

# **Agnew Higgins Pickering & Company Limited**

**Annual report  
for the year ended 31 December 2007**

**Registration Number. 3440416**

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**Directors' report for the year ended 31 December 2007**

The directors present their report and the audited financial statements of the Company for the year ended 31 December 2007

**Principal activities and review of the business**

On 31 December 2006, as part of the reorganisation of the Jardine Lloyd Thompson Group's London Market business, the Company entered into an agreement to merge its insurance operations with JLT Risk Solutions Limited to form Jardine Lloyd Thompson Limited (JLTL) and an agreement to transfer its reinsurance operations to JLT Reinsurance Brokers Limited (JLT Re) to form an integral part of that company. The transfers took place as follows

Effective 1 January 2007, the Company's Direct book of business (with the exception of the Offshore Energy book) and certain tangible assets were transferred to JLTL. The consideration was satisfied by the allotment of 381,000 £1 ordinary shares in the capital of JLTL. The shares were subsequently sold to JLT Insurance Group Holdings Limited (JLTIGH) for a consideration of £9,000,000.

Effective 1 January 2007, the Company's Reinsurance book of business was transferred to JLT Re. The consideration was satisfied by the allotment of 325,000 £1 ordinary shares in the capital of JLT Re. The shares were subsequently sold to JLTIGH for a consideration of £9,000,000.

Effective 23 February 2007, the Company's Offshore Energy book of business and certain tangible assets were transferred to JLTL. The consideration was satisfied by the allotment of 951,000 £1 ordinary shares by JLTL. The shares were subsequently sold to JLTIGH for a consideration of £22,449,261.

As a result of the reorganisation, the Company has now ceased trading. A successful application was made for de-registration as an authorised intermediary with the FSA.

**Results and dividends**

The results of the Company for the year ended 31 December 2007 are set out in the financial statements on pages 5 to 20.

The directors approved a final dividend of £38,792,261 for the year ended 31 December 2007 (final dividend 2006 £1,800,000).

**Directors**

The directors set out in the table below held office during the year ended 31 December 2007 and up to the date of signing these financial statements

A E Agnew	(Chief Executive)
A J Ball	(Appointed 18 May 2007)
R Borgonon	(Resigned 10 April 2007)
R K Higgins	(Resigned 9 May 2007)
A Pearson	(Resigned 9 May 2007)
J Smith	(Resigned 28 March 2007)
S A Walton	

**Directors' report for the year ended 31 December 2007**

**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 and loss of the Company 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.

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 2007 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**

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office, and their reappointment is confirmed in accordance with S487 Companies Act, 2006.

**6 Crutched Friars  
LONDON EC3N 2PH  
30 June, 2008**

  
**BY ORDER OF THE BOARD  
D J HICKMAN  
Secretary**

**Independent Auditors' report to the members of Agnew Higgins  
Pickering & Company Limited**

We have audited the financial statements of Agnew Higgins Pickering & Company Limited for the year ended 31 December 2007 which comprise the Profit and Loss Account, the Balance Sheet, the 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.

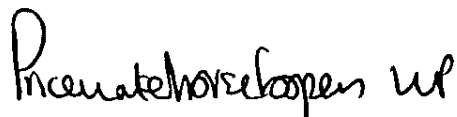
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**Independent Auditors' report to the members of Agnew Higgins  
Pickering & Company 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 2007 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  
Hay's Galleria  
1 Hay's Lane  
London  
SE1 2RD

30 June 2008

**Profit and loss account for the year ended 31 December 2007**

		Year ended 31 December 2007	Year ended 31 December 2006
	Note	£000's	£000's
<b>Turnover</b>	3	917	19,000
<b>Administrative expenses</b>			
Excluding additional pension costs		(819)	(15,344)
Additional pension costs		(230)	(50)
		<u>(1,049)</u>	<u>(15,394)</u>
<b>Operating (loss)/profit</b>	4		
Excluding additional pension costs		98	3,656
Additional pension costs		(230)	(50)
		<u>(132)</u>	<u>3,606</u>
Exceptional items	5	995	(1,578)
Profit on disposal of investment	13	38,792	-
<b>Profit on ordinary activities before interest and tax</b>		<u>39,655</u>	<u>2,028</u>
Interest receivable and similar income		905	1,271
Interest payable and similar charges	8	-	(5)
<b>Profit on ordinary activities before tax</b>		<u>40,560</u>	<u>3,294</u>
Tax on profit on ordinary activities	9	(41)	(1,146)
<b>Profit for the financial year</b>		<u>40,519</u>	<u>2,148</u>

There is no difference between the profit on ordinary activities before tax and the retained profit for the period stated above and their historical cost equivalents

All of the Company's turnover and operating profit relate to discontinued operations


**Statement of total recognised gains and losses for the year ended  
31 December 2007**

	Year ended 31 December 2007 £000's	Year ended 31 December 2006 £000's
Profit for the financial year	40,519	2,148
Reversal of amortisation in respect of share based payments	-	3
Total recognised gains for the financial year	<u>40,519</u>	<u>2,151</u>

Balance Sheet as at 31 December 2007

	Note	31 December 2007 £000's	31 December 2006 £000's
<b>Fixed assets</b>			
Tangible assets	11	-	79
Investments	12	-	-
		<hr/>	<hr/>
		-	79
<b>Current assets</b>			
Debtors	14	43,950	4,816
Cash at bank and in hand		1,985	20,898
		<hr/>	<hr/>
		45,935	25,714
<b>Creditors – amounts falling due within one year</b>	16	(41,109)	(21,483)
		<hr/>	<hr/>
<b>Net current assets</b>		4,826	4,231
		<hr/>	<hr/>
<b>Total assets less current liabilities</b>		4,826	4,310
<b>Provisions for liabilities and charges</b>	17	-	(1,211)
		<hr/>	<hr/>
<b>Net assets</b>		4,826	3,099
		<hr/>	<hr/>
<b>Capital and reserves</b>			
Called up share capital	18	1	1
Share premium	19	499	499
Profit and loss account	19	4,326	2,599
		<hr/>	<hr/>
<b>Total shareholders' funds (equity interests)</b>	20	4,826	3,099
		<hr/>	<hr/>

The financial statements on pages 5 to 20 were approved by the board of directors on 30 June 2008 and were signed on its behalf by

  
A E Agnew  
Director

The notes on pages 8 to 20 form an integral part of these financial statements



**Notes to the financial statements  
for the year ended 31 December 2007**

**1 Accounting policies**

**(a) Basis of preparation**

The financial statements are prepared under the historic cost convention and in accordance with Companies Act 1985 and applicable accounting standards which have been consistently applied

A summary of the Company's principal accounting policies is set out below

**(b) Turnover**

Turnover represents retained commissions and fees receivable

**Insurance Broking**

Income relating to insurance broking is brought into account at the later of the policy inception date or when the policy placement has been completed and confirmed

**(c) Tangible fixed assets**

Tangible fixed assets are stated at historic purchase costs less accumulated depreciation which is calculated to write off the cost of such assets less residual value on a straight line basis over their estimated useful economic lives. Leasehold improvements are amortised over the period of the lease or 25 percent per annum, furniture and equipment is amortised at 25 percent per annum

**(d) Deferred taxation**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date

A net deferred tax asset is recognised as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on an undiscounted basis

**(e) Pension costs**

The Company operated a defined benefit pension scheme and defined contribution pension schemes

Contributions payable in respect of the defined contribution schemes are charged to the profit and loss account as incurred

## Notes to the financial statements for the year ended 31 December 2007

### (e) Pension costs (*continued*)

The Company's defined benefit scheme is part of the JLT Group defined benefit scheme, which was closed to future accruals for existing members on 1 December 2006. Full disclosure of the scheme is given in the consolidated accounts of Jardine Lloyd Thompson Group plc for the year ended 31 December 2007. The Company is unable to identify its share of the underlying assets and liabilities of the scheme and as a result contributions payable in respect of the defined benefit scheme are charged to the profit and loss account as incurred. From 1 December 2006 members of the defined benefit scheme became eligible to join the JLT Group defined contribution scheme.

### (f) Operating leases

Rental payments made in respect of operating leasing arrangements are charged to the profit and loss account over the lease term.

### (g) Foreign currencies

Assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date. Exchange differences arising on translation are taken directly to the profit and loss account to the extent that the Company is exposed to exchange differences arising on such assets and liabilities. Exchange differences arising from trading activities are dealt with in the profit and loss account. Profits or losses arising from forward foreign exchange contracts that are taken out to hedge the currency exposure arising from future income are recognised in the profit and loss account as they are realised.

### (h) Provisions for liabilities and charges

A provision is recognised where 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 reasonable estimate can be made of the amount of the obligation.

### (i) Dividend distribution

Dividends proposed or declared after the balance sheet date are not recognised as a liability at the balance sheet date. Final dividends are recognised once formally approved by the board and interim dividends are charged once paid.

## 2 Cash flow statement and related party disclosures

The Company is a wholly owned subsidiary of Jardine Lloyd Thompson Group plc (JLT Group) and is included in the consolidated financial statements of JLT Group, which are publicly available. Consequently, the Company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 1 (revised 1996). The Company is also exempt under the terms of FRS 8 from disclosing related party transactions with entities that are part of the JLT Group or investees of the JLT Group. All related party transactions external to the Group are disclosed in the consolidated financial statements of Jardine Lloyd Thompson Group plc.

**Notes to the financial statements  
for the year ended 31 December 2007**

**3 Turnover**

	Year ended 31 December 2007 £000's	Year ended 31 December 2006 £000's
Geographical analysis of turnover		
Europe	495	4,635
North America	168	12,323
Rest of the World	254	2,042
	<u>917</u>	<u>19,000</u>

All of the Company's turnover relates to discontinued operations

**4 Operating (loss)/profit**

	Year ended 31 December 2007 £000's	Year ended 31 December 2006 £000's
Operating (loss)/profit is stated after charging		
Staff costs, including directors' remuneration		
Wages and salaries	373	8,914
Social security costs	34	786
Other pension costs (including additional pension costs)	244	370
Equity settled share based payments	-	3
Other staff costs	19	289
	<u>670</u>	<u>10,362</u>
Depreciation and amortisation of owned assets	19	56
Operating lease charges	14	441
<b>Auditors' remuneration</b>		
Audit of the Company	15	16
Audit of other group companies	-	3
Audit related	8	49
	<u>23</u>	<u>68</u>

Additional pension costs charged to the profit and loss relate to the Company's share of the additional injection into the JLT Group defined benefit scheme

**Notes to the financial statements  
for the year ended 31 December 2007**

**5 Exceptional items**

The exceptional credit of £995,217 relates to the unused element of the property provision created in 2006. The provision was released as the property was subsequently occupied by another JLT Group company during the year (2006 exceptional costs - £1,577,970)

**6 Directors' emoluments**

	Year ended 31 December 2007 £000's	Year ended 31 December 2006 £000's
Aggregate emoluments excluding pension scheme contributions	23	1,226
Company contributions for money purchase pension schemes	1	40

There was 1 director (2006: 6 directors) for whom retirement benefits were accruing under money purchase pension schemes

The total remuneration in respect of the highest paid director is below the de minimis required for disclosure

**7 Employee information**

	Year ended 31 December 2007 Number	Year ended 31 December 2006 Number
The average number of persons employed by the Company (including directors), during the period, split by activity was as follows		
Broking and technical	3	88
Administration	1	10
	<u>4</u>	<u>98</u>

**8 Interest payable and similar charges**

	Year ended 31 December 2007 £000's	Year ended 31 December 2006 £000's
Group interest and similar charges payable	-	5
	<u>-</u>	<u>5</u>

**Notes to the financial statements  
for the year ended 31 December 2007**

**9 Tax on profit on ordinary activities**

	Year ended 31 December 2007 £000's	Year ended 31 December 2006 £000's
<b>UK Corporation Tax</b>		
Current tax on income for the year	-	1,149
Deferred tax	128	(3)
Deferred tax prior year	(87)	-
Tax on profit on ordinary activities	<u>41</u>	<u>1,146</u>

The tax charge for the period is lower (2006 - higher) than the standard rate of corporation tax in the UK (30%) The differences are explained overleaf

	Year ended 31 December 2007 £000's	Year ended 31 December 2006 £000's
Profit on ordinary activities before tax	<u>40,560</u>	<u>3,294</u>
UK Corporation Tax on profit on ordinary activities at 30% (2006 30%)	12,168	988
Permanent additions to taxable result (principally entertaining and other disallowable expenses)	23	157
Permanent deductions from taxable result (principally non taxable gain on group restructuring and losses surrendered by other group companies)	(12,065)	-
Book depreciation in excess of tax depreciation	6	3
Share-based payments	-	1
Increase in provisions not deductible in the period / decrease in provisions not deducted in prior periods	(95)	-
Other temporary differences	<u>(37)</u>	<u>-</u>
Current tax charge for the year	<u>-</u>	<u>1,149</u>

**Notes to the financial statements  
for the year ended 31 December 2007**

**10 Dividends**

	Year ended 31 December 2007 £000's	Year ended 31 December 2006 £000's
Final dividend paid	38,792	1,800
	<u>38,792</u>	<u>1,800</u>

**11 Tangible fixed assets**

	Furniture and equipment £000's	Leasehold improvements £000's	Total £000's
<b>Cost</b>			
1 January 2007	279	256	535
Written off	-	(256)	(256)
Inter-entity transfer	(279)	-	(279)
31 December 2007	<u>-</u>	<u>-</u>	<u>-</u>
<b>Accumulated depreciation</b>			
1 January 2007	228	228	456
Charge for the year	11	7	18
Written off	-	(235)	(235)
Inter-entity transfer	(239)	-	(239)
31 December 2007	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net book value</b>			
31 December 2007	<u>-</u>	<u>-</u>	<u>-</u>
31 December 2006	<u>51</u>	<u>28</u>	<u>79</u>

**Notes to the financial statements  
for the year ended 31 December 2007**

**12 Investments**

	<b>Total £000's</b>
<b>Cost</b>	
1 January 2007	-
Acquisitions	1,657
Disposals (See also Note 13)	(1,657)
31 December 2007	-
<b>Provision</b>	
1 January 2007	-
Movement for the year	-
31 December 2007	-
<b>Net book value</b>	
31 December 2007	-
31 December 2006	-

As part of a Group restructure the Company entered into several agreements

An agreement to transfer the Company's Direct business (with the exception of the Offshore Energy business) to JLTL, satisfied by the allotment of 381,000 £1 ordinary shares in the capital of that company. Subsequent to this, the Company entered into an agreement to transfer its shareholding in JLTL to JLTIGH for a consideration of £9,000,000

An agreement to transfer its Offshore Energy business to JLTL, satisfied by the allotment of 951,000 £1 ordinary shares in the capital of that company. The shares were subsequently sold to JLTIGH for a consideration of £22,449,261

An agreement to transfer its reinsurance business to JLT Re, for consideration met by the issuance of 325,000 £1 ordinary shares by that company. The shares were subsequently sold to JLTIGH for a consideration of £9,000,000

The Company is exempt from the requirements to prepare group accounts as the group is included in the accounts of Jardine Lloyd Thompson plc, a company registered in England

**Notes to the financial statements  
for the year ended 31 December 2007**

**13 Disposals**

As part of a Group restructure, the Company agreed to dispose of the following investments to fellow group subsidiary JLTIGH

381,000 £1 ordinary shares in the capital of JLTL for a consideration of £9,000,000

A further 951,000 £1 ordinary shares in the capital of JLTL for a consideration of £22,449,261

325,000 £1 ordinary shares in the capital of JLT Re for a consideration of £9,000,000

	<b>Direct</b>	<b>Offshore</b>	<b>Reinsurance</b>	<b>Total</b>
	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>
Cost of shares disposed of	(381)	(951)	(325)	(1,657)
Consideration received	9,000	22,449	9,000	40,449
Profit on disposal	<u>8,619</u>	<u>21,498</u>	<u>8,675</u>	<u>38,792</u>

**14 Debtors**

<b>Amounts falling due within one year</b>	<b>31 December 2007</b>	<b>31 December 2006</b>
	<b>£000's</b>	<b>£000's</b>
Trade debtors	-	3,516
Amounts due from fellow group undertakings	43,774	499
Deferred tax (note 15)	8	49
Tax and social security	45	45
Other debtors	102	330
Prepayments and accrued income	21	377
	<u>43,950</u>	<u>4,816</u>



**Notes to the financial statements  
for the year ended 31 December 2007**

**15 Provision for deferred tax**

	<b>31 December 2007</b>	<b>31 December 2006</b>
	<b>£000's</b>	<b>£000's</b>
Excess book depreciation over tax depreciation	-	39
Share-based payments	8	10
Closing deferred tax asset	<u>8</u>	<u>49</u>
Comprised of		
Net deferred tax assets	8	49
Net deferred tax liabilities	<u>-</u>	<u>-</u>
	<u>8</u>	<u>49</u>
<b>Reconciliation of movement in deferred tax provision:</b>		
	<b>£000's</b>	
Provision at 1 January 2007	49	
Profit & loss account debit	(41)	
<b>Provision at 31 December 2007</b>	<u>8</u>	

**16 Creditors – amounts falling due within one year**

	<b>31 December 2007</b>	<b>31 December 2006</b>
	<b>£000's</b>	<b>£000's</b>
Insurance creditors	-	14,758
Amounts due to fellow group undertakings	40,871	1,182
Tax and social security	1	233
Other creditors	214	304
Dividends	-	1,800
Accruals and deferred income	23	3,206
	<u>41,109</u>	<u>21,483</u>

**Notes to the financial statements  
for the year ended 31 December 2007**

**17 Provisions for liabilities and charges**

	<b>Onerous property leases</b>	<b>Litigation provision</b>	<b>Total provisions</b>
	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>
<b>At 1 January 2007</b>	1,179	32	1,211
Inter-group transfer	-	(32)	(32)
Unused amounts reversed in year	(995)	-	(995)
Utilised in period	(184)	-	(184)
<b>At 31 December 2007</b>	<u>-</u>	<u>-</u>	<u>-</u>

The Company created an onerous lease provision in 2006 in respect of premises that it occupied. The provision related to the future rental and incidental costs of that lease. In 2007, the property was subsequently occupied by another JLT Group company, the costs recorded in their books and the unused element of the provision released.

The litigation provision related to a variety of issues and was transferred to JLT, another Group company, as part of a transfer of business to them.

**18 Share capital**

	<b>Number of shares</b>	<b>Nominal value £000's</b>
<b>Authorised</b>		
Ordinary shares of £1 each	<u>10,000</u>	<u>10</u>
<b>Allotted and fully paid</b>		
At 1 January 2007	1,038	1
Allotted during the year	<u>-</u>	<u>-</u>
At 31 December 2007	<u>1,038</u>	<u>1</u>

**Notes to the financial statements  
for the year ended 31 December 2007**

**19 Reserves**

	<b>Share Premium Account £000's</b>	<b>Profit &amp; Loss Account £000's</b>
At 1 January 2007 as previously reported	499	2,599
Profit for the financial year	-	40,519
Dividends	-	(38,792)
At 31 December 2007	<u>499</u>	<u>4,326</u>

**20 Reconciliation of movements in shareholders' funds**

	<b>31 December 2007 £000's</b>	<b>31 December 2006 £000's</b>
Profit for the financial year	40,519	2,148
Dividends	(38,792)	(1,800)
Reversal of amortisation in respect of share based payments	-	3
Net addition to shareholders' funds	<u>1,727</u>	<u>351</u>
Opening shareholders' funds – as previously stated	<u>3,099</u>	<u>2,748</u>
<b>Closing shareholders' funds</b>	<u><b>4,826</b></u>	<u><b>3,099</b></u>

## Notes to the financial statements for the year ended 31 December 2007

### 21 Financial commitments

The Company has annual commitments under non-cancellable operating leases as set out below

	31 December 2007 £000's	31 December 2006 £000's
Land & Buildings - expiring over more than five years	428	428

The operating lease commitment relates to premises initially occupied by the Company. During 2007, another JLT Group company occupied the premises, and the costs were subsequently recorded in their books. However, the lease remains in the name of the Company.

In the normal course of business the Company entered into hedge agreements to limit its exposure to interest rate movements on cash balances held. The notional principal amounts of outstanding interest rate swaps as at 31 December 2007 total US\$5,000,000 (2006 – US\$5,000,000).

### 22 Pensions

Prior to the business transfer, three employees of the Company were 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 defined contribution section. The defined benefit section was closed to future accruals for all members from 1 December 2006, and existing members transferred to the defined contribution section of the Scheme effective from this date. On 1 April 2006 a qualified actuary carried out a formal actuarial valuation of the Scheme.

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 accounted for the Scheme as if it were entirely a defined contribution scheme.

There was no cost to the Company for the defined benefit section of the scheme in 2007. In 2006 the cost of the defined benefit section of the Scheme to the Company was £57,333, based on a contribution rate of 30% of pensionable salaries and excluding any allocation in respect of the further cash injection of £31m in January 2007. 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 Company individually operated a defined contribution scheme, based in the UK for all new joiners. The assets of the scheme are held in a trustee administered fund separate from the Company. Contributions to the scheme were charged to the profit and loss account so as to spread the cost over the employees' working life with the Company.

The cost to the Company for the period in relation to both defined contribution schemes was £14,625 (2006 £263,002).

**Notes to the financial statements  
for the year ended 31 December 2007****23 Parent undertakings**

The Company's immediate parent undertaking is Specialty Risk Broking Limited, a company registered in England

Jardine Lloyd Thompson Group plc is the ultimate parent undertaking and controlling party for which consolidated group accounts are prepared and of which the Company is a member

Copies of the group 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