

UIB INTERNATIONAL LIMITED
FINANCIAL STATEMENTS
FOR
31 DECEMBER 2012



UIB INTERNATIONAL LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2012

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OFFICERS AND PROFESSIONAL ADVISERS

The board of directors

KM Anderson
AJ Dilley
BS Kabban

Company secretary

PM Sinfield

Registered office

69 Mansell Street
London
E1 8AN

Auditor

Littlejohn LLP
Statutory Auditor
1 Westferry Circus
Canary Wharf
London
E14 4HD

THE DIRECTORS' REPORT

YEAR ENDED 31 DECEMBER 2012

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 December 2012

PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS

The principal activity of the company during the year was that of acting as an investment company
The directors consider the company's business will continue to develop although trading conditions are expected to be difficult

RESULTS AND DIVIDENDS

The trading results for the year and the company's financial position at the end of the year are shown in the attached financial statements

The directors have declared and paid the following dividends

	2012 £	2011 £
Dividends paid on ordinary shares	<u>900,000</u>	<u>-</u>

POST BALANCE SHEET EVENTS

In April 2013, UIB International Limited acquired 31 25% of UIB Beneficios, Consultoria e Corretora de Seguros Ltda and 19% of UIB RexSeg Corretora de Seguros e Consultoria Ltda (both companies registered in Brazil), from incorporation

In June 2013, UIB Insurance Brokers SA , a wholly-owned subsidiary, was placed into liquidation
This company is registered in Switzerland

DIRECTORS

The directors who served the company during the year were as follows

KM Anderson
AJ Dilley
BS Kabban

The directors set out above have held office from 1 January 2012 to the date of this report unless otherwise stated

DISCLOSURE OF INFORMATION TO AUDITORS

The directors who held office at the date of approval of this report confirm that, so far as they are individually aware, there is no relevant audit information of which the company's auditors are unaware, and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information

AUDITORS

Littlejohn LLP has signified its willingness to continue in office as auditors

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2012

STATUS OF THIS DIRECTORS' REPORT

The directors' report has been prepared in accordance with the small companies regime under the Companies Act 2006

Registered office
69 Mansell Street
London
E1 8AN

Signed by order of the directors

A handwritten signature in black ink, appearing to read 'P Sinfield', written over the printed name.

PM Sinfield
Company Secretary

Approved by the directors on 19 June 2013

STATEMENT OF DIRECTORS' RESPONSIBILITIES**YEAR ENDED 31 DECEMBER 2012**

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 the 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, 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

We have audited the Financial Statements of UIB International Limited for the year ended 31 December 2012 which comprise the Profit and Loss Account, the Balance Sheet the Reconciliation of Movements in Shareholders' Funds 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)

This report is made solely to the company's members, 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 members those matters we are required to state to them in an 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 and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As explained more fully in the Statement of Directors' Responsibilities, 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 Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the Financial Statements sufficient to give reasonable assurance that the Financial Statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances, and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the Financial Statements. In addition, we read all the financial and non-financial information in the Financial Statements to identify material inconsistencies with the audited Financial Statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON 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 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS *(continued)*

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, or
- the directors were not entitled to take advantage of the small companies' exemption in preparing the Directors' Report



Philip Alexander (Senior statutory auditor)
For and on behalf of
Littlejohn LLP
Statutory auditor
1 Westferry Circus
Canary Wharf
London
E14 4HD

19 June 2013

UIB INTERNATIONAL LIMITED
PROFIT AND LOSS ACCOUNT

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YEAR ENDED 31 DECEMBER 2012

	Note	2012 £	2011 £
TURNOVER		1,233,116	1,088,732
Administrative expenses		(763,634)	(1,093,528)
Other operating income	2	52,476	46,248
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3	521,958	41,452
Tax on profit on ordinary activities	5	(72,848)	(150,403)
PROFIT/ (LOSS) FOR THE FINANCIAL YEAR	11	<u>449,110</u>	<u>(108,951)</u>

All of the activities of the company are classed as continuing

The company has no recognised gains or losses other than the results for the year as set out above

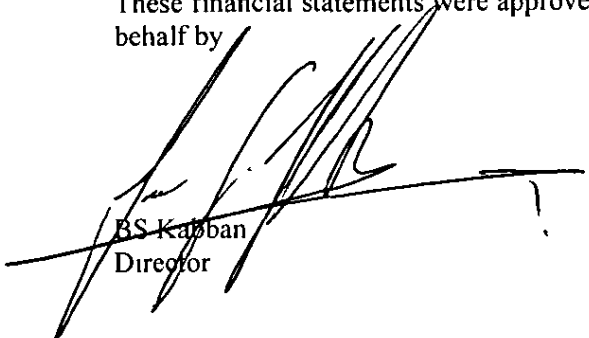
The notes on pages 9 to 18 form part of these financial statements

BALANCE SHEET

31 DECEMBER 2012

	Note	2012 £	2011 £
FIXED ASSETS			
Investments	7	<u>3,903,862</u>	<u>3,914,287</u>
CURRENT ASSETS			
Debtors	8	1,742,032	1,540,783
Cash at bank		<u>981,581</u>	<u>128,357</u>
		<u>2,723,613</u>	<u>1,669,140</u>
CREDITORS: Amounts falling due within one year	9	<u>(6,786,221)</u>	<u>(5,291,283)</u>
NET CURRENT LIABILITIES		<u>(4,062,608)</u>	<u>(3,622,143)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(158,746)</u>	<u>292,144</u>
CAPITAL AND RESERVES			
Called-up equity share capital	10	2	2
Profit and loss account	11	<u>(158,748)</u>	<u>292,142</u>
(DEFICIENCY)/ SHAREHOLDERS' FUNDS	12	<u>(158,746)</u>	<u>292,144</u>

These financial statements were approved by the directors on 19 June 2013 and are signed on their behalf by


BS Kabbab
Director

Company Registration Number 02505995

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2012

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared on a going concern basis under the historical cost convention (see note 18), and in accordance with applicable accounting standards

The financial statements present information about the company as an individual undertaking and not about its group

Group financial statements are not presented as the company is a wholly-owned subsidiary of another company incorporated in the United Kingdom, which itself prepares group financial statements

Cash flow statement

The company has used the exemption provided in Financial Reporting Standard No 1 ("Cash Flow Statements") not to prepare a cash flow statement as it is a wholly-owned subsidiary of another company which prepares a group cash flow statement. The group financial statements are available from the registered office of the ultimate parent undertaking

Turnover

Turnover comprises dividend income from investments. Dividend income is recognised in the period in which it is received

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the Financial Statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the Financial Statements

A net deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a *non-discounted* basis

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2012

1. ACCOUNTING POLICIES *(continued)*

Foreign currencies

Assets, liabilities, revenues and costs expressed in foreign currencies are translated into sterling at rates of exchange ruling on the date at which transactions occur, except for monetary assets and liabilities which are translated at the rate ruling at the balance sheet date

Differences arising on the translation of such items are dealt with in the profit and loss account

Investments

Investments held as fixed assets are stated at cost less provision for impairment

2. OTHER OPERATING INCOME

	2012	2011
	£	£
Interest receivable	<u>52,476</u>	<u>46,248</u>

3. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Profit on ordinary activities before taxation is stated after charging

	2012	2011
	£	£
Exchange loss/ (gain)	104,408	(42,055)
Write-down of fixed asset investments	259,000	178,000
Write-off of intercompany balances	<u>85,365</u>	<u>627,284</u>

Auditors' remuneration for audit services of £13,000 (2011: £17,500) and tax services of £1,680 (2011 £1,680) have been borne by the ultimate parent undertaking

4. PARTICULARS OF EMPLOYEES

The company has no employees

The employment costs are incurred by a group company and recharged

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2012

5 TAXATION ON PROFIT ON ORDINARY ACTIVITIES

	2012 £	2011 £
(a) Analysis of charge in year		
UK Corporation tax on profits of the year	-	-
Group relief (receivable)/ payable	(98,817)	20,847
Adjustment in respect of previous years	-	(478)
Double taxation relief	-	-
Foreign taxation	171,665	130,034
	<u>72,848</u>	<u>150,403</u>
Current tax charge for year (see (b) below)		
(b) Factors affecting tax charge for the year		
The tax assessment for the year is different from the standard rate of corporation tax in the UK of 24.5% (2011: 26.5%). The differences are explained below		
Profit on ordinary activities before tax	<u>521,958</u>	<u>41,452</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 24.5% (2011: 26.5%)	127,880	10,985
Effect of expenses not deductible for tax purposes	75,416	298,376
Exempt dividend income	(302,113)	(288,514)
Foreign taxation	171,665	130,034
Unrelieved tax losses	-	-
Adjustment in respect of previous years	-	(478)
	<u>72,848</u>	<u>150,403</u>
Current tax charge for year (see (a) above)		

6. DIVIDENDS

	2012 £	2011 £
Equity dividends declared and paid	<u>900,000</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2012

7. INVESTMENTS

	Subsidiary Companies	Associated Companies	Trade Investments	Total
	£	£	£	£
COST				
At 1 January 2012	4,586,600	-	291,670	4,878,270
Additions	270,833	-	106,621	377,454
Disposals	-	-	(32,269)	(32,269)
Transfers	-	205,143	(205,143)	-
At 31 December 2012	<u>4,857,433</u>	<u>205,143</u>	<u>160,879</u>	<u>5,223,455</u>
AMOUNTS WRITTEN OFF				
At 1 January 2012	953,973	-	10,010	963,983
Provided during the year	259,000	-	-	259,000
Transfers	-	-	106,620	106,620
Disposals	-	-	(10,010)	(10,010)
At 31 December 2012	<u>1,212,973</u>	<u>-</u>	<u>106,620</u>	<u>1,319,593</u>
NET BOOK VALUE				
At 31 December 2012	<u>3,644,460</u>	<u>205,143</u>	<u>54,259</u>	<u>3,903,862</u>
At 31 December 2011	<u>3,632,626</u>	<u>-</u>	<u>281,661</u>	<u>3,914,287</u>

(i) Subsidiaries held by the company

The following investments are treated as subsidiaries as the company is actively involved in determining the operational and financial policies of these companies

Subsidiary	Country of Incorporation	Ordinary shares held	Nature of Business
UIB Insurance Brokers SA	Switzerland	100%	Insurance broking
UIB Asia Labuan Limited	Labuan	100%	Insurance broking
United Insurance Brokers (DIFC) Limited	Dubai	100%	Insurance broking
UIB Insurance Brokers Company Limited	Korea	100%	Insurance broking

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2012
7. INVESTMENTS *(continued)*

Subsidiary	Country of Incorporation	Ordinary shares held	Nature of Business
UIB Nordic AB	Sweden	100%	Insurance broking
UIB Re Brasil Corretora de Resseguros Ltda	Brazil	92%	Reinsurance broking
UIB Asia Reinsurance Brokers Pte Limited	Singapore	90%	Reinsurance broking
United Insurance Brokers (LLC) - Dubai (Held by a subsidiary)	Dubai	48 998%	Insurance broking
United Insurance Brokers Colombia SA Corredores de Reaseguros	Colombia	40%	Reinsurance broking
IBS Sigorta ve Reasurans Brokerligi AS	Turkey	38%	Insurance broking
UIB Insurance Brokers (India) Private Limited	India	26%	Insurance broking

During the year, UIB Nordic Holdings and UIB Nordic AB merged into a single company in Sweden, UIB Nordic AB

United Insurance Brokers Limited Broker de Asigurare – Reasigurare SRL (Romania) was dissolved in October 2012

The company also owns 100% of the preference shares of UIB Asia Reinsurance Brokers Pte Limited, shown above

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2012
7. INVESTMENTS (continued)

(ii) Associate held by the company

The following investment has been treated as an associated company during the year

Associate	Country of Incorporation	Ordinary shares held	Nature of Business
UIB (Saudi) For Insurance & Reinsurance Broker Co Limited	Saudi Arabia	40%	Reinsurance broking

(iii) Trade investments held by the company

The following investments are treated as trade investments as the company is not actively involved in determining the operational and financial policies of these companies

Trade Investment	Country of Incorporation	Ordinary shares held	Nature of Business
Laser, S A de C.V Intermediario de Reaseguro	Mexico	40%	Insurance broking
IDL Denmark ApS	Denmark	10%	Underwriting Agency
Luebcke & Co GmbH	Germany	7.5%	Insurance broking

During the year, the investment in IDL Denmark was transferred from Mansell Underwriting Holdings Limited, a former subsidiary of UIB Holdings (UK) Limited

The company disposed of its shareholding in MACS-UIB Insurance Brokers Pte Limited (Singapore) for proceeds of SGD 120,000, during the year

8. DEBTORS: Amounts falling due within one year

	2012 £	2011 £
Amounts owed by group undertakings	1,737,481	1,511,399
Other debtors	585	29,384
Prepayments and accrued income	3,966	-
	<u>1,742,032</u>	<u>1,540,783</u>

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2012

9. CREDITORS: Amounts falling due within one year

	2012 £	2011 £
Amounts owed to group undertakings	6,281,127	4,786,287
Other creditors	505,094	504,996
	<u>6,786,221</u>	<u>5,291,283</u>

10. SHARE CAPITAL

Called up and fully paid:

	2012 No	£	2011 No	£
2 Ordinary shares of £1 each	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>

11. PROFIT AND LOSS ACCOUNT

	2012 £	2011 £
Balance at 1 January 2012	292,142	401,093
Profit/ (loss) for the financial year	449,110	(108,951)
Equity dividends paid	(900,000)	-
Balance at 31 December 2012	<u>(158,748)</u>	<u>292,142</u>

12. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2012 £	2011 £
Profit/ (loss) for the financial year	449,110	(108,951)
Equity dividends paid	(900,000)	-
Opening shareholders' funds	292,144	401,095
Closing (deficiency)/ shareholders' funds	<u>(158,746)</u>	<u>292,144</u>

13. ULTIMATE PARENT UNDERTAKING

The ultimate parent undertaking is UIB Holdings (UK) Limited, a company registered in England and Wales. There is no ultimate controlling party of UIB Holdings (UK) Limited.

Group financial statements are available from the registered office of the ultimate parent undertaking at 69 Mansell Street, London, E1 8AN.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2012
14. RELATED PARTIES
Transactions with Directors

During 2009 and 2010, three directors of the ultimate parent undertaking issued temporary loans to the company. The maximum amount outstanding during the year was £504,996 (2011 - £779,996) and at the year end was £504,996 (2011 - £504,996). The loans are not secured and are not interest bearing.

The company has taken advantage of exemptions under Financial Reporting Standard No. 8 as the company is a wholly-owned subsidiary of UIB Holdings (UK) Limited. Transactions with entities that are part of the group are consolidated in that company's financial statements. These are available from the registered office of the ultimate parent undertaking.

Company and Nature of Relationship	2012 Net movement on balance £	2012 Balances (to)/from £	2011 Net movement on balance £	2011 Balances (to)/from £
UIB Asia Reinsurance Brokers Pte Limited (Subsidiary)	(7,540)	(488,939)	(33,355)	(481,399)
UIB Re Brasil Corretora de Resseguros Ltda (Subsidiary)	58,318	1,922,794	695,009	1,864,476
United Insurance Brokers (LLC) – Dubai (Subsidiary)	97,858	54,114	(23,593)	(43,744)
United Insurance Brokers Limited Broker de Asigurare Reasigurare SRL (Subsidiary)	(127,284)	-	127,284	127,284
IBS Sigorta ve Reasurans Brokerligi AS (Subsidiary)	(5,384)	-	5,384	5,384
United Insurance Brokers Colombia SA Corredores de Reaseguros (Subsidiary)	6,571	6,839	(10,305)	268

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2012

14. RELATED PARTIES *(continued)*

Company and Nature of Relationship	2012 Net movement on balance £	2012 Balances (to)/from £	2011 Net movement on balance £	2011 Balances (to)/from £
UIB Insurance Brokers (India) Private Limited (Subsidiary)	2,496	2,576	80	80
UIB (Saudi) For Insurance & Reinsurance Broker Co. Limited (Associate)	3,951	3,951	-	-
Laser, S.A de C.V Intermediario de Reaseguro (Trade Investment)	616	616	-	-

During the year, the company received a dividend of £1,144,431 (2011 - £866,891) from IBS Sigorta Brokerligi AS and a dividend of £87,023 (2011 - £101,498) from United Insurance Brokers Colombia SA Corredores de Reasuguros, both subsidiary companies

The directors consider separate disclosure of transactions between the company and its subsidiaries to be commercially sensitive. On this basis, the above transactions have not been disaggregated into their component parts

15. GUARANTEES AND FINANCIAL COMMITMENTS TO INVESTMENTS

The company has provided a guarantee of up to £87,034 to a wholly-owned subsidiary, UIB Nordic AB, in respect of a bank overdraft facility

The company has committed to provide financial support to United Insurance Brokers (LLC) to enable them to meet financial obligations as they fall due in the foreseeable future

16. FINANCIAL COMMITMENT FROM ULTIMATE PARENT UNDERTAKING

The ultimate parent undertaking, UIB Holdings (UK) Limited, has provided the company with a financial commitment whereby it has agreed to ensure that the company has sufficient financial resources to honour its contractual commitments entered into in accordance with the group's standard terms of business. Such commitments will not extend to any liabilities of the company which have been incurred other than in the ordinary course of business and/ or as a result of negligence or other default of the company or its directors

The commitment shall be subject to review and cancellation at any time by the ultimate parent undertaking and shall be subject to such limits and other requirements as made from time to time by the ultimate parent undertaking

NOTES TO THE FINANCIAL STATEMENTS**YEAR ENDED 31 DECEMBER 2012****17. POST BALANCE SHEET EVENTS**

In April 2013, UIB International Limited acquired 31.25% of UIB Beneficios, Consultoria e Corretora de Seguros Ltda and 19% of UIB RexSeg Corretora de Seguros e Consultoria Ltda (both companies registered in Brazil), from incorporation

In June 2013, UIB Insurance Brokers SA, a wholly-owned subsidiary, was placed into liquidation. This company is registered in Switzerland.

18. GOING CONCERN

The company is reliant on support from its ultimate parent undertaking to enable it to continue meeting its liabilities as they fall due. The directors have received written confirmation that such support will continue indefinitely and are satisfied that UIB Holdings (UK) Limited has the capacity to continue providing such support for the foreseeable future, and for at least one year from the date the financial statements are signed.