

TRANSPORT INTERMEDIARIES MUTUAL INSURANCE ASSOCIATION LIMITED  
DIRECTORS' REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MAY 31, 2006  
TOGETHER WITH REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

# TRANSPORT INTERMEDIARIES MUTUAL INSURANCE ASSOCIATION LIMITED

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TRANSPORT INTERMEDIARIES MUTUAL INSURANCE ASSOCIATION LIMITED

NOTICE OF MEETING

Notice is hereby given that the twenty-first Annual General Meeting of the Members of the Association will be held at the Hotel Louis C. Jacob, Hamburg on Wednesday, September 20, 2006 at 12.45pm for the following purposes:

To receive the Directors' Report and Financial Statements for the year ended May 31, 2006 and, if they are approved, to adopt them.

To elect Directors.

To confirm the appointment of Auditors and to authorise the Directors to agree their remuneration.

To transact any other business of an Annual General Meeting.

By Order of the Board

D W R Hunter  
Secretary

July 19, 2006

# TRANSPORT INTERMEDIARIES MUTUAL INSURANCE ASSOCIATION LIMITED

## DIRECTORS

### President and Chairman

P R A Bainbridge  
London

### Vice President and Deputy Chairman

H J Lehmann  
Copenhagen

B Engblom  
Dubai

G R Frith  
Bermuda

K Siggins  
Bermuda

## TRANSPORT INTERMEDIARIES MUTUAL INSURANCE ASSOCIATION LIMITED

### DIRECTORS' REPORT

The Directors present their Annual Report and the audited financial statements of the Association for the year ended May 31, 2006.

#### Activities and Future Prospects

The sole activity of the Association during the year was the quota share reinsurance of International Transport Intermediaries Club Ltd. (ITIC), a company incorporated in the United Kingdom, the principal activity of which was the insurance of professional indemnity and public liability risks of professionals in the transport industry. ITIC also undertakes the insurance of business formerly underwritten by this Association.

The Directors expect that the present level of activity will continue for the foreseeable future.

#### Directors

The names of the present Directors are shown on page 2. None of the Directors held any interests in the Association during the year.

#### Premiums and claims

All premiums and claims have been recorded in accordance with the reinsurance agreements dated August 25, 1992 between the Association and ITIC.

The balance sheet shows US\$38,416,000 (2005– US\$31,339,000) as reserves at the end of the year. An analysis of this figure is shown in the Appendix to the Directors' Report on page 5.

#### Directors' Responsibilities

In accordance with the provisions of Bermuda's Companies Act 1981, the Directors are required to prepare financial statements for each financial year, and have chosen these statements to be drawn up in accordance with UK generally accepted accounting principles, that give a true and fair view of the state of affairs of the Association as at the end of the financial year and of the income and expenditure of the Association for that period.

The Directors confirm that suitable accounting policies have been used and applied consistently and reasonably and prudent judgements and estimates have been made in the preparation of the financial statements for the year ended May 31, 2006. The Directors also confirm that applicable UK accounting standards have been followed and that the financial statements have been prepared on the going concern basis.

The Directors are responsible for keeping proper accounting records, for safeguarding the assets of the Association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

TRANSPORT INTERMEDIARIES MUTUAL INSURANCE ASSOCIATION LIMITED

Directors' Report (Continued)

Results

The Association had a surplus of US\$12,589,000 (2005 – US\$10,209,000) for the year ended May 31, 2006.

G R Frith  
Director

July 19,2006

TRANSPORT INTERMEDIARIES MUTUAL INSURANCE ASSOCIATION LIMITED

APPENDIX TO THE DIRECTORS' REPORT

Analysis of Funds in Open Policy Years and Reserves as at May 31, 2006

	Notes (below)	2004 Policy year \$000s	2005 Policy year \$000s	General/ Statutory Reserve \$000s	Total \$000s
Premiums		23,063	24,570		
Less:					
Underwriting costs	1	<u>12,565</u>	<u>8,620</u>		
	A	10,498	15,950		
Investment income	B	<u>3,883</u>	<u>4,391</u>		
	A+B=C	14,381	20,341	28,706	63,428
Estimated known outstanding claims and IBNER	2 D	<u>4,530</u>	<u>9,100</u>	<u>9,366</u>	<u>22,996</u>
Anticipated surplus	C-D=E	9,851	11,241	19,340	40,432
Future handling fees	F				<u>2,016</u>
	E-F=G				<u>\$ 38,416</u>

Notes

1. Underwriting costs include claims paid, ceding commissions, management fee, general expenses and exchange gains and losses.
2. IBNER is a provision for the deterioration in known estimates on claims relating to incidents which have been notified before the end of the accounting period.

## INDEPENDENT AUDITORS' REPORT

To the Members of  
Transport Intermediaries Mutual Insurance Association Limited

We have audited the financial statements of Transport Intermediaries Mutual Insurance Association Limited ("the Association") for the year ended May 31, 2006 as set out on pages 8 to 20. 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. 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 described in the Statement of Directors' responsibilities on page 3, the Directors are responsible for preparing the financial statements in accordance with applicable United Kingdom accounting standards. Our responsibility is to audit the financial statements in accordance with Bermuda legal and regulatory requirements and International Standards on Auditing.

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 principles generally accepted in the United Kingdom. We also report to you if, in our opinion, the Directors' report and the appendix to the Directors' report is not consistent with the financial statements, if the Association has not kept proper accounting records, or if we have not received all the information and explanations we require for our audit.

### Basis of opinion

We conducted our audit in accordance with International Standards on Auditing. 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 Association's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit 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.

## 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 Association's affairs as at May 31, 2006 and of its result for the year then ended.

## **Moore Stephens & Butterfield**

Chartered Accountants

Hamilton, Bermuda

July 19, 2006

TRANSPORT INTERMEDIARIES MUTUAL INSURANCE ASSOCIATION LIMITED

INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED MAY 31, 2006

	Note	2006 US\$ 000s	2005 US\$ 000s
<b>TECHNICAL ACCOUNT</b>			
Net premiums written	3	20,958	15,564
Change in gross provision for unearned premiums	4	(3,519)	104
Earned premium	2	17,439	15,668
Gross claims paid	5	(6,716)	(7,479)
Gross change in provision for claims	6	(2,610)	(871)
Net incurred claims		(9,326)	(8,350)
Net operating expenses	7	(357)	(321)
Balance on the technical account for general business		7,756	6,997
<b>NON-TECHNICAL ACCOUNT</b>			
Balance on the technical account for general business		7,756	6,997
Investment income	12	1,742	4,259
Unrealised gains/(losses) on investments		2,649	(376)
Other income	13	12,147	10,880
		442	(671)
Surplus on ordinary activities		12,589	10,209
Surplus at May 31, 2005		31,339	24,576
Continuity credit	2	(5,512)	(3,446)
Surplus at May 31, 2006		38,416	31,339

The Association has no recognised gains or losses other than those included above. All the above transactions relate to continuing activities.

The accompanying notes are an integral part of these statements.

TRANSPORT INTERMEDIARIES MUTUAL INSURANCE ASSOCIATION LIMITED

BALANCE SHEET  
AS AT MAY 31, 2006

	Note	2006 US\$ 000s	2005 US\$ 000s
<b>ASSETS</b>			
<b>INVESTMENTS</b>			
Other financial investments	2,14,15,16,17	65,519	56,337
Cash at bank	18	94	45
<b>DEBTORS</b>			
Arising out of reinsurance operations		16,655	13,482
<b>PREPAYMENTS AND ACCRUED INCOME</b>			
Deferred acquisition costs		1,725	1,379
Accrued interest		247	142
<b>TOTAL ASSETS</b>		<u>84,240</u>	<u>71,385</u>
<b>LIABILITIES</b>			
Statutory reserve		250	250
Other reserve		38,166	31,089
	A	<u>38,416</u>	<u>31,339</u>
<b>TECHNICAL PROVISIONS</b>			
Claims outstanding – gross amount		25,012	22,402
Unearned premium reserve		18,380	14,861
	B	<u>43,392</u>	<u>37,263</u>
<b>CREDITORS</b>			
Arising out of reinsurance operations	19	2,364	2,744
Other creditors	20	68	39
	C	<u>2,432</u>	<u>2,783</u>
<b>TOTAL LIABILITIES</b>	A+B+C=D	<u>84,240</u>	<u>71,385</u>

The accompanying notes are an integral part of these statements.

Directors G R Frith

K Siggins

Managers Thomas Miller (Bermuda) Ltd.

D W R Hunter

July 19, 2006

TRANSPORT INTERMEDIARIES MUTUAL INSURANCE ASSOCIATION LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED MAY 31, 2006

Reconciliation of operating profit to net cash inflow from operating activities

	Note	2006 US\$ 000s	2005 US\$ 000s
Balance on the technical account for general business		7,756	6,997
(Increase)/decrease in debtors		(3,519)	168
Increase in creditors and technical provisions		<u>5,778</u>	<u>1,656</u>
Net cash inflow from operating activities		<u>10,015</u>	<u>8,821</u>
<b>Cash flow statement</b>			
Net cash inflow from operating activities		10,015	8,821
Returns on investments and servicing of finance	23	<u>2,079</u>	<u>3,755</u>
Financing	23	<u>12,094</u> <u>(5,512)</u>	<u>12,576</u> <u>(3,446)</u>
		<u><u>6,582</u></u>	<u><u>9,130</u></u>
<b>Cash flows were invested as follows:</b>			
Increase/(decrease) in cash holdings		49	(3,012)
Purchase of securities and equity holdings	23	3,003	10,017
Increase in UCITS cash		3,318	2,305
Provisions for gains/(losses) on forward currency contracts		212	(180)
Net investment of cashflows	24	<u><u>6,582</u></u>	<u><u>9,130</u></u>

The accompanying notes are an integral part of these statements.

TRANSPORT INTERMEDIARIES MUTUAL INSURANCE ASSOCIATION LIMITED

CASH FLOW STATEMENT (CONTINUED)  
FOR THE YEAR ENDED MAY 31, 2006

Movement in opening and closing portfolio net of financing	2006 US\$ 000s	2005 US\$ 000s
Net cash inflow/(outflow) in year	49	(3,012)
Cash flow		
Securities and equity holdings	3,003	10,017
UCITS cash	3,318	2,305
Provisions for gains/( losses) on forward currency contracts	<u>212</u>	<u>(180)</u>
Movement arising from cash flow	6,582	9,130
Changes in market value	<u>2,649</u>	<u>(376)</u>
Total movement in portfolio investments net of financing	9,231	8,754
Portfolio investments net of financing at June 1, 2005	<u>56,382</u>	<u>47,628</u>
Portfolio investments net of financing at May 31, 2006	<u><u>65,613</u></u>	<u><u>56,382</u></u>

The accompanying notes are an integral part of these statements.

## TRANSPORT INTERMEDIARIES MUTUAL INSURANCE ASSOCIATION LIMITED

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MAY 31, 2006

#### 1. CONSTITUTION

The Association is incorporated in Bermuda under the Companies Act 1981 as an exempt company. The liability of every Member of the Company to contribute to the assets of the Company, in the event of it being wound up, shall be limited to the premiums or any unpaid premiums or undischarged portion thereof due to the Company from such Member on the date of the commencement of the winding-up.

#### 2. ACCOUNTING POLICIES

##### a) Accounting convention

The financial statements have been prepared in conformity with accounting principles generally accepted in the United Kingdom, and have been prepared under the historical cost convention, except for investments, which are stated at market value.

##### b) Policy year accounting

Reinsurance premiums, claims and management fees are allocated to the policy years to which they relate. Net operating expenses are allocated to the current policy year.

##### c) Non-US dollar currencies

Assets and liabilities denominated in currencies other than US dollars have been translated at the closing US dollar exchange rate. Revenue transactions are translated into US dollars at various rates throughout the year. Provisions are made for any movement in the exchange rates applicable to open forward currency contracts. All realised and unrealised exchange gains/losses have been included in income for the year.

##### d) Premiums and ceding commissions

The quota share reinsurance premiums ceded by ITIC are reflected net of ceding commission. The ceding commission charged by ITIC is adjusted based on ITIC's expenses of management.

##### e) Claims

Claims are accounted for on a notification basis.

##### *Balance sheet*

The claims provision in the balance sheet comprises:

- i) Estimated claims as at the balance sheet date on notified claims outstanding in all policy years.
- ii) Additional provision to allow for adverse developments on estimated claims including those claims where no estimate is currently thought to be required.
- iii) Provision for the Managers' future claims handling costs.

##### *Income and expenditure account*

The figure for claims incurred in the Income and Expenditure Account comprises claims and costs paid during the year and the movement in the claims provision since the last balance sheet date.

TRANSPORT INTERMEDIARIES MUTUAL INSURANCE ASSOCIATION LIMITED

NOTES TO FINANCIAL STATEMENTS (Continued)  
FOR THE YEAR ENDED MAY 31, 2006

2. ACCOUNTING POLICIES (CONT'D)

f) Investments

Investments are stated at market value in the holding currency. Foreign currency investments are translated at the closing US dollar rate. The unrealised gains and losses on the movement in the market value of the investments are included in unrealised gains and losses on investments in the non-technical account.

The Association recognises the acquisition or disposal of investments when they have entered into a legally binding obligation.

g) Closure of policy years

A policy year is usually closed during the third year from inception, during which time Members are liable for their rateable proportion of any deficiency resulting from excess of claims and expenses over income. The Directors are empowered to return all or part of any surplus to the Members.

h) Continuity Credit

Continuity credit is a payment to ITIC equal to 90% of payments made by ITIC to its renewing Members. This payment is not related to a particular policy year and is therefore made directly from reserves.

i) Unearned Premium Provision

For business accounted for on an annual basis, written premiums are recognised as earned income over the period of the policy on a time apportioned basis, having regard, where appropriate to the incident of risk. The provision for unearned premium is calculated on a daily pro-rata basis.

3. NET PREMIUMS WRITTEN

	2006 US\$ 000s	2005 US\$ 000s
Quota share premium from ITIC	28,208	23,358
Less ceding commission to ITIC		
Current year	(7,407)	(7,039)
Prior years	(7)	5
Provision for adjustment of ceding commission on closure of the 2004 and 2005 policy years	<u>164</u>	<u>(760)</u>
	<u>20,958</u>	<u>15,564</u>

TRANSPORT INTERMEDIARIES MUTUAL INSURANCE ASSOCIATION LIMITED

NOTES TO FINANCIAL STATEMENTS (Continued)  
FOR THE YEAR ENDED MAY 31, 2006

4. CHANGE IN GROSS PROVISION FOR UNEARNED PREMIUM

Unearned premium is that part of gross premium written which is estimated to be earned in the following or subsequent financial years. The income and expenditure account shows the change in the provision for unearned premium and comprises the following:

	2006 US\$ 000s	2005 US\$ 000s
Unearned premium provision brought forward	14,861	14,965
Unearned premium provision carried forward	<u>18,380</u>	<u>14,861</u>
	<u>(3,519)</u>	<u>104</u>

5. GROSS CLAIMS PAID

	2006 US\$ 000s	2005 US\$ 000s
Claims paid to ITIC	<u>6,716</u>	<u>7,479</u>

6. GROSS CHANGE IN PROVISIONS FOR CLAIMS

	2006 US\$ 000s	2005 US\$ 000s
Gross claims provisions brought forward	22,402	21,531
Gross claims provisions carried forward	<u>25,012</u>	<u>22,402</u>
	<u>(2,610)</u>	<u>(871)</u>

The nature of the business makes it very difficult to predict with certainty the likely outcome of any particular case and the ultimate cost of notified claims. The estimates for known outstanding claims are based on the best estimates and judgement of the Managers of the final cost of individual cases. These estimates are as reliable as possible given the details of the cases and taking into account all the current information. However, the final outcome of individual cases may prove to be significantly different to the estimates made at the balance sheet date. The estimates are reviewed regularly. The gross provision for claims includes allowances for adverse development and the Managers' future claims handling costs.

A reasonable allowance has been made for adverse claims development in the future. The allowance is assessed by an actuary using standard actuarial techniques. This methodology projects the claims statistics forward based on the historical pattern of claims experience in the past.

The movement in the gross provision for claims is the difference between the provision for outstanding claims on all policy years at the beginning of the year and the equivalent provision at the end of the year, after deduction of all claims paid during the financial year and addition of the allowance for new claims notified in the 2005/2006 policy year.

The gross claims incurred for the year reflects an improvement of US\$2,589,000 (2005: US\$4,477,000) in claims for all policy years prior to the 2005 policy year.

TRANSPORT INTERMEDIARIES MUTUAL INSURANCE ASSOCIATION LIMITED

NOTES TO FINANCIAL STATEMENTS (Continued)  
FOR THE YEAR ENDED MAY 31, 2006

7. NET OPERATING EXPENSES

	Note	2006 US\$ 000s	2005 US\$ 000s
Management fees	8	110	110
Directors' fees	9	35	28
General Expenses	10	190	168
Audit Fees	11	22	15
		<u>357</u>	<u>321</u>

8. MANAGEMENT FEES

The fee paid to the Managers relates to the cost of providing offices, staff and administration in Bermuda. The basis of this remuneration is fixed by the Directors in accordance with the Rules, and is subject to periodic review.

9. DIRECTORS' FEES

The Directors are paid an annual fee and a fee for each meeting attended, as authorized under the Bye-Laws.

	Annual Fee £	Attendance Fee £
Chairman	2,000	1,200
Directors	1,000	1,200

No loans have been made to the Directors and none are contemplated.

10. GENERAL EXPENSES

	2006 US\$ 000s	2005 US\$ 000s
Directors' meetings	83	12
Printing and design	8	11
Postage, telephone and telex	1	1
Bermuda government fee	13	13
Professional, consultancy and legal fees	13	23
Bank charges and sundry expenses	17	12
Directors and officers insurance	9	8
Investment management fees	46	88
	<u>190</u>	<u>168</u>

The Association has no employees

TRANSPORT INTERMEDIARIES MUTUAL INSURANCE ASSOCIATION LIMITED

NOTES TO FINANCIAL STATEMENTS (Continued)  
FOR THE YEAR ENDED MAY 31, 2006

11. AUDIT FEE

A provision of US\$17,500 (2005 – US\$15,000) has been made for the audit fee.

12. INVESTMENT INCOME

	2006 US\$ 000s	2005 US\$ 000s
Interest	1,592	1,494
Realised gains on disposal	<u>150</u>	<u>2,765</u>
	<u><u>1,742</u></u>	<u><u>4,259</u></u>

Under an agreement reached with the U.K. Inland Revenue in 1993, ITIC is taxed on 10% of the combined global realized and unrealized investment income of the Association and ITIC. On an annual basis, global realized and unrealized investment income is adjusted to maintain 90% of this income in the Association. For the years ending May 31, 2006 and 2005, the adjustments were US\$191,929 and US\$434,844 respectively. The Association is not taxable in the U.K. as long as global realized and unrealized investment income is allocated in these proportions.

13. OTHER INCOME

	2006 US\$ 000s	2005 US\$ 000s
Exchange losses on operating activities	-	(2)
Exchange gains/(losses) on investing activities	<u>442</u>	<u>(669)</u>
	<u><u>442</u></u>	<u><u>(671)</u></u>

TRANSPORT INTERMEDIARIES MUTUAL INSURANCE ASSOCIATION LIMITED

NOTES TO FINANCIAL STATEMENTS (Continued)  
FOR THE YEAR ENDED MAY 31, 2006

14. INVESTMENTS

	Market Value		Cost	
	2006 US\$ 000s	2005 US\$ 000s	2006 US\$ 000s	2005 US\$ 000s
Fixed interest securities	19,843	16,873	19,836	16,854
Equities & Absolute Return Funds	38,936	36,254	35,399	35,319
UCITS cash	6,708	3,390	6,708	3,390
Provisions for gains/(losses) on forward currency contracts	<u>32</u>	<u>(180)</u>	<u>32</u>	<u>(180)</u>
	<u><u>65,519</u></u>	<u><u>56,337</u></u>	<u><u>61,975</u></u>	<u><u>55,383</u></u>

Certain prior period amounts have been restated to conform with current period presentation.

15. CASH AND INVESTMENT MATURITY SUMMARY

	2006 US\$ 000s	2005 US\$ 000s
Cash and Investments	<u><u>65,613</u></u>	<u><u>56,382</u></u>
	2006 %	2005 %
Equities & Absolute Return Funds	59.34	43.30
Cash and interest bearing securities repayable within one year	12.24	31.62
Interest bearing securities repayable between one year and three years	6.03	8.01
Between three and seven years	5.30	9.04
Between seven and eleven years	15.30	7.88
Greater than eleven years	<u>1.79</u>	<u>0.15</u>
	<u><u>100.00</u></u>	<u><u>100.00</u></u>

TRANSPORT INTERMEDIARIES MUTUAL INSURANCE ASSOCIATION LIMITED

NOTES TO FINANCIAL STATEMENTS (Continued)  
FOR THE YEAR ENDED MAY 31, 2006

16. CASH AND INVESTMENT CURRENCY EXPOSURE

	2006 %	2005 %
Euro	4.47	6.19
Sterling	6.55	15.23
U. S. Dollar	<u>88.98</u>	<u>78.58</u>
	<u>100.00</u>	<u>100.00</u>

17. COMMITMENTS

The Association has entered into a commitment with FdG Capital Partners of \$5,000,000. As of May 31, 2006 US\$1,606,000 has been invested into FdG Capital Partners, resulting in an unfunded commitment of US\$3,394,000.

18. CASH AT BANKS

	2006 US\$ 000s	2005 US\$ 000s
Current accounts	9	12
Investment bank accounts	<u>85</u>	<u>33</u>
	<u>94</u>	<u>45</u>

19. CREDITORS ARISING OUT OF REINSURANCE OPERATIONS

	2006 US\$ 000s	2005 US\$ 000s
Balance due to ITIC	<u>2,364</u>	<u>2,744</u>

TRANSPORT INTERMEDIARIES MUTUAL INSURANCE ASSOCIATION LIMITED

NOTES TO FINANCIAL STATEMENTS (Continued)  
FOR THE YEAR ENDED MAY 31, 2006

20. OTHER CREDITORS

	2006 US\$ 000s	2005 US\$ 000s
Other creditors including accruals and deferred income	<u>68</u>	<u>39</u>

21. TAXATION

Under current Bermuda law, the Association is not required to pay taxes in Bermuda on either income or capital gains. The Association has received an undertaking from the Bermuda government that, in the event of income or capital gains taxes being imposed, the Association will be exempted from such taxes until the year 2016.

22. RELATED PARTY TRANSACTIONS

The Association has no share capital and is controlled by the Members who are also the reinsureds via their control of, and insurance by, ITIC. The subsequent reinsurance transactions are consequently deemed to be between the Association and ITIC.

All but one of the Directors are current representatives of Member companies and, other than the insurance via ITIC and Member interests of the Directors' companies, the Directors have no financial interests in the Association.

TRANSPORT INTERMEDIARIES MUTUAL INSURANCE ASSOCIATION LIMITED

NOTES TO FINANCIAL STATEMENTS (Continued)  
FOR THE YEAR ENDED MAY 31, 2006

23. ANALYSIS OF CASH FLOW FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2006 US\$ 000s	2005 US\$ 000s
Returns on investments and servicing of finance:		
Interest received	1,637	4,426
Exchange gains/(losses)	<u>442</u>	<u>(671)</u>
	<u>2,079</u>	<u>3,755</u>
Financing-		
Continuity credit	<u>(5,512)</u>	<u>(3,446)</u>
Portfolio Investments:		
Purchases of securities and equity holdings	59,872	70,668
Sales of securities and equity holdings	<u>(56,869)</u>	<u>(60,651)</u>
	<u>3,003</u>	<u>10,017</u>

24. MOVEMENT IN CASH, PORTFOLIO INVESTMENTS AND FINANCING

	At June 1, 2005 US\$ 000s	Cash Flow US\$ 000s	Change in Market Value US\$ 000s	At May 31, 2006 US\$ 000s
Cash at bank and in hand	45	49	-	94
Securities and equity holdings	53,127	3,003	2,649	58,779
UCITS cash	3,390	3,318	-	6,708
Provisions for (losses)/gains on forwardcurrency contracts	<u>(180)</u>	<u>212</u>	<u>-</u>	<u>32</u>
	<u>56,382</u>	<u>6,582</u>	<u>2,649</u>	<u>65,613</u>

## TRANSPORT INTERMEDIARIES MUTUAL INSURANCE ASSOCIATION LIMITED

### Managers and Officers

THOMAS MILLER (BERMUDA) LTD.

### OFFICERS OF THE ASSOCIATION

D W R Hunter, Secretary

### REGISTERED OFFICE AND BUSINESS ADDRESS OF THE ASSOCIATION

Windsor Place,  
18 Queen Street,  
Hamilton, HM 11

Telephone: (441) 292-4724  
Fax: (441) 292-3694

### LONDON AGENTS

Transport Intermediaries Services (UK) Ltd.  
International House  
26 Creechurch Lane  
London EC3A 5BA

Telephone: (44)-020-7338-0150  
Fax: (44)-020-7338-0151