

TRANSPORT INTERMEDIARIES MUTUAL INSURANCE ASSOCIATION LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED MAY 31, 2010
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-fourth Annual General Meeting of the Members of the Association will be held at the Swissôtel The Bosphorus, Istanbul on Thursday, September 30th, 2010 at 3.00 p.m. for the following purposes:

To receive the Directors' Report and Financial Statements for the year ended May 31, 2010 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
Date: 15 July 2010

TRANSPORT INTERMEDIARIES MUTUAL INSURANCE ASSOCIATION LIMITED

DIRECTORS

P R A Bainbridge (President and Chairman) – (retired 24 September 2009)
London

B Engblom (Chairman appointed 24 September 2009)
Dubai

G R Frith
Bermuda

D Fry (appointed 24 September 2009)
Cyprus

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, 2010.

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\$ 47,928,000 (2009 – US\$ 40,280,000) as reserves at the end of the year. An analysis of this figure is shown in the Appendix to the Directors' Report on page 4.

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 United Kingdom generally accepted accounting practice, 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, 2010. 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.

Results

The Association had a surplus of US\$ 13,350,000 (2009 – deficit of US\$ 425,000) for the year ended May 31, 2010.

G R Frith

Director
15 July 2010

TRANSPORT INTERMEDIARIES MUTUAL INSURANCE ASSOCIATION LIMITED

APPENDIX TO THE DIRECTORS' REPORT

Analysis of Funds in Open Policy Years and Reserves as at May 31, 2010

	Notes (below)	2009 Policy year \$000s	General/ Statutory Reserve \$000s	Total \$000s
Premiums		33,912		
Less:				
Underwriting costs	1	<u>13,328</u>		
	A	20,584		
Investment income	B	<u>6,387</u>		
	A+B=C	26,971	56,710	83,681
Estimated known outstanding claims and IBNER	2	<u>13,396</u>	<u>20,341</u>	<u>33,737</u>
Anticipated surplus	C-D=E	13,575	36,369	49,944
Future handling fees	F			<u>2,016</u>
	E-F=G		\$	<u><u>47,928</u></u>

Notes

- Underwriting costs include claims paid, ceding commissions, management fee, general expenses and exchange gains and losses.
- 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, 2010 as set out on pages 6 to 17. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Association's members, as a body. Our audit work has been undertaken so that we might state to the Association'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 Association and the Association'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 United Kingdom generally accepted accounting practice. 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, 2010 and of its result for the year then ended.

Moore Stephens & Butterfield

Chartered Accountants

Hamilton, Bermuda

14th July, 2010

TRANSPORT INTERMEDIARIES MUTUAL INSURANCE ASSOCIATION LIMITED

INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED MAY 31, 2010

	Note	2010 US\$ 000s	2009 US\$ 000s
TECHNICAL ACCOUNT			
Net premiums written	3	28,585	15,364
Change in gross provision for unearned premiums	4	(6,282)	7,104
Earned premium	2	22,303	22,468
Gross claims paid	5	(9,758)	(10,530)
Gross change in provision for claims	6	(5,185)	(393)
Net incurred claims		(14,943)	(10,923)
Net operating expenses	7	(316)	(291)
Balance on the technical account for general business		<u>7,044</u>	<u>11,254</u>
NON-TECHNICAL ACCOUNT			
Balance on the technical account for general business		7,044	11,254
Investment income	12	980	1,205
Unrealised gains/(losses) on investments		<u>5,414</u>	<u>(11,858)</u>
Other expenses	13	<u>13,438</u> (88)	<u>601</u> (1,026)
Surplus/(deficit) on ordinary activities before tax		13,350	(425)
Taxation	21	<u>-</u>	<u>-</u>
Surplus/(deficit) on ordinary activities after tax		13,350	(425)
Surplus at May 31, 2009		40,280	49,135
Continuity credit	2	<u>(5,702)</u>	<u>(8,430)</u>
Surplus at May 31, 2010		<u>47,928</u>	<u>40,280</u>

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, 2010

	Note	2010 US\$ 000s	2009 US\$ 000s
ASSETS			
INVESTMENTS			
Other financial investments	2,14,15,16,17	85,815	71,827
Cash at bank	15, 18	3,037	126
DEBTORS			
Arising out of reinsurance operations	22	29,014	23,293
PREPAYMENTS AND ACCRUED INCOME			
Deferred acquisition costs		3,292	2,731
Accrued interest		308	405
SUNDRY DEBTORS		<u>4</u>	<u>-</u>
TOTAL ASSETS		<u>121,470</u>	<u>98,382</u>
LIABILITIES			
Statutory reserve		250	250
Other reserve		<u>47,678</u>	<u>40,030</u>
	A	<u>47,928</u>	<u>40,280</u>
TECHNICAL PROVISIONS			
Claims outstanding – gross amount		35,754	30,568
Unearned premium reserve		<u>32,306</u>	<u>26,024</u>
	B	<u>68,060</u>	<u>56,592</u>
CREDITORS			
Arising out of reinsurance operations	19, 22	2,430	1,481
Due to investment brokers		3,000	-
Other creditors	20	<u>52</u>	<u>29</u>
	C	<u>5,482</u>	<u>1,510</u>
TOTAL LIABILITIES	A+B+C=D	<u>121,470</u>	<u>98,382</u>

The accompanying notes are an integral part of these statements.

Directors G R Frith
K Siggins

Managers Thomas Miller (Bermuda) Ltd, P Donnellan

15 July 2010

TRANSPORT INTERMEDIARIES MUTUAL INSURANCE ASSOCIATION LIMITED

CASH FLOW STATEMENT
FOR THE YEAR ENDED MAY 31, 2010

Reconciliation of operating profit to net cash inflow from operating activities

	Note	2010 US\$ 000s	2009 US\$ 000s
Balance on the technical account for general business		7,044	11,254
(Increase)/decrease in debtors		(6,286)	7,105
Increase/(decrease) in creditors and technical provisions		<u>15,440</u>	<u>(7,068)</u>
Net cash inflow from operating activities		<u>16,198</u>	<u>11,291</u>
Cash flow statement			
Net cash inflow from operating activities		16,198	11,291
Returns on investments and servicing of finance	23	<u>989</u>	<u>(13)</u>
Financing	23	<u>17,187</u> <u>(5,702)</u>	<u>11,278</u> <u>(8,430)</u>
		<u>11,485</u>	<u>2,848</u>
Cash flows were invested as follows:			
Increase/(decrease) in cash holdings		2,911	23
Net (purchase)/sale of securities and equity holdings	23	(4,549)	15,032
Increase/(decrease) in UCITS cash		13,263	(12,362)
Movement in forward currency contracts		<u>(140)</u>	<u>155</u>
Net investment of cash flows	24	<u>11,485</u>	<u>2,848</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, 2010

Movement in opening and closing portfolio net of financing	2010 US\$ 000s	2009 US\$ 000s
Net cash inflow in year	2,911	23
Cash flow		
Securities and equity holdings	(4,549)	15,032
UCITS cash	13,263	(12,362)
Movements in forward currency contracts	<u>(140)</u>	<u>155</u>
Movement arising from cash flow	11,485	2,848
Changes in market value	<u>5,414</u>	<u>(11,858)</u>
Total movement in portfolio investments net of financing	16,899	(9,010)
Portfolio investments net of financing at June 1, 2009	<u>71,953</u>	<u>80,963</u>
Portfolio investments net of financing at May 31, 2010	<u><u>88,852</u></u>	<u><u>71,953</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, 2010

1. CONSTITUTION

The Association is incorporated in Bermuda under the Companies Act 1981 as an exempt company. The liability of every Member of the Association to contribute to the assets of the Association, 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 Association 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 United Kingdom generally accepted accounting practice, 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, 2010

2. ACCOUNTING POLICIES (Continued)

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 it has 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

	2010 US\$ 000s	2009 US\$ 000s
Quota share premium from ITIC	39,026	25,892
Less ceding commission to ITIC		
Current year	(10,461)	(9,899)
Prior years	-	-
Provision for adjustment of ceding commission on closure of the current policy year	<u>20</u>	<u>(629)</u>
	<u>28,585</u>	<u>15,364</u>

TRANSPORT INTERMEDIARIES MUTUAL INSURANCE ASSOCIATION LIMITED

NOTES TO FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED MAY 31, 2010

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:

	2010 US\$ 000s	2009 US\$ 000s
Unearned premium provision brought forward	26,024	33,128
Unearned premium provision carried forward	<u>(32,306)</u>	<u>(26,024)</u>
	<u>(6,282)</u>	<u>7,104</u>

5. GROSS CLAIMS PAID

	2010 US\$ 000s	2009 US\$ 000s
Claims paid to ITIC	<u>(9,758)</u>	<u>(10,530)</u>

6. GROSS CHANGE IN PROVISIONS FOR CLAIMS

	2010 US\$ 000s	2009 US\$ 000s
Gross claims provisions brought forward	30,568	30,175
Gross claims provisions carried forward	<u>(35,753)</u>	<u>(30,568)</u>
	<u>(5,185)</u>	<u>(393)</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 a reasonable allowance for adverse development and the Managers' future claims handling costs. 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 2009/2010 policy year.

The gross claims incurred for the year reflects an improvement of US\$2,719,000 (2009: US\$12,783,000) in claims for all policy years prior to the 2009 policy year.

TRANSPORT INTERMEDIARIES MUTUAL INSURANCE ASSOCIATION LIMITED

NOTES TO FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED MAY 31, 2010

7. NET OPERATING EXPENSES

	Note	2010 US\$ 000s	2009 US\$ 000s
Management fees	8	(130)	(120)
Directors' fees	9	(42)	(55)
General Expenses	10	(105)	(95)
Audit Fees	11	(39)	(21)
		<u>(316)</u>	<u>(291)</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 US\$	Attendance Fee US\$
Chairman	(7,000)	(4,200)
Directors	(3,500)	(4,200)

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

10. GENERAL EXPENSES

	2010 US\$ 000s	2009 US\$ 000s
Directors' meetings	(17)	(8)
Printing and design	-	(2)
Postage, telephone and telex	(3)	(5)
Bermuda government fee	(3)	(9)
Professional, consultancy and legal fees	-	(7)
Bank charges and sundry expenses	(19)	(11)
Directors and officers insurance	(5)	(6)
Investment management fees	(58)	(47)

The Association has no employees.

(105)

(95)

TRANSPORT INTERMEDIARIES MUTUAL INSURANCE ASSOCIATION LIMITED

NOTES TO FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED MAY 31, 2010

11. AUDIT FEE

A provision of US\$38,800 (2009 – US\$20,500) has been made for the audit fee.

12. INVESTMENT INCOME

	2010 US\$ 000s	2009 US\$ 000s
Interest	1,248	3,055
Realised losses on disposal	<u>(268)</u>	<u>(1,850)</u>
	<u>980</u>	<u>1,205</u>

Under an agreement reached with the U.K. Inland Revenue (now HMRC) in 1993, ITIC is taxed on 10% of the combined global realised and unrealised investment income of the Association and ITIC. On an annual basis, global realised and unrealised investment income is adjusted to maintain 90% of this income in the Association. The current adjustment was a reduction of US\$143,673 (2009: increase of US\$1,647,079). The Association is not taxable in the U.K. as long as global realised and unrealised investment income is allocated in these proportions.

13. OTHER EXPENSES

	2010 US\$ 000s	2009 US\$ 000s
Exchange losses on investing activities	<u>(88)</u>	<u>(1,026)</u>

14. INVESTMENTS

	Market Value		Cost	
	2010 US\$ 000s	2009 US\$ 000s	2010 US\$ 000s	2009 US\$ 000s
Fixed interest securities	23,809	30,707	23,777	31,609
Equities & Absolute Return Funds	45,145	37,383	49,084	46,072
UCITS cash	16,847	3,584	17,107	3,575
Provisions for gains/(losses) on forward currency contracts	<u>14</u>	<u>153</u>	<u>14</u>	<u>154</u>
	<u>85,815</u>	<u>71,827</u>	<u>89,982</u>	<u>81,410</u>

Within fixed interest securities the investment in UK Mutual Steam Ship Association Bermuda of US\$5,000,000 is stated at cost. The Directors consider that cost is a reasonable approximation to fair value.

TRANSPORT INTERMEDIARIES MUTUAL INSURANCE ASSOCIATION LIMITED

NOTES TO FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED MAY 31, 2010

15. CASH AND INVESTMENT MATURITY SUMMARY

	2010 US\$ 000s	2009 US\$ 000s
Cash and Investments	<u>88,852</u>	<u>71,953</u>
	2010 %	2009 %
Equities & Absolute Return Funds	50.81	51.71
Cash and interest bearing securities repayable within one year	22.39	12.98
Interest bearing securities repayable between one year and three years	3.43	1.94
Between three and seven years	4.46	16.10
Between seven and eleven years	18.91	17.27
	<u>100.00</u>	<u>100.00</u>

16. CASH AND INVESTMENT CURRENCY EXPOSURE

	2010 %	2009 %
Euro	4.62	6.09
Sterling	10.52	14.57
U. S. Dollar	<u>84.86</u>	<u>79.34</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, 2010 US\$3,954,131 (2009 - US\$4,011,880) has been invested into FdG Capital Partners, resulting in an unfunded commitment of US\$1,045,869 (2009 – US\$988,120).

TRANSPORT INTERMEDIARIES MUTUAL INSURANCE ASSOCIATION LIMITED

NOTES TO FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED MAY 31, 2010

18. CASH AT BANKS

	2010 US\$ 000s	2009 US\$ 000s
Current accounts	19	6
Investment bank accounts	3,018	120
	<u>3,037</u>	<u>126</u>

19. CREDITORS ARISING OUT OF REINSURANCE OPERATIONS

	2010 US\$ 000s	2009 US\$ 000s
Balance due to ITIC	<u>2,430</u>	<u>1,481</u>

20. OTHER CREDITORS

	2010 US\$ 000s	2009 US\$ 000s
Other creditors including accruals and deferred income	<u>52</u>	<u>29</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. All reinsurance transactions are between the Association and ITIC and are stated in the technical account, monies owed between the Association and ITIC are stated in the balance sheet.

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, 2010

22. RELATED PARTY TRANSACTIONS (Continued)

The Association has undertaken to cover the expenses of Transport Intermediaries Mutual Insurance Association (IOM) Ltd ("TIMIA (IOM)"), an Isle of Man registered company which remained dormant during the year. Expenses of \$8,166 were incurred during the year and these are recorded in the profit and loss account. The Association has made a loan of £2,000 to TIMIA (IOM). The loan is unsecured, interest free and repayable on demand. There have been no repayments or advances to the loan amount during the year to 31 May 2010.

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

	2010 US\$ 000s	2009 US\$ 000s
Returns on investments and servicing of finance:		
Interest received	1,077	1,013
Exchange (losses)	<u>(88)</u>	<u>(1,026)</u>
	<u>989</u>	<u>(13)</u>
Financing-		
Continuity credit	<u>(5,702)</u>	<u>(8,430)</u>
Portfolio Investments:		
Purchases of securities and equity holdings	5,295	41,475
Sales of securities and equity holdings	<u>(9,844)</u>	<u>(26,443)</u>
	<u>(4,549)</u>	<u>15,032</u>

24. MOVEMENT IN CASH, PORTFOLIO INVESTMENTS AND FINANCING

	At June 1, 2009 US\$ 000s	Cash Flow US\$ 000s	Change in Market Value US\$ 000s	At May 31, 2010 US\$ 000s
Cash at bank and in hand	126	2,911	-	3,037
Securities and equity holdings	68,089	(4,549)	5,414	68,954
UCITS cash	3,584	13,263	-	16,847
Provisions for (losses)/gains on forward currency contracts	<u>154</u>	<u>(140)</u>	<u>-</u>	<u>14</u>
	<u>71,953</u>	<u>11,485</u>	<u>5,414</u>	<u>88,852</u>

TRANSPORT INTERMEDIARIES MUTUAL INSURANCE ASSOCIATION LIMITED
MANAGERS AND OFFICERS

MANAGERS

Thomas Miller (Bermuda) Ltd.

OFFICERS OF THE ASSOCIATION

D W R Hunter, Secretary

REGISTERED OFFICE AND BUSINESS ADDRESS OF THE ASSOCIATION

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Hamilton, HM 11,
BERMUDA

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AUDITORS

Moore Stephens & Butterfield
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