with IFRS and International Financial Reporting Interpretations Committee ("IFRIC") interpretations endorsed by the European Union. The principal accounting policies adopted are set out below.

The financial statements have been prepared on a going concern basis. The directors have considered the appropriateness of the going concern basis in the directors' report on page 2 and 3.

Exceptional items

Income or expenditure in relation to a non-recurring event is credited or charged to operating profit and is classified under the appropriate heading in the income statement. Such items are disclosed separately as "exceptional" when they are considered material, in order that the effects of these items on operating profit can be fully appreciated.

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 temporary differences between the carrying value of assets and liabilities for reporting purposes and the corresponding tax bases used in the computation of taxable profit. Deferred tax is calculated at the rate of tax expected to apply when the liability is settled or the asset is realised. A deferred tax asset is only recognised to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred liabilities are only offset against deferred tax assets within the same taxable entity or qualifying local tax group where there is both the legal right and the intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the company controls the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Foreign currencies

Transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing at the date of the transaction. Monetary assets and liabilities in currencies other than the functional currency are translated at the rates of exchange prevailing at the balance sheet date and the related transaction gains and losses are reported in the income statement.

Investment in subsidiary and associated undertakings

Investments in subsidiary and associated undertakings are stated at cost less provision for impairment. A provision is made to the extent that, in the directors' view, the carrying amount exceeds the recoverable amount of the investment.

BENFIELD HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

1. ACCOUNTING POLICIES (*continued*)

Group Accounts

These financial statements contain information about Benfield Holdings Limited as an individual company and do not contain consolidated financial information as the parent of a group. The Company has taken advantage of the exemption under IAS 27, 'Consolidated and separate financial statements', from the requirement to prepare consolidated financial statements as it and its subsidiaries are included by full consolidation in the consolidated financial statements of its ultimate parent, Aon Corporation.

Available-for-sale financial assets

Available-for-sale financial assets are included at fair value unless it is not possible, due to their nature, to determine a fair value. In these circumstances they are held at cost less provision for impairment. Any subsequent unrealised gains and losses arising from changes in fair value are recognised in equity. When available-for-sale investments are sold or impaired, the accumulated fair value adjustments are recognised in the income statement as gains and losses.

Cash and cash equivalents

Cash and cash equivalents include current account balances, bank deposits and other short-term liquid investments with maturity dates of less than three months.

Provisions

A provision is recognised when there is a present obligation, whether legal or constructive, as a result of a past event for which it is probable that a transfer of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Borrowings

Borrowings are recognised initially at cost, being the fair value of the proceeds net of transaction costs incurred. Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Critical accounting estimates and judgements

Preparation of the financial statements requires certain estimates and assumptions to be made concerning future events that may affect the reported amounts in the financial statements and accompanying notes. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable. Consequently, the actual results can differ from these estimates. Key estimates made by management are as follows:

BENFIELD HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

1. ACCOUNTING POLICIES *(continued)*

a) Taxation

The company is subject to income taxes in the jurisdictions in which it operates. Significant judgements are required in determining the provision for income taxes. During the ordinary course of business, there are many transactions and calculations for which the ultimate tax determination is uncertain. As a result, the company recognises tax liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The amount of such liabilities is based on an assessment of various factors, such as experience of previous tax audits and differing interpretations of tax law. This assessment relies on estimates and assumptions and involves a series of complex judgements about future events. To the extent that the final tax outcome of these matters is different from the amounts recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

b) Fair value of financial assets

The fair value of financial assets that are not traded in an active market is determined by reference to recent comparable transactions, when applicable. When no such comparable transactions exist, the financial asset is reviewed annually for impairment in accordance with the accounting policy for "Impairment of assets" described above. The company uses its judgement and makes assumptions that are mainly based on existing market conditions to determine whether the carrying value of the asset should be written down.

2. OPERATING INCOME

	2009 £'000	2008 £'000
Dividends from investments	-	220,001

3. FINANCE INCOME AND COSTS

	2009 £'000	2008 £'000
Finance income:		
Interest receivable from group undertakings	168	80
Other interest receivable	-	7
	168	87
Finance costs:		
Interest payable to group undertakings	(10,197)	(2,829)
Interest payable on bank borrowings	(83)	(4,445)
Other interest payable	-	(140)
	(10,280)	(7,414)

Other interest payable included interest on tax payable in relation to amounts in dispute with tax authorities.

BENFIELD HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

4. (LOSS) /PROFIT BEFORE TAX

	2009 £'000	2008 £'000
(Loss)/profit before taxation is stated after charging		
Auditor's remuneration		
- as auditor	51	525
Exchange differences	411	264

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.

Fees payable to the company's auditors are detailed below

	2009 £'000	2008 £'000
Audit of the company	31	52
Other services pursuant to legislation	20	-
Audit of other group companies	-	473
	51	525

The auditor's remuneration disclosed above for 2009 was borne by another group company.

5. TAX ON (LOSS) /PROFIT ON ORDINARY ACTIVITIES

(a) Analysis of (credit)/charge in the year

	2009 £'000	2008 £'000
Current tax		
UK corporation tax	(2,322)	(1,804)
Adjustments in respect of previous periods	(1,551)	(2)
	(3,873)	(1,806)
Deferred tax		
Relating to the origination and reversal of temporary differences	(3,192)	(197)
Total tax	(7,065)	(2,003)

BENFIELD HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the United Kingdom of 28.0% (2008 – 28.5%). The differences are reconciled below

	2009 £'000	2008 £'000
(loss)/profit before tax	(9,549)	204,908
Profit/(loss) multiplied by the standard rate of corporation tax in the UK of 28.0% (2008 – 28.5%)	(2,674)	58,399
Effects of		
Expenses not deductible for tax purposes	298	823
Adjustment in respect of foreign tax rates	-	340
Adjustment in respect of prior periods	(4,743)	(1,106)
Non-taxable income	(125)	(62,700)
Transfer pricing adjustments	179	743
Loss not utilised	-	1,498
	(7,065)	(2,003)

6. INVESTMENT IN SUBSIDIARY AND ASSOCIATED UNDERTAKINGS

	2009 £'000	2008 £'000
Cost		
At 1 January	365,666	340,241
Additions	2,625	25,425
Disposals	(715)	-
At 31 December	367,576	365,666
Provisions		
At 1 January	53	53
Provided for during the year	799	-
Disposals	-	-
At 31 December	852	53
Net book amount		
At 31 December	366,724	365,613

BENFIELD HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

The company's principal subsidiary undertakings at 31 December 2009 were

Company	Nature of business	Country of registration or incorporation	Effective interest at 31 December	
			2009	2008
Benfield Advisory Holdings Limited	Intermediate holding company	United Kingdom	100%	100%
Benfield Investment Holdings Limited	Intermediate holding company	Bermuda	100%	100%
Benfield Juniperus Holdings Limited	Investment holding company	Bermuda	100%	100%
Greig Fester Group Limited	Intermediate holding company	United Kingdom	100%	100%
Benfield International Limited	Inactive	United Kingdom	100%	100%

An application for strike off was submitted on 9 July 2010 for Benfield International Limited

The company's principal associated undertakings at 31 December 2009 were

Company	Nature of business	Country of registration or incorporation	Effective interest at 31 December	
			2009	2008
Juniperus Capital Holdings Limited	Investment holding company	Bermuda	39 27%	0%

All shareholdings are of ordinary common shares or stock

The aggregate amount of capital and reserves, and the results of the principal subsidiaries for the financial year were as follows

	Year Audit Status		Capital and Reserves £'000	Profit/(loss) for the year after tax £'000
Benfield Advisory Holdings Limited	2009	Unaudited	6	98
Benfield Investment Holdings Limited	2008	Unaudited	28,728	30
Benfield Juniperus Holdings Limited	2008	Unaudited	50,100	-
Greig Fester Group Limited	2009	Audited	228,192	300
Benfield International Limited	2009	Unaudited	(108)	(44)

BENFIELD HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

7. NON – CURRENT FINANCIAL ASSETS

	Available- for-sale investments	Available- for-sale investments
	2009 £'000	2008 £'000
At 1 January	7,518	61
Additions	-	7,518
Disposals	-	(61)
At 31 December	7,518	7,518

Available-for-sale investments consist of an unlisted overseas investment. The investment is held at cost because it does not have a quoted market price in an active market and its fair value cannot therefore be reliably measured.

8. DEFERRED TAXATION

Deferred taxation is calculated in full on temporary timing differences under the liability method. The movement on the deferred tax liabilities account is as shown below:

	2009 £'000	2008 £'000
At 1 January	(3,192)	(3,389)
Income statement credit	3,192	197
At 31 December	-	(3,192)

All deferred tax liabilities were available for offset against deferred tax assets arising in the same jurisdiction.

The movement in deferred tax assets and liabilities during the period is shown below:

	Other £'000	Overseas earnings £'000	Total £'000
At 1 January 2009	(128)	(3,064)	(3,192)
Credit to income statement	128	3,064	3,192
At 31 December 2009	-	-	-

BENFIELD HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

9. TRADE AND OTHER RECEIVABLES

	2009 £'000	2008 £'000
<u>Amounts falling due within one year</u>		
Amounts owed by group undertakings	90,890	93,001
Other debtors	-	7,100
	<u>90,890</u>	<u>100,101</u>
<u>Amounts falling due after more than one year</u>		
Amounts owed by associated undertakings	792	-
Total debtors	<u>91,682</u>	<u>100,101</u>

Amounts owed by group undertakings falling due within one year are unsecured, non-interest bearing and repayable on demand

Amounts owed by associated undertakings falling due after more than one year are unsecured, bearing interest at a rate of 6% and are due for repayment on 31 December 2011

10 FINANCIAL ASSETS

	2009 £'000	2008 £'000
Derivative instruments	-	13

The fair value of foreign exchange derivative contracts is based on the market price of comparable instruments at the balance sheet date

11. TRADE AND OTHER PAYABLES

	2009 £'000	2008 £'000
<u>Amounts falling due within one year</u>		
Amounts due to group undertakings	67,240	211,934
Other creditors and accruals	-	10,564
	<u>67,240</u>	<u>222,498</u>
<u>Amounts falling due after more than one year</u>		
Amounts due to group undertakings	<u>156,206</u>	-

Amounts due group undertakings falling due within one year are unsecured, non-interest bearing and repayable on demand

Amounts due to group undertakings falling due after more than one year are unsecured, bearing interest at a rate of 7% and are due for repayment on 28 December 2015

BENFIELD HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

12. PROVISIONS

	2009 £'000	2008 £'000
Litigation and disputes		
At 1 January	170	255
Transfer to group undertaking	(170)	-
Released during the year	-	(85)
At 31 December	-	170

In the ordinary course of the business of the company's subsidiaries, the company was subject to claims for alleged errors and omissions made in connection with the broking activities of those subsidiaries. In the past, the company therefore recognised provisions in respect of claims for errors and omissions and other legal disputes, together with anticipated legal costs to the extent that any liabilities that arose from such exposures were deemed probable. With the transfer of the net assets and broking activities of the company's subsidiaries to Aon Limited with effect from 1 March 2009, it has been deemed appropriate to transfer the provision to that company.

13. SHARE CAPITAL

	2009 £'000	2008 £'000
Authorised		
141,173,300 Ordinary shares of 1p each	1,412	1,412
Allotted, called up and fully paid		
141,173,300 Ordinary shares of 1p each	1,412	1,412

14. CASH FLOW FROM OPERATING ACTIVITIES

Reconciliation of operating profit to net cash inflow from operating activities

	2009 £'000	2008 £'000
Continuing operations		
(Loss)/profit for the financial year	(2,484)	206,911
Adjusted for		
Taxation	(7,065)	(2,003)
Provision for investments in subsidiary undertakings	799	-
Gain on disposal of investments in subsidiary undertakings	(431)	6
Interest income	(168)	(87)
Interest expense	10,280	7,414
Decrease/(increase) in trade and other receivables	8,419	(76,213)
Decrease/(increase) in current financial assets	13	(13)
Increase in payables	948	24,034
Decrease in provisions	(170)	(85)
Cash generated from operations	10,141	159,964

BENFIELD HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

15. DIRECTORS' REMUNERATION

	2009 £'000	2008 £'000
Aggregate emoluments	-	834
Aggregate gains made on exercise of share options	-	-
Contributions to money purchase pension schemes	-	-
Contributions to individual pension arrangements	-	-

The emoluments of one of the directors (2008 1 director) are paid by Aon Limited, a group fellow company

Retirement benefits are accruing to 3 directors (2008 3 directors) under a money purchase pension scheme

The remuneration of the highest paid director included in the amounts above is set out below

	2009 £'000	2008 £'000
Total emoluments	-	464
Contributions to money purchase pension schemes	-	-

16. RELATED PARTY TRANSACTIONS

	2009 £'000	2008 £'000
Transactions with group undertakings		
Administrative expenses recharge	-	4,024

In the prior year, Benfield Limited recharged the cost of certain administrative services provided to the company

In 2008, the company also made a loan to Juniperus Capital Holdings Limited of \$3m. The balance outstanding at 31 December 2009 was \$1,265,200 (2008 \$3,000,000)

The amounts receivable and payable to group undertakings at the year end are disclosed in note 9 and 11 respectively

BENFIELD HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009**

17. ULTIMATE PARENT COMPANY

The immediate parent undertaking is Aon Benfield Group Limited, a company registered in Bermuda

The ultimate parent undertaking and controlling party is Aon Corporation, a company incorporated in the State of Delaware, United States of America

The parent undertaking of the smallest and largest group which contains the company, and for which group financial statements are prepared, is Aon Corporation

Copies of the group financial statements of Aon Corporation are available from the Securities and Exchange Commission, Division of Corporation Finance, 100 F Street N E , Washington DC 20549, United States of America