

Report & Financial Statements

For the year ended 31 December 2012

H. W. Wood International Limited

Registered number: 02118721

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COMPANIES HOUSE

DIRECTORS	J A Hayward (resigned 28 February 2013) S G Rudduck J D Hoare P H Chamberlain (appointed 20 December 2012)
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SECRETARY	P H Chamberlain
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REGISTERED OFFICE	The Baltic Exchange 38 St Mary Axe LONDON EC3A 8BH
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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 2012. 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 2012 to the date of this report or as indicated.

J A Hayward (resigned 28 February 2013)

S G Rudduck

J D Hoare

P H Chamberlain (appointed 20 December 2012)

None of the directors holding office between 1 January 2012 and 31 December 2012 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 £180,567 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 and Euro. 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

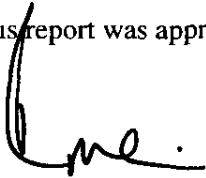
(a) so far as we are aware, there is no relevant audit information of which the Company's auditors are unaware, and

(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 25 June 2013

A handwritten signature in black ink, appearing to read 'P. Chamberlain', with a small dot at the end.

Philip Chamberlain
Director

We have audited the financial statements of H W Wood International Limited for the year ended 31 December 2012 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 Financial Reporting Council's web-site at www.frc.org.uk/auditscopeukprivate.

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 2012 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
25 June 2013

PROFIT AND LOSS ACCOUNT**For the year ended 31 December 2012**

	Notes	Year to 31 December 2012 £	Year to 31 December 2011 £
TURNOVER	2	595,139	812,342
Administrative expenses		(198,686)	(252,084)
OPERATING PROFIT	3	396,453	560,258
Interest receivable	4	56,743	4,051
Interest payable and similar charges	4	(47,530)	(15,787)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		405,666	548,522
Taxation on profit on ordinary activities	5	(100,000)	(180,574)
PROFIT AFTER TAXATION	12	305,666	367,948

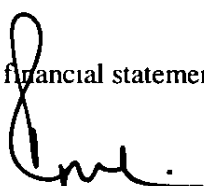
The company's turnover and expenses all relate to continuing operations. There are no recognised gains or losses other than those reflected in the profit for the period. Accordingly, no statement of total recognised gains or losses is given.

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

BALANCE SHEET as at 31 December 2012

	Notes	31 December 2012 £	31 December 2011 £
CURRENT ASSETS			
Debtors	8	1,614,998	1,694,440
Cash at bank and in hand		123,890	478,428
		<u>1,738,888</u>	<u>2,172,868</u>
CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR	9	(491,596)	(642,941)
		<u></u>	<u></u>
NET CURRENT ASSETS		1,247,292	1,529,927
CREDITORS AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	10	(531,958)	(939,692)
		<u></u>	<u></u>
NET ASSETS		<u>715,334</u>	<u>590,235</u>
CAPITAL AND RESERVES			
Called up share capital	11	100,000	100,000
Profit and loss account	12	615,334	490,235
		<u></u>	<u></u>
SHAREHOLDERS' FUNDS		<u>715,334</u>	<u>590,235</u>

The financial statements were approved by the Board on 25 June 2013



Philip Chamberlain

Director

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

CASH FLOW STATEMENT**For the year ended 31 December 2012**

	Notes	Year ended 31 December 2012 £	Year ended 31 December 2011 £
Cash inflow/(outflow) from operating activities	13(a)	355,882	(461,449)
Returns on investments and servicing of finance			
Interest receivable	4	56,743	4,051
Interest payable and similar charges	4	(47,530)	(15,787)
Net cash inflow/(outflow) from returns on investments and servicing of finance		365,095	(473,185)
Taxation		(125,000)	(195,124)
Net cash inflow/(outflow)		240,095	(668,309)
Dividend paid		(180,567)	(200,000)
Increase/(Decrease) in cash in the year	13 (b)(c)	59,528	(868,309)

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 2012

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

	2012 £	2011 £
Rest of Europe	595,139	812,342

3. OPERATING PROFIT

Operating profit is stated after charging/(crediting)

	2012 £	2011 £
Auditor's remuneration		
- audit services	6,000	9,000
- tax compliance services	3,600	3,000
Foreign exchange loss	7,440	20,744

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2012

4. INTEREST RECEIVABLE/(PAYABLE)

	2012	2011
	£	£
Interest receivable	56,743	4,051
Interest payable and similar charges	(47,530)	(15,787)
	<u>56,743</u>	<u>(15,787)</u>

5. TAXATION

(a) Analysis of charge in year

	2012	2011
	£	£
UK tax		
UK corporation tax based on the results for the year at 24.5% (2011: 26.5%)	100,000	143,540
Under provision in previous years	-	37,034
	<u>100,000</u>	<u>180,574</u>
Deferred tax charge	-	-
	<u>100,000</u>	<u>180,574</u>

(b) Factors affecting tax charge for year

Profit on ordinary activities before tax	405,666	548,522
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 24.5% (2011: 26.5%)	99,388	145,359
<i>Effects of</i>		
Expenses not deductible for tax purposes	-	-
Depreciation for year in excess of capital allowances	(63)	(1,781)
Other timing differences	675	(38)
Over provision in previous years	-	37,034
Current tax charges for year (see (a) above)	<u>100,000</u>	<u>180,574</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2012

6. STAFF COSTS

(a) Staff costs	2012 £	2011 £
Wages and salaries	167,448	210,285
Social security costs	3,780	1,690
Other pension costs	1,200	1,000
	<u>172,428</u>	<u>212,975</u>

7. DIRECTORS' EMOLUMENTS

	2012 £	2011 £
Total emoluments (excluding pension contributions)	70,437	65,000
Value of company pension contributions to money purchase schemes	1,200	1,000
	<u>71,637</u>	<u>66,000</u>

The number of directors who accrued benefits under the company pension scheme was

Money Purchase Scheme	<u>1</u>	<u>1</u>
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8. DEBTORS

	2012 £	2011 £
<i>Due within one year</i>		
Amounts owed by fellow subsidiaries	1,083,040	754,748
<i>Due in more than one year</i>		
Amounts owed by fellow subsidiaries	531,958	939,692
	<u>1,614,998</u>	<u>1,694,440</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2012

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2012	2011
	£	£
Bank loan	306,899	313,231
Accruals and deferred income	157,327	277,340
Corporation tax	27,370	52,370
	<u>491,596</u>	<u>642,941</u>

10. CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR

	2012	2011
	£	£
Bank loan	<u>531,958</u>	<u>939,692</u>

11. CALLED UP SHARE CAPITAL

	2012	2011
	£	£
Allotted, called up and fully paid 100,000 ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>

12. RESERVES

	Share Capital £	Profit and loss account £	Total £
At 1 January 2012	100,000	490,235	590,235
Profit for the year	-	305,666	305,666
Dividends	-	(180,567)	(180,567)
At 31 December 2012	<u>100,000</u>	<u>615,334</u>	<u>715,334</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2012

13. CASH FLOW STATEMENT

(a) Reconciliation of operating profit to operating cash flows

	2012	2011
	£	£
Operating profit	396,453	560,258
Decrease/(increase) in debtors	79,442	(1,121,446)
(Decrease)/increase in creditors	(120,013)	99,739
	<u>355,882</u>	<u>(461,449)</u>
Net cash inflow/(outflow) from operating activities	<u>355,882</u>	<u>(461,449)</u>

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

	2012	2011
	£	£
Movement in net cash in the year	59,528	(868,309)
Net cash and loans at 1 January 2011	(774,495)	93,814
Net cash and loans at 31 December 2012	<u>(714,967)</u>	<u>(774,495)</u>

(c) Analysis of net cash

	At 1 January 2012 £	Cash flow £	At 31 December 2012 £
Cash in hand and at bank	478,428	(354,538)	123,890
Bank loans	(1,252,923)	414,066	(838,857)
	<u>(774,495)</u>	<u>59,528</u>	<u>(714,967)</u>

14. CAPITAL COMMITMENTS

At 31 December 2012 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

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2012

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 2012 such borrowings totalled Euro 1,025,000 (2011 – Euro 1,500,000)