

JIB Group Holdings Limited
Annual Report
for the Year Ended 31st December 2006

Registration No: 2956529

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Directors' Report for the Year Ended 31st December 2006

The Directors present their report and the audited financial statements of the Company for the year ended 31st December 2006

Directors and their Interests

The following directors served during the year

G W Stuart-Clarke

V Y A C Wade

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 or loss 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. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the period ended 31 December 2006 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 themselves aware of any relevant audit information and established that the auditors are aware of that information.

Principal Activities and Review of the Business

The Company acted as a holding company throughout the year. The results are set out in the profit and loss account on page 4. The directors anticipate that the Company will continue trading for the foreseeable future.

Share Capital

During 2006 the share capital has increased to £165,222,208 by the creation of 8,574,100 ordinary shares of £1 each, ranking *pari passu* with the existing ordinary shares, which were subsequently allotted to JIB Group Limited, as noted below.

Investments

As part of a group restructure the company entered into a sale and purchase agreement with JIB Group Limited under which it acquired the entire issued share capital of BGHPW Limited, and 373,499 ordinary shares in Specialty Risk Broking Limited in consideration of the allotment of 8,574,100 ordinary shares of £1 each in the company.

Subsequently, the company entered into a sale and purchase agreement with JIB UK Holdings Limited to dispose of shares it had acquired in the capital of BGHPW Limited, and Specialty Risk Broking Limited in consideration of the issue of 3,933,698 shares of £1 each by JIB UK Holdings Limited.

Results and Dividends

The profit for the year before taxation amounts to £129,954,000 (2005 - £59,048,000). Details are shown in the profit and loss account on page 4.

A dividend of £137,000,000 for the year ended 31st December 2006 was approved by the directors and paid during the year (2005 £65,000,000).

Directors' Report for the Year Ended 31st December 2006

Elective Resolutions

The company has elected in pursuance of section 379A of the Companies Act 1985,

- i) To dispense with the obligation to appoint auditors annually in accordance with section 386 of the Companies Act 1985. It is proposed that PricewaterhouseCoopers LLP will be reappointed auditors of the Company, having signified their willingness to continue in office
- ii) Not to lay accounts before the members in general meeting. Members, however, may by notice in writing to the company at its registered office require that the accounts are laid before the company in general meeting

**6 Crutched Friars
London EC3N 2PH**

27 July 2007

By Order of the Board



**D J Hickman
Secretary**

**Independent Auditor's report to the members of JIB Group Holdings Limited
for the year ended 31st December 2006**

We have audited the financial statements of JIB Group Holdings Limited for the year ended 31st December 2006, 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

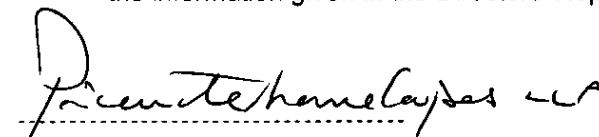
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the 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.

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 31st December 2006 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
Southwark Towers
32 London Bridge Street
London
SE1 9SY

27 July 2007

Profit and Loss Account for the year ended 31st December 2006

	Note	2006 £'000	2005 £'000
Income from shares in group undertakings		137,000	65,000
Operating Profit	3	137,000	65,000
Interest receivable and similar income	5	13,372	7,476
Interest payable and similar charges	6	(20,418)	(13,428)
Profit on ordinary activities before taxation		129,954	59,048
Taxation on ordinary activities	7	-	-
Profit on ordinary activities after taxation		129,954	59,048
Dividends		(137,000)	(65,000)
Retained loss for the financial year		(7,046)	(5,952)

The Company has no recognised gains and losses other than those shown above and therefore no separate statement of total recognised gains and losses has been presented

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

The notes on pages 6 to 10 form an integral part of these financial statements

Balance Sheet as at 31st December 2006

	Note	2006		2005	
		£'000	£'000	£'000	£'000
Fixed Assets					
Investments	8		355,593		315,980
Current Assets					
Debtors	9	315,396		165,026	
Creditors - Amounts falling due within one year	10	(433,932)		(276,515)	
Net Current Liabilities			(118,536)		(111,489)
Net Assets			<u>237,057</u>		<u>204,491</u>
Capital and Reserves					
Called up share capital	11		165,222		156,648
Share premium account	12		71,121		40,083
Profit and loss account	12		714		7,760
Total shareholders' funds - equity	13		<u>237,057</u>		<u>204,491</u>

Approved by the Board of Directors on 27 July 2007 and signed on it's behalf by:



G W Stuart-Clarke
Director

The notes on pages 6 to 10 form an integral part of these financial statements

Notes to the Financial Statements for the Year Ended 31st December 2006**1. Accounting Policies****a) Basis of Preparation**

These financial statements are prepared on the going concern basis under the historical cost convention and in accordance with the Companies Act 1985 and applicable accounting standards. A summary of the principal accounting policies is set out below.

b) Consolidated Accounts

Consolidated accounts have not been prepared since the Company is a wholly owned subsidiary of another company incorporated in the United Kingdom, which prepares consolidated financial statements.

c) 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.

d) Taxation

The charge for taxation is based on the result for the year at current rates of tax and takes into account deferred tax.

Full provision for deferred tax, without discounting, is made for all timing differences that have arisen but not reversed at the balance sheet date.

e) Cash Flow Statement and Related Party Transactions

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

2. Directors Emoluments

None of the directors received any remuneration for their services to JIB Group Holdings Limited during 2006 (2005 - £ nil).

3. Operating Profit

Auditors' remuneration for the statutory audit of the accounts of the Company for the year ended 31st December 2006 are £2,500 (2005 £2,500).

The Auditors' remuneration is paid, on behalf of the Company, by a fellow subsidiary of Jardine Lloyd Thompson Group plc.

4. Employees

There were no employees during the year (2005 - nil).

Notes to the Financial Statements for the Year Ended 31st December 2006

5. Interest Receivable and similar income

	2006 £'000	2005 £'000
Interest receivable – Group undertakings	<u>13,372</u>	<u>7,476</u>

6. Interest Payable and similar charges

	2006 £'000	2005 £'000
Interest payable – Group undertakings	<u>20,418</u>	<u>13,428</u>

7 Taxation on Ordinary Activities

	2006 £'000	2005 £'000
Current tax		
UK Corporation tax on profits of the period	-	-
Adjustment in respect of previous periods	-	-
Total current tax	<u>-</u>	<u>-</u>
Deferred tax		
Deferred taxation – prior year	-	-
Tax on profit on ordinary activities	<u>-</u>	<u>-</u>

The taxation charge for the period is lower (2005 lower) than the standard rate of corporation tax in the UK (30%) The differences are explained below

	2006 £'000	2005 £'000
Profit on ordinary activities before tax	129,954	59,048
Profit on ordinary activities before tax multiplied by standard rate in the UK 30% (2005 30%)	38,986	17,714
Effects of		
Permanent additions to taxable result (principally surrender of losses to other group companies)	2,114	1,786
Permanent deductions from taxable result (principally UK dividends received)	(41,100)	(19,500)
Adjustments to current tax charge for prior periods	-	-
Adjustments to deferred tax charge for prior periods	-	-
Current tax (credit)/charge for the period	<u>-</u>	<u>-</u>

Notes to the Financial Statements for the Year Ended 31st December 2006

8. Investments

	Subsidiary Undertakings £'000
At 1st January 2006	315,980
Acquisitions	79,225
Disposals	(39,612)
At 31st December 2006	<u>355,593</u>

In the opinion of the directors, the value of group undertakings is not less than the amount at which they are shown in the balance sheet

The principal group undertakings, all of which are intermediate holding companies involved in insurance broking or related activities and, unless stated otherwise, are wholly owned, are as follows

Subsidiary Undertakings	Country of Incorporation
JIB Overseas Holdings Limited	England
JIB UK Holdings Limited	England

9. Debtors – amounts falling due within one year

	2006 £'000	2005 £'000
Amounts owed by group undertakings	315,396	140,026
Dividends owed by group undertakings	-	25,000
	<u>315,396</u>	<u>165,026</u>

Amounts owed by group undertakings are unsecured, interest free and have no fixed date for repayment with the exception of certain amounts owed by a group undertaking of £211,574,863, on which an interest rate of 6.32% has been charged

10. Creditors - amounts falling due within one year

	2006 £'000	2005 £'000
Amounts due to group undertakings	433,932	251,515
Dividends due to group undertakings	-	25,000
	<u>433,932</u>	<u>276,515</u>

Amounts due to group undertakings are unsecured, interest free and have no fixed date for payment with the exception of certain amounts owed to group undertakings totalling £323,064,321, on which an interest rate of 6.32% has been charged

Notes to the Financial Statements for the Year Ended 31st December 2006

11. Called up Share Capital

	2006 £	2005 £
Authorised		
165,222,002 ordinary shares of £1 each	165,222,002	156,648,002
100 non voting Ordinary B shares of £0 01 each	1	1
10,000 non voting Ordinary C shares of £0 01 each	100	100
100 non voting Ordinary D shares of £0 01 each	1	1
100 non voting Ordinary E shares of £0 01 each	1	1
100 non voting Ordinary F shares of £0 01 each	1	1
100 non voting Ordinary G shares of £0 01 each	1	1
60 non voting Ordinary H shares of £0 01 each	0 6	0 6
50 non voting Ordinary I shares of £0 01 each	0 5	0 5
	<u>165,222,108 1</u>	<u>156,648,008 1</u>
Issued		
165,222,002 ordinary shares of £1 each	165,222,002	156,647,902
100 non voting Ordinary D shares of £0 01 each	1	1
100 non voting Ordinary E shares of £0 01 each	1	1
100 non voting Ordinary F shares of £0 01 each	1	1
100 non voting Ordinary G shares of £0 01 each	1	1
50 non voting Ordinary I shares of £0 01 each	0 5	0 5
	<u>165,222,006 5</u>	<u>156,647,906 5</u>

All shares rank pari passu except that

- Only Ordinary shareholders shall be entitled to receive notice of, attend, speak or vote at General Meetings of the Company
- The holders of the B, C, D, E, F, G, H and I shares are entitled to receive dividends from the net income derived from the assets attributable to their holding in the B, C, D, E, F, G, H and I shares respectively but not to participate in any other profit distribution
- On a return of capital on winding up or (other than on conversion, redemption or purchase of shares) otherwise, the capital and assets of the Company shall be applied such that the Ordinary Share Surplus, B Share Surplus, C Share Surplus, D Share Surplus, E Share Surplus, F Share Surplus, G Share Surplus, H Share Surplus, I Share Surplus shall be divided amongst the holders of the Ordinary Shares, B shares, C shares, D shares, E shares, F shares, G shares, H shares and I shares respectively pro rata to the holdings of the relevant class

12. Reserves

	Share Premium Account £'000	Profit & Loss Account £'000	Total £'000
At 1 st January 2006	40,083	7,760	47,843
Shares Issued	31,038	-	31,038
Retained loss	-	(7,046)	(7,046)
31st December 2006	<u>71,121</u>	<u>714</u>	<u>71,835</u>

Notes to the Financial Statements for the Year Ended 31st December 2006

13. Reconciliation of Movements in Shareholders' Funds

	2006 £'000	2005 £'000
Profit for the financial year	129,954	59,048
Dividends	(137,000)	(65,000)
	<u>(7,046)</u>	<u>(5,952)</u>
Issue of shares	39,612	43,754
Net increase to shareholders' funds	<u>32,566</u>	<u>37,802</u>
Opening shareholders' funds	204,491	166,689
Closing shareholders' funds	<u>237,057</u>	<u>204,491</u>

14. Parent Undertakings

The Company's immediate parent is JIB Group Limited

The Company's ultimate parent is Jardine Lloyd Thompson Group plc, a Company incorporated in England, which is also the largest and smallest group for which group consolidated accounts are prepared and of which the company is a member

Copies of the consolidated financial statements can be obtained from

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London
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