



MAZARS

Report & Financial Statements

For the year ended 31 December 2011

H. W. Wood International Limited

Registered number: 02118721

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COMPANIES HOUSE

DIRECTORS

J A Hayward
S G Rudduck
J D Hoare

SECRETARY

P H Chamberlain

REGISTERED OFFICE

The Baltic Exchange
38 St Mary Axe
LONDON EC3A 8BH

STATUTORY AUDITOR

Mazars LLP
Tower Bridge House
St Katharine's Way
LONDON E1W 1DD

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DIRECTORS' REPORT

The directors have pleasure in presenting their report and financial statements for the year ended 31 December 2011. The company registration number is 02118721.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and 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 2006. 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.

DIRECTORS

The directors set out below have held office from 1 January 2011 to the date of this report.

Mr J A Hayward
Mr S G Rudduck
Mr J D Hoare

None of the directors holding office between 1 January 2011 and 31 December 2011 held beneficial interests in the shares of the company.

RESULTS AND DIVIDENDS

The trading results for the year and the state of the company's affairs at the end of the year are shown in the attached financial statements on pages 7 to 15.

The directors have declared and paid a dividend of £200,000 in the year.

DIRECTORS' REPORT (continued)

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The principal activity of the company during the year was insurance broking

The directors are satisfied with the results for the year and the state of affairs of the company at the balance sheet date

FINANCIAL INSTRUMENTS

The company's financial statements include various financial assets and liabilities such as trade receivables and trade payables arising directly from its operations

Liquidity risk

The company manages its cash and borrowing requirements to maximise interest income and minimise interest expense, whilst ensuring that sufficient resources are available to meet the operating needs

Interest rate risk

The company is exposed to cash flow interest rate risk on its deposits and loan borrowings. As both are matched the Directors consider the exposure as a low risk

Foreign currency risk

The company's principal foreign currency exposures arise from clients conducting their insurance requirements in US Dollars whilst company expenses are in Sterling. Loan assets and borrowings are both denominated in Euros

Credit risk

Investments of cash surpluses are made through banks

Receivable balances are monitored on an ongoing basis and provision is made for doubtful debts where necessary

DIRECTORS' REPORT (continued)

STATEMENT OF DISCLOSURE OF INFORMATION TO AUDITORS

Under the Companies Act 2006 section 418, we confirm that

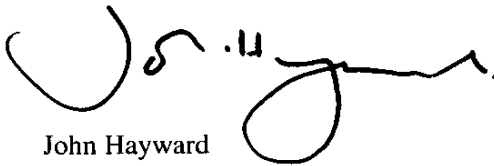
(a) so far as we are aware, there is no relevant audit information of which the Company's auditors are unaware, and

(b) we have taken all the steps that we ought to have taken as directors in order to make us aware of any relevant information and to establish that the Company's auditors are aware of that information

AUDITORS

Mazars LLP will continue in office in accordance with Companies Act 2006, section 487(2)

This report was approved by the Board on 6 July 2012

A handwritten signature in black ink, appearing to read 'John Hayward', with a large, stylized loop at the end.

John Hayward
Director

We have audited the financial statements of H W Wood International Limited for the year ended 31 December 2011 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors. This report is made solely to the company's member, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's member 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 member as a body for our audit work, for this report, or for the opinions we have formed.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's web-site at www.frc.org.uk/apb/scope/private.cfm.

Opinion on the financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2011 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on the other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit


Markham Grice (Senior Statutory Auditor)
for and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor
Tower Bridge House
St Katharine's Way
London E1W 1DD
10 July 2012

PROFIT AND LOSS ACCOUNT

For the year ended 31 December 2011

	Notes	Year to 31 December 2011 £	Year to 31 December 2010 £
TURNOVER	2	812,342	1,081,042
Administrative expenses		(252,084)	(626,120)
OPERATING PROFIT	3	560,258	454,922
Interest receivable	4	4,051	-
Interest payable and similar charges	4	(15,787)	(423)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		548,522	454,499
Taxation on profit on ordinary activities	5	(180,574)	(149,457)
PROFIT AFTER TAXATION	12	367,948	305,042

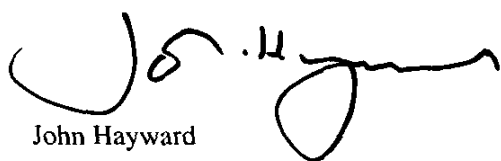
The company's turnover and expenses all relate to continuing operations. There are no recognised gains or losses other than those reflected in the profit for the period. Accordingly, no statement of total recognised gains or losses is given.

The notes on pages 10 to 15 form part of these financial statements.

BALANCE SHEET as at 31 December 2011

	Notes	31 December 2011 £	31 December 2010 £
CURRENT ASSETS			
Debtors	8	1,694,440	572,994
Cash at bank and in hand		478,428	93,814
		<u>2,172,868</u>	<u>666,808</u>
CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR	9	(642,941)	(244,521)
		<u>1,529,927</u>	<u>422,287</u>
NET CURRENT ASSETS			
CREDITORS AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	10	(939,692)	-
		<u>590,235</u>	<u>422,287</u>
NET ASSETS			
CAPITAL AND RESERVES			
Called up share capital	11	100,000	100,000
Profit and loss account	12	490,235	322,287
SHAREHOLDERS' FUNDS		<u>590,235</u>	<u>422,287</u>

The financial statements were approved by the Board on 5 July 2012



John Hayward

Director

The notes on pages 10 to 15 form part of these financial statements

CASH FLOW STATEMENT

For the year ended 31 December 2011

	Notes	Year ended 31 December 2011 £	Year ended 31 December 2010 £
Cash (outflow)/inflow from operating activities	13(a)	(461,449)	276,890
Returns on investments and servicing of finance			
Interest receivable	4	4,051	-
Interest payable and similar charges	4	(15,787)	(423)
Net cash (outflow) / inflow from returns on investments and servicing of finance		(473,185)	276,467
Taxation		(195,124)	(120,147)
Net cash (outflow) / inflow		(668,309)	156,320
Dividend paid		(200,000)	(100,000)
(Decrease) / increase in cash in the year	13 (b)(c)	<u>(868,309)</u>	<u>56,320</u>

The notes on pages 10 to 15 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS (continued)**For the year ended 31 December 2011****1. ACCOUNTING POLICIES****(a) Accounting basis**

The financial statements have been prepared in accordance with Companies Act 2006, with United Kingdom Applicable Accounting Standards (United Kingdom Generally Accepted Accounting Practice), under the historical cost convention and on the going concern basis

(b) Turnover

Turnover represents the net commission receivable from H W Wood Limited, after deduction of attributable expenses, in respect of the Company's client portfolio

(c) Foreign currencies

Profit and loss account transactions in foreign currencies are recorded using the average monthly rate. Assets and liabilities in overseas currencies have been translated into sterling at the rates of exchange ruling at the balance sheet date. Gains and losses on translation are included in the profit and loss account.

(d) Deferred taxation

Deferred tax is provided in respect of the tax effect of all timing differences at the rates of tax expected to apply when the timing differences reverse. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax is not discounted.

2. TURNOVER

	2011 £	2010 £
Rest of Europe	<u>812,342</u>	<u>1,081,042</u>

3. OPERATING PROFIT

Operating profit is stated after charging/(crediting)

	2011 £	2010 £
Auditor's remuneration		
- audit services	9,000	12,000
- tax compliance services	3,000	-
Depreciation	-	3,425
Foreign exchange loss (2010 - gain)	<u>20,744</u>	<u>(21,108)</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2011

4. INTEREST RECEIVABLE/(PAYABLE)

	2011	2010
	£	£
Interest receivable	4,051	-
Interest payable and similar charges	<u>(15,787)</u>	<u>(423)</u>

5. TAXATION

(a) Analysis of charge in year

	2011	2010
	£	£
UK tax		
UK corporation tax based on the results for the year at 26.5% (2010: 28%)	143,540	145,461
Under provision in previous years	<u>37,034</u>	<u>1,458</u>
	180,574	146,919
Deferred tax charge	-	2,538
	<u>180,574</u>	<u>149,457</u>

(b) Factors affecting tax charge for year

Profit on ordinary activities before tax	<u>548,523</u>	<u>454,499</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 26.5% (2010: 28%)	145,359	127,260
<i>Effects of</i>		
Expenses not deductible for tax purposes	-	17,071
Depreciation for year in excess of capital allowances	(1,781)	959
Other timing differences	(38)	171
Under/(over) provision in previous years	<u>37,034</u>	<u>1,458</u>
Current tax charges for year (see (a) above)	<u>180,574</u>	<u>146,919</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2011

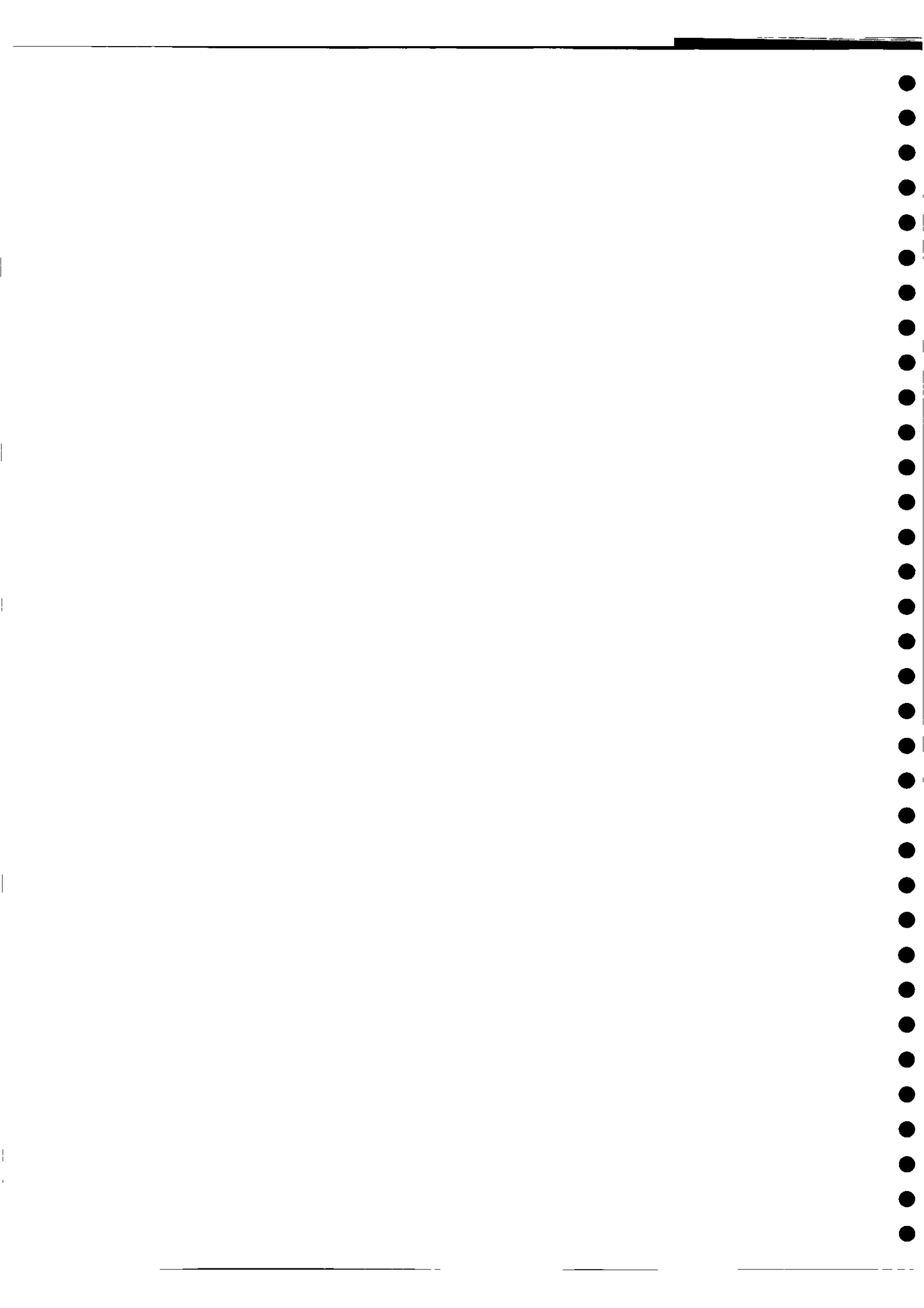
6. STAFF COSTS

(a) Staff costs	2011 £	2010 £
Wages and salaries	210,285	412,903
Social security costs	1,690	37,092
Other pension costs	1,000	17,673
	<u>212,975</u>	<u>467,668</u>
 (b) The average number of persons employed by the company during the year was as follows:-	 2011 Number	 2010 Number
Management	-	2
Broking and technical	-	7
Total employees	<u>-</u>	<u>9</u>

The Company's employees all transferred to a fellow subsidiary on 1 January 2011.

7. DIRECTORS' EMOLUMENTS

	2011 £	2010 £
Total emoluments (excluding pension contributions)	65,000	128,004
Value of company pension contributions to money purchase schemes	1,000	9,400
	<u>66,000</u>	<u>137,404</u>
 The number of directors who accrued benefits under the company pension scheme was		
Money Purchase Scheme	<u>1</u>	<u>1</u>



NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2011

8. DEBTORS

	2011 £	2010 £
<i>Due within one year</i>		
Amounts owed by fellow subsidiaries	754,748	572,994
<i>Due in more than one year</i>		
Amounts owed by fellow subsidiaries	939,692	-
	<u>1,694,440</u>	<u>572,994</u>

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2011 £	2010 £
Bank loan	313,231	-
Other taxes and social security costs	-	13,351
Accruals and deferred income	277,340	164,250
Corporation tax	52,370	66,920
	<u>642,941</u>	<u>244,521</u>

10. CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR

	2011 £	2010 £
Bank loan	<u>939,692</u>	<u>-</u>

11. CALLED UP SHARE CAPITAL

	2011 £	2010 £
Allotted, called up and fully paid 100,000 ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2011

12. RESERVES

	Share Capital £	Profit and loss account £	Total £
At 1 January 2011	100,000	322,287	422,287
Profit for the year	-	367,948	367,948
Dividends	-	(200,000)	(200,000)
At 31 December 2011	<u>100,000</u>	<u>490,235</u>	<u>590,235</u>

13. CASH FLOW STATEMENT

(a) Reconciliation of operating profit to operating cash flows

	2011 £	2010 £
Operating profit	560,258	454,922
Depreciation charges	-	3,425
(Increase) in debtors	(1,121,446)	(27,087)
Increase/(decrease) in creditors	99,739	(154,370)
Net cash (outflow)/inflow from operating activities	<u>(461,449)</u>	<u>276,890</u>

(b) Reconciliation of net cash flow to movement in net cash

	2011 £	2010 £
Movement in net cash in the year	(868,309)	56,320
Net cash and loans at 1 January 2011	<u>93,814</u>	<u>37,494</u>
Net cash and loans at 31 December 2011	<u>(774,495)</u>	<u>93,814</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2011

(c) Analysis of net cash

	At 1 January 2011 £	Cash flow £	At 31 December 2011 £
Cash in hand and at bank	93,814	384,614	478,428
Bank loans	-	(1,252,923)	(1,252,923)
	<u>93,814</u>	<u>(868,309)</u>	<u>(774,495)</u>

14. CAPITAL COMMITMENTS

At 31 December 2011 the company had no capital commitments

15. LETTER OF CREDIT

A letter of credit for USD 13,000 is lodged with the Bank of Cyprus

16. ULTIMATE PARENT COMPANY AND CONTROLLING PARTY

The parent undertaking is H W International B V , a company incorporated in The Netherlands

The ultimate parent undertaking is Botanica N V a company incorporated in the Netherlands Antilles

H W Wood Esq , a resident of the USA and a director of H W International B V , is considered the controlling party of H W Wood International Limited

The company has taken advantage of the exemption to disclose transactions with fellow wholly owned group companies

17. CONTINGENT LIABILITY

Along with fellow group entity, H W Wood Limited, the company has provided an unlimited multilateral guarantee to HSBC in respect of the borrowings of either company, secured by a fixed and floating charge over the assets (excluding Insurance Broking Assets) of both companies At 31 December 2011 such borrowings totalled Euro 1,500,000