

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

INDEPENDENT AUDITORS' REPORT TO
JMD SPECIALIST PREMIUM CONTROL 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 period 19th September 2001 to 31st October 2002 prepared under Section 226 of the Companies Act 1985.

Respective responsibilities of 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 Sections 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.

19-29 Woburn Place
London WC1H 0XF

29/8/03

HALPERNS
Chartered Accountants and
Registered Auditors

Halperns



JMD SPECIALIST PREMIUM CONTROL SERVICES LIMITEDBALANCE SHEET AS AT 31ST OCTOBER 2002

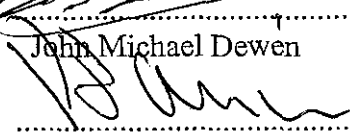
	<u>NOTE</u>	<u>31.10.2002</u>
<u>FIXED ASSETS</u>		
Tangible assets	2	37,824
Investments	3	20,000
		<hr/>
		57,824
<u>CURRENT ASSETS</u>		
Debtors		211,924
Cash at bank and in hand		207,236
		<hr/>
		419,160
<u>CREDITORS</u> - Amounts falling due within one year		(394,294)
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<u>NET CURRENT ASSETS</u>		24,866
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		82,690
<u>PROVISION FOR LIABILITIES AND CHARGES</u>		(11,317)
		<hr/>
<u>NET ASSETS</u>		£ 71,373
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<u>CAPITAL AND RESERVES</u>		
Called up share capital	4	1,189
Share premium		37,311
Profit and loss account		32,873
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<u>SHAREHOLDERS FUNDS</u>		£ 71,373
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The 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


.....)
John Michael Dewen)

) Directors


.....)
Richard Allam

Date 29/8/03

JMD SPECIALIST PREMIUM CONTROL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 19TH SEPTEMBER 2001 TO 31ST OCTOBER 2002

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 commodities sold/services provided excluding Value Added Tax.

c. Depreciation

Depreciation is calculated to write off the cost of Tangible Fixed Assets over their estimated useful lives, 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 Translation

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 a foreign currency are translated into Sterling at the exchange rates ruling on the Balance Sheet date. All exchange differences arising from translation 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 risks of ownership remain with the lessor are charged against profit as incurred.

JMD SPECIALIST PREMIUM CONTROL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD 19TH SEPTEMBER 2001 TO 31ST OCTOBER 2002 - Continued

1. ACCOUNTING POLICIES - continued

g. Taxation

i) Corporation Tax payable is provided on taxable profits at the current rate.

ii) Deferred Taxation

Deferred tax 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 (or less) tax at a future date.

2. TANGIBLE FIXED ASSETS

	<u>TOTAL</u>
<u>Cost</u>	
Additions	55,348
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<u>Depreciation</u>	
Charge in Year	17,524
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<u>Net Book Value</u>	
As at 31st October 2002	37,824
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3. FIXED ASSETS - UNLISTED INVESTMENTS

Cost

Additions during the period	20,000
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Cost at 31st October 2002	20,000
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JMD SPECIALIST PREMIUM CONTROL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD 19TH SEPTEMBER 2001 TO 31ST OCTOBER 2002 - Continued

4. SHARE CAPITAL

31.10.2002

Authorised

Ordinary Shares of £1 each	1,000
'A' Ordinary shares of £1 each	250
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	1,250
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Allotted, Called Up and Fully Paid

Ordinary Shares of £1 each	1,000
'A' Ordinary shares of £1 each	189
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	1,189
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On 19th September 2001 the company as formed with an authorised share capital of £100, consisting of 100 shares of £1 each of which one share was allotted and issued at par.

On 18th July 2002 the authorised share capital was increased to £1,250 by the creation of 900 additional Ordinary shares of £1 each and 250 'A' Ordinary shares of £1 each.

On 29th July 2002 the company allotted and issued at par a further 999 Ordinary shares of £1 each.

On 28th August 2002 the company allotted and issued 189 'A' Ordinary shares of £1 each at £198.41 per share.

5. RELATED PARTY TRANSACTIONS

During the period the company charged service fees and interest totalling £235,000 to JMD & Partners Limited, a company in which Mr J. M. Dewen is a Director and controlling shareholder. In addition the company charged fees totalling £25,350 to JMD & Partners Limited.

At 31st December 2002, an amount of £18,110 was owed to JMD & Partners Limited.