

JMD SPECIALIST INSURANCE SERVICES LIMITED
(formerly JMD SPECIALIST PREMIUM CONTROL SERVICES LIMITED)

INDEPENDENT AUDITORS' REPORT TO JMD SPECIALIST INSURANCE SERVICES LIMITED
UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated financial statements set out on pages 2 to 5, together with the full statutory financial statements of the Company for the year ended 31st October 2004 prepared under Section 226 of the Companies Act 1985.

This report is made solely to the company, in accordance with Section 247B of the Companies Act 1985. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a Special Auditors' 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, for our work, for this report, or for the opinions we have formed.

Respective responsibilities of the Directors and Auditors

The Directors are responsible for preparing the abbreviated financial statements in accordance with Section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the Company is entitled to deliver abbreviated financial statements prepared in accordance with Section 246 (5) and (6) of the Act to the Registrar of Companies and whether the financial statements to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

Basis of opinion

We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated financial statements and that the abbreviated financial statements to be delivered are properly prepared. The scope of our work for the purpose of this report does not include examining or dealing with events after the date of our report on the full statutory financial statements.

Opinion

In our opinion the Company is entitled to deliver abbreviated financial statements prepared in accordance with Sections 246(5) and (6) of the Companies Act 1985 and the abbreviated financial statements on pages 2 to 5 are properly prepared in accordance with those provisions.

22-4-2005

25-31 Tavistock Place
London WC1H 9SF.

Haines Watts Halperns

HAINES WATTS HALPERNS
Registered Auditors
Chartered Accountants.



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BALANCE SHEET AS AT 31ST OCTOBER 2004

	<u>Note</u>	<u>2004</u>	<u>2003</u>
<u>FIXED ASSETS</u>			
Tangible assets	2	-	142,148
Investments	3	-	20,000
		<hr/>	<hr/>
		-	162,148
<u>CURRENT ASSETS</u>			
Debtors		857,186	541,693
Cash at Bank and in hand		729	203,932
		<hr/>	<hr/>
		857,915	745,625
<u>CREDITORS: Amounts falling due</u>			
<u>within one year</u>		(469,761)	(690,567)
		<hr/>	<hr/>
<u>NET CURRENT ASSETS</u>		388,154	55,058
		<hr/>	<hr/>
		388,154	217,206
<u>PROVISION FOR LIABILITIES</u>			
<u>AND CHARGES</u>		-	(24,739)
		<hr/>	<hr/>
<u>NET ASSETS</u>		£ 388,154	£ 192,467
		<hr/>	<hr/>
<u>CAPITAL AND RESERVES</u>			
Called up share capital	4	1,260	1,260
Share premium		37,240	37,240
Profit & Loss account		349,654	153,967
		<hr/>	<hr/>
<u>SHAREHOLDERS FUNDS</u>		£ 388,154	£ 192,467
		<hr/>	<hr/>

These accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and the Financial Reporting Standards for Smaller Entities (effective June 2002).

SIGNED ON BEHALF OF THE BOARD

J.M.DEWEN - Director

R. ALLAM - Director

Date... 14 - 4 - 2005

JMD SPECIALIST INSURANCE SERVICES LIMITED
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NOTES TO THE FINANCIAL STATEMENTS

FOR THE FOR THE YEAR ENDED 31ST OCTOBER 2004

1. ACCOUNTING POLICIES

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the Company's financial statements.

(a) Accounting Convention

The financial statements have been prepared in accordance with applicable accounting standards under the historical cost convention and in accordance with the Financial Reporting Standards for Smaller Entities (effective June 2002).

(b) Turnover

Turnover represents amounts invoiced in respect of services provided exclusive of Value Added Tax.

(c) Depreciation

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost or valuation, less estimated residual value of each asset evenly over its expected useful life, as follows:

Office equipment	– at 25% p.a. on the reducing balance method
Computer equipment	– over 3 years on a straight line basis

(d) Foreign Currency Transactions

Transactions denominated in foreign currencies are translated into Sterling and recorded at the rate of exchange ruling at the date of the transaction (or at an average rate throughout the year). Balances denominated in foreign currencies are translated into Sterling at the exchange rate ruling on the Balance Sheet date. All exchange differences arising from translations are dealt with in the Profit and Loss Account. Unrealised long-term gains are not distributable but the Company needs to treat exchange losses and gains symmetrically.

(e) Investments

Fixed Asset Investments are shown at cost less provision for permanent diminution in value.

(f) Leased Assets

Rentals applicable to operating leases where substantially all of the benefits and risk of ownership remain with the lessor are charged against profits as incurred.

(g) Taxation

- i) Corporation tax payable is provided on taxable profits at the current rate.
- ii) Deferred taxation arises as a result of including items of income and expenditure in taxation computations in periods different from those in which they are included in the company's accounts. Deferred tax is provided in full on timing differences which result in an obligation to pay more tax at a future date.

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE FOR THE YEAR ENDED 31ST OCTOBER 2004 - Continued

2. TANGIBLE FIXED ASSETS

	<u>Total</u>
<u>Cost</u>	
At 1 st November 2003	203,308
Disposals	(207,308)

At 31 st October 2004	-

<u>Depreciation</u>	
At 1 st November 2003	61,160
Disposals	(61,160)

At 31 st October 2004	-

<u>Net Book Value</u>	
At 31 st October 2004	-

At 31 st October 2003	142,148

3. FIXED ASSETS INVESTMENTS

Unlisted Investment

<u>Cost</u>	
At 1 st November 2003	20,000
Disposal during year	(20,000)

Cost at 31 st October 2004	-

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST OCTOBER 2004 - Continued

	<u>2004</u> £	<u>2003</u> £
4. <u>SHARE CAPITAL</u>		
<u>Authorised</u>		
Ordinary Shares of £1 each	1,500	1,500
	<hr/>	<hr/>
<u>Allotted, called up and fully paid</u>		
Ordinary shares of £1 each	1,260	1,260
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5. ULTIMATE HOLDING COMPANY

The company's ultimate holding company is JMD Specialist Insurance Services Group Limited, incorporated in England.