

Registered number: 00203500

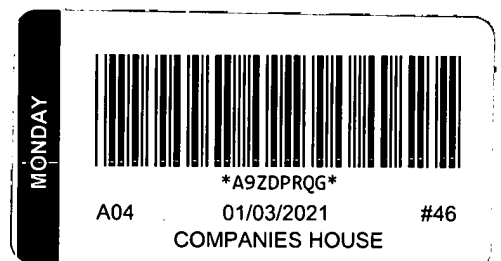
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**HOWDEN INTERNATIONAL BROKING LIMITED (FORMERLY HOWDEN  
INSURANCE BROKERS LIMITED)**

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**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 SEPTEMBER 2020**



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**HOWDEN INTERNATIONAL BROKING LIMITED (FORMERLY HOWDEN INSURANCE BROKERS LIMITED)**

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**COMPANY INFORMATION**

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<b>DIRECTORS</b>	A T Bastow A K Cameron
<b>COMPANY SECRETARY</b>	A J Moore (resigned 1 October 2020) P Fokou (appointed 1 October 2020)
<b>REGISTERED NUMBER</b>	00203500
<b>REGISTERED OFFICE</b>	One Creechurch Place London United Kingdom EC3A 5AF
<b>INDEPENDENT AUDITOR</b>	Deloitte LLP 1 New Street Square London United Kingdom EC4A 3HQ

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**HOWDEN INTERNATIONAL BROKING LIMITED (FORMERLY HOWDEN INSURANCE BROKERS LIMITED)**

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**HOWDEN INTERNATIONAL BROKING LIMITED (FORMERLY HOWDEN INSURANCE BROKERS LIMITED)**

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**DIRECTORS' REPORT  
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

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The Directors present their report and the financial statements for the year ended 30 September 2020.

**PRINCIPAL ACTIVITY**

The principal activity of Howden Insurance Brokers Limited ("the Company") during the year was that of an insurance broker in run-off.

The Company is incorporated in the United Kingdom and operates a branch in Taiwan.

**RESULTS AND DIVIDENDS**

The profit for the year, after taxation, amounted to £2,539k (2019: £1,357k).

No dividends were paid in the current or prior year.

**DIRECTORS**

The Directors who served during the year and to the date of this report were:

A T Bastow  
A K Cameron

**FUTURE DEVELOPMENTS**

Following the United Kingdom referendum result to exit the EU, the Company has been proactively planning to minimise any potential disruption to our clients. Whilst it is still unclear what the outcome will be from negotiations between the UK and EU, the Company is preparing on the assumption that the UK will leave the EU without a trade deal and/or any transitional arrangements.

The Company has examined multiple options and strategies in a number of different EU countries. After consideration of the various regulatory environments and their alignment to our clients requirements, the Company has decided to establish relevant regulated entities in Luxembourg which will become our access points to all EEA Member States under EU Passporting/Freedom of Services.

**DIRECTOR'S INDEMNITIES**

The Company's Articles of Association provide, subject to the provisions of UK legislation, an indemnity for Directors and Officers of the Company in respect of liabilities they may incur in the discharge of their duties or in the exercise of their powers, including and liabilities relating to the defence of any proceedings brought against them which relates to anything done or omitted, or alleged to have been done or omitted, by them as officers or employees of the Company. Appropriate Directors' and Officers' liability insurance cover is in place in respect of all the Company's Directors.

**DISCLOSURE OF INFORMATION TO AUDITOR**

Each of the persons who are Directors at the time when this Directors' Report is approved has confirmed that:

- so far as that Director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- that Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

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**HOWDEN INTERNATIONAL BROKING LIMITED (FORMERLY HOWDEN INSURANCE BROKERS LIMITED)**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

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**Covid-19**

During January 2020 a global pandemic crisis ("Covid 19") emerged in Asia before spreading across the world. This led to severe disruption with governments putting in place measures such as temporary closure of sites of business activities and social distancing to limit the spread of Covid 19 across a number of countries. While the insurance broking industry generally proved resilient during the financial crisis of 2008-2010 and is expected to be less impacted than other industries such as retail in this crisis, there is uncertainty in terms of the duration of the pandemic and subsequent impacts on the wider economy. If clients were to undergo financial distress as a result, this could impact the future demand for the services as defined in the principal activities of the Company and as well as increase the credit risk arising over outstanding amounts due from clients. The social distancing restrictions has led to staff working from home. However, the investment in the IT infrastructure by the Howden Group over the recent years has facilitated this significant operational change.

**Post balance sheet events**

The continuation of the Covid 19 pandemic is a non-adjusting post balance sheet event. Covid 19 could impact the future demand for the services as defined in the principal activities of the Company and recoverability of receivables and other assets. An estimate of the financial effect of Covid 19 cannot be made due to the pervasive nature of the Covid 19 and uncertainties over the duration of the pandemic and subsequent impacts on the wider economy. However, as at the date of the report Covid 19 has not had a material impact on the financials of the Company.

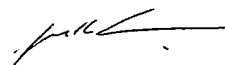
**AUDITOR**

The auditor, Deloitte LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

**SMALL COMPANIES NOTE**

In preparing this report, the Directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board and signed on its behalf.



**A K Cameron**  
Director

Date: 15/12/2020

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**HOWDEN INTERNATIONAL BROKING LIMITED (FORMERLY HOWDEN INSURANCE BROKERS LIMITED)**

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**DIRECTORS' RESPONSIBILITIES STATEMENT  
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

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The Directors are responsible for preparing the Annual 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company's financial statements and then apply them consistently;
- make judgments 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;
- 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 to 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.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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**HOWDEN INTERNATIONAL BROKING LIMITED (FORMERLY HOWDEN INSURANCE BROKERS LIMITED)**

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HOWDEN INTERNATIONAL BROKING LIMITED (FORMERLY HOWDEN INSURANCE BROKERS LIMITED)**

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**Report on the audit of the financial statements**

**Opinion**

In our opinion the financial statements of Howden International Broking Limited (formerly Howden Insurance Brokers Limited) (the 'Company'):

- give a true and fair view of the state of the company's affairs as at 30 September 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the income statement;
- the statement of comprehensive income;
- the statement of financial position;
- the statement of changes in equity; and
- the related notes 1 to 22.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

We are required by ISA's (UK) to report in respect of the following matters where:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

**Other information**

The Directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the

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**HOWDEN INTERNATIONAL BROKING LIMITED (FORMERLY HOWDEN INSURANCE BROKERS LIMITED)**

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HOWDEN INTERNATIONAL BROKING LIMITED (FORMERLY HOWDEN INSURANCE BROKERS LIMITED)**

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work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Responsibilities of Directors**

As explained more fully in the Directors' responsibilities statement set out on page 3, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

**Report on other legal and regulatory requirements****Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the directors' report.

**Matters on which we are required to report by exception**

Under the Companies Act 2006 we are required to report in respect of the following matters 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; and
- the directors were not entitled to take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

We have nothing to report in respect of these matters.



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**HOWDEN INTERNATIONAL BROKING LIMITED (FORMERLY HOWDEN INSURANCE BROKERS LIMITED)**

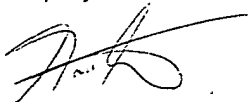
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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HOWDEN INTERNATIONAL BROKING  
LIMITED (FORMERLY HOWDEN INSURANCE BROKERS LIMITED)**

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**Use of our report**

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 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 members as a body, for our audit work, for this report, or for the opinions we have formed.



Mark McIlquham ACA (Senior statutory auditor)

for and on behalf of Deloitte LLP

Statutory Auditor  
London, United Kingdom

Date: 15th December 2020

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HOWDEN INTERNATIONAL BROKING LIMITED (FORMERLY HOWDEN INSURANCE BROKERS LIMITED)

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**INCOME STATEMENT  
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

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	Note	2020 £000	2019 £000
Revenue	4	(132)	267
<b>GROSS (LOSS)/PROFIT</b>		<b>(132)</b>	<b>267</b>
Administrative expenses		240	(242)
Other operating income	5	3,028	304
<b>OPERATING PROFIT</b>	6	<b>3,136</b>	<b>329</b>
Profit on disposal		-	2,363
Interest receivable and similar income	10	1	6
<b>PROFIT BEFORE TAX</b>		<b>3,137</b>	<b>2,698</b>
Tax on profit	11	(598)	(1,341)
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<b>2,539</b>	<b>1,357</b>

There were no recognised gains and losses for 2020 or 2019 other than those included in the income statement.

All results were derived from continuing operations.

The notes on pages 11 to 24 form part of these financial statements.

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**HOWDEN INTERNATIONAL BROKING LIMITED (FORMERLY HOWDEN INSURANCE BROKERS LIMITED)**

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**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

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	<b>2020 £000</b>	<b>2019 £000</b>
Profit for the year	<b>2,539</b>	<b>1,357</b>
<b>OTHER COMPREHENSIVE INCOME</b>		
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>2,539</b>	<b>1,357</b>

The notes on pages 11 to 24 form part of these financial statements.

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**HOWDEN INTERNATIONAL BROKING LIMITED (FORMERLY HOWDEN INSURANCE BROKERS LIMITED)**  
**REGISTERED NUMBER: 00203500**

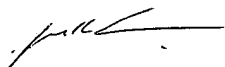
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**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 SEPTEMBER 2020**

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	Note	2020 £000	2019 £000
<b>CURRENT ASSETS</b>			
Debtors	12	23,142	20,832
Cash at bank and in hand	13	7,441	12,162
		<u>30,583</u>	<u>32,994</u>
Creditors: amounts falling due within one year	14	(8,124)	(13,074)
		<u>22,459</u>	19,920
<b>NET CURRENT ASSETS</b>		<u>22,459</u>	19,920
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>22,459</u>	19,920
<b>NET ASSETS</b>		<u><u>22,459</u></u>	<u><u>19,920</u></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	16	613	613
Share premium account	17	1,362	1,362
Other reserves	17	3	3
Profit and loss account	17	20,481	17,942
		<u>22,459</u>	<u>19,920</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



**A K Cameron**  
Director

Date: 15/12/2020

The notes on pages 11 to 24 form part of these financial statements.

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**HOWDEN INTERNATIONAL BROKING LIMITED (FORMERLY HOWDEN INSURANCE BROKERS LIMITED)**

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**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

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	Called up share capital £000	Share premium account £000	Other reserves £000	Profit and loss account £000	Total shareholders' funds £000
<b>At 1 October 2018</b>	<b>613</b>	<b>1,362</b>	<b>348</b>	<b>16,240</b>	<b>18,563</b>
<b>COMPREHENSIVE INCOME FOR THE YEAR</b>					
Profit for the year	-	-	-	1,357	1,357
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,357</b>	<b>1,357</b>
Transfer to distributable reserves	-	-	-	345	345
Cancellation of other reserves	-	-	(345)	-	(345)
<b>TOTAL TRANSACTIONS WITH OWNERS</b>	<b>-</b>	<b>-</b>	<b>(345)</b>	<b>345</b>	<b>-</b>
<b>At 1 October 2019</b>	<b>613</b>	<b>1,362</b>	<b>3</b>	<b>17,942</b>	<b>19,920</b>
<b>COMPREHENSIVE INCOME FOR THE YEAR</b>					
Profit for the year	-	-	-	2,539	2,539
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,539</b>	<b>2,539</b>
<b>TOTAL TRANSACTIONS WITH OWNERS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>AT 30 SEPTEMBER 2020</b>	<b>613</b>	<b>1,362</b>	<b>3</b>	<b>20,481</b>	<b>22,459</b>

The notes on pages 11 to 24 form part of these financial statements.

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**HOWDEN INTERNATIONAL BROKING LIMITED (FORMERLY HOWDEN INSURANCE BROKERS LIMITED)**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

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**1. GENERAL INFORMATION**

The Company is a private company limited by shares, incorporated in the United Kingdom under the Companies Act 2006 and registered in England and Wales. The address of its registered office is One Creechurch Place, London, United Kingdom, EC3A 5AF. Company number 00203500.

The principal activity of Howden International Broking Limited (formerly Howden Insurance Brokers Limited) ("the Company") during the year was that of an insurance broker.

**2. ACCOUNTING POLICIES**

**2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The following accounting policies have been applied in dealing with items that are considered material in relation to the financial statements.

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

Monetary amounts in these financial statements are rounded to the nearest £1,000.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also required management to exercise judgment in applying the Company's accounting policies (see note 3).

**2.2 Financial Reporting Standard 102 - reduced disclosure exemptions**

The Company meets the definition of a qualifying entity and has therefore taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 paragraph 1.12 (a) - (e):

- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 11 Financial Instruments paragraphs 11.39 to 11.48A;
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.29;
- the requirements of Section 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Howden Group Holdings Limited as at 30 September 2020 and these financial statements may be obtained from One Creechurch Place, London, United Kingdom, EC3A 5AF.

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**HOWDEN INTERNATIONAL BROKING LIMITED (FORMERLY HOWDEN INSURANCE BROKERS LIMITED)**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

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**2. ACCOUNTING POLICIES (CONTINUED)**

**2.3 GOING CONCERN**

As at 30 September 2020, the Company has net assets and net current assets of £22,459k (2019 - £19,920k).

In respect of the emergence of Covid 19, management has considered the impact on future cashflows and liquidity. This was done by stress testing the current forecast plan for a period at least to September 2021 by modelling a decrease of up to 15% on revenue, which varied across the forecast period. On completing this exercise, management considered current and forecast sensitised liquidity to be adequate for the forecast period. Mitigating actions to further increase liquidity could include reduction of discretionary spend such as bonuses and travel and entertainment.

**2.4 REVENUE**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Revenue consists principally of brokerage, commissions and fees associated with the placement of insurance and reinsurance contracts, net of commissions payable to other directly involved parties. Revenue from brokerage, commission and fees are recognised on the inception date of the risk. Any adjustments to commissions arising from premium additions or reductions are recognised as and when they are notified by third parties.

Where contractual obligations exist for the performance of post placement activities, a relevant proportion of revenue received on placement is deferred and recognised over the period during which the activities are performed.

Profit commission is recognised when the amount can be estimated, with a reasonable degree of certainty, and is equivalent to the minimum value expected to be received.

**2.5 INSURANCE INTERMEDIARY ASSETS AND LIABILITIES**

Insurance intermediaries act as agents in placing the insurable risks of their clients with insurers and as such, generally, are not liable as principals for the amounts arising from such transactions. Accordingly, receivables arising from insurance broking transactions are not included as assets of the Company, other than the receivable for fees and commissions earned on the transaction, which is recognised within trade receivables. No recognition of the insurance transaction occurs until the Company receives cash in respect of premiums or claims, at which time a corresponding liability is established in favour of the insurer or the client and is recognised as an insurance payable.

Fiduciary cash arising from insurance broking transactions is included within insurance cash. The Company is entitled to retain the investment income on any cash flows arising from insurance related transactions.

**2.6 OPERATING LEASES: THE COMPANY AS LESSEE**

Rentals paid under operating leases are charged to the profit or loss on a straight line basis over the period of the lease.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2020

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**2. ACCOUNTING POLICIES (CONTINUED)**

**2.7 DEBTORS**

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value (including transaction costs), and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**2.8 CASH AND CASH EQUIVALENTS**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

**2.9 CREDITORS**

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value (including transaction costs), and are measured subsequently at amortised cost using the effective interest method.

**2.10 FOREIGN CURRENCY TRANSLATION**

**Functional and presentation currency**

The Company's functional and presentational currency is Pounds Sterling (£).

**Transactions and balances**

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Income Statement except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings are presented in the Income Statement within 'finance income or costs'.



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

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**2. ACCOUNTING POLICIES (CONTINUED)**

**2.11 EMPLOYEE BENEFITS**

**Holiday pay accrual**

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the Statement of Financial Position date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the Statement of Financial Position date.

**Defined contribution pension scheme**

The amount charged to the Income Statement in respect of pension and other post-retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments. The Company has no legal or constructive obligation to make any further payments to the plans other than the contributions due.

**2.12 INTEREST INCOME**

Interest income is recognised in profit or loss using the effective interest method.

**2.13 PROVISIONS FOR LIABILITIES**

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

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**HOWDEN INTERNATIONAL BROKING LIMITED (FORMERLY HOWDEN INSURANCE BROKERS LIMITED)**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

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**2. ACCOUNTING POLICIES (CONTINUED)**

**2.14 CURRENT AND DEFERRED TAXATION**

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

**NOTES TO THE FINANCIAL STATEMENTS  
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**3. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires the Company's Directors to exercise judgements and estimates that have been made in preparing the financial statements, as well as make certain estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

Critical judgements in applying the Company's accounting policies

The critical judgements that the Directors have made in the process of applying the Company's accounting policies that have the most significant effect on the amounts recognised in the statutory financial statements are discussed below.

*Revenue recognition*

Revenue includes commission and fees receivable at the later of policy inception date or when the policy placement has been completed and confirmed. To the extent that the Company is contractually obliged to provide services after this date, a suitable proportion of income is deferred and recognised over the life of the relevant contracts to ensure that revenue appropriately reflects the fair value of fulfilment of these obligations. Profit commission and other contingent fee arrangements are recognised over the life of the relevant arrangement or when they can be measured with reasonable certainty.

Deferred income for post placement obligations as at 30 September 2020 was £Nil (2019: £Nil).

There are no key sources of estimation uncertainty to report.

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**HOWDEN INTERNATIONAL BROKING LIMITED (FORMERLY HOWDEN INSURANCE BROKERS LIMITED)**

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**4. ANALYSIS OF REVENUE**

An analysis of turnover by class of business is as follows:

	2020 £000	2019 £000
Brokerage, commissions and fees	(136)	259
Fiduciary income	4	8
	<u>(132)</u>	<u>267</u>

Analysis of turnover by country of destination:

	2020 £000	2019 £000
United Kingdom	(70)	(98)
Rest of Europe	(22)	381
Rest of the world	(40)	(16)
	<u>(132)</u>	<u>267</u>

Revenue is negative this year due to the company being in run-off and therefore relating to legacy adjustments.

**5. OTHER OPERATING INCOME**

	2020 £000	2019 £000
Other operating income	<u>3,028</u>	<u>304</u>

Other income relates to credit writebacks.

**6. OPERATING PROFIT**

The operating profit is stated after charging/(crediting):

	2020 £000	2019 £000
Exchange differences	6	(212)
Other operating lease rentals	28	77
Defined contribution pension cost	-	65
	<u></u>	<u></u>

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**HOWDEN INTERNATIONAL BROKING LIMITED (FORMERLY HOWDEN INSURANCE BROKERS LIMITED)**

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**NOTES TO THE FINANCIAL STATEMENTS  
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**7. AUDITOR'S REMUNERATION**

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Fees payable to the Company's auditor in respect of the audit of the Company's annual accounts	<b>8</b>	<b>8</b>

The Company has taken advantage of the exemption not to disclose amounts paid for non audit services as these are disclosed in the group accounts of the parent Company.

**8. EMPLOYEES**

Staff costs were as follows:

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Wages and salaries	<b>289</b>	<b>459</b>
Social security costs	<b>10</b>	<b>28</b>
Other staff costs	<b>13</b>	<b>18</b>
Cost of defined contribution scheme	<b>-</b>	<b>65</b>
	<b>312</b>	<b>570</b>

The average monthly number of employees, including the Directors, during the year was as follows:

	<b>2020</b>	<b>2019</b>
	<b>No.</b>	<b>No.</b>
Directors and management	<b>1</b>	<b>2</b>
Insurance professionals	<b>1</b>	<b>6</b>
Administration	<b>2</b>	<b>2</b>
	<b>4</b>	<b>10</b>

The Directors were employed by other group companies and in the current year were not remunerated for services in respect of this company.

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**HOWDEN INTERNATIONAL BROKING LIMITED (FORMERLY HOWDEN INSURANCE BROKERS LIMITED)**

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**9. Directors' remuneration**

The highest paid Director received remuneration of £NIL (2019: £NIL).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid Director amounted to £NIL (2019: £NIL).

The value of the company's contributions paid to a defined benefit pension scheme in respect of the highest paid Director amounted to £NIL (2019: £NIL).

The total accrued pension provision of the highest paid Director at 30 September 2020 amounted to £NIL (2019: £NIL).

The amount of the accrued lump sum in respect of the highest paid Director at 30 September 2020 amounted to £NIL (2019: £NIL).

**10. INTEREST RECEIVABLE AND SIMILAR INCOME**

	2020 £000	2019 £000
Other interest receivable	1	6

**11. TAXATION**

	2020 £000	2019 £000
<b>CORPORATION TAX</b>		
Current tax on profits for the year	598	274
Adjustments in respect of previous periods	-	(52)
	<u>598</u>	<u>222</u>
<b>Deferred tax</b>		
Foreign tax on income for the year	-	1,119
<b>TOTAL CURRENT TAX</b>	<u>598</u>	<u>1,341</u>

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**HOWDEN INTERNATIONAL BROKING LIMITED (FORMERLY HOWDEN INSURANCE BROKERS LIMITED)**

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**11. TAXATION (CONTINUED)****FACTORS AFFECTING TAX CHARGE FOR THE YEAR**

The tax assessed for the year is higher than (2019 - *higher than*) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	2020 £000	2019 £000
Profit before tax	3,137	2,698
Profit before tax multiplied by the standard rate of corporation tax in the UK of 19% (2019 - 19%)	596	513
<b>EFFECTS OF:</b>		
Expenses not deductible for tax purposes	-	6
Transfer pricing adjustments	-	191
Adjustments to tax charge in respect of prior periods	-	(59)
Changes to tax rate	2	1
Overseas taxation	-	689
<b>TOTAL TAX CHARGE FOR THE YEAR</b>	<b>598</b>	<b>1,341</b>

**FACTORS THAT MAY AFFECT FUTURE TAX CHARGES**

In the Spring Budget 2020, the Government announced that from 1 April 2020 the corporation tax rate would remain at 19% (rather than reducing to 17%, as previously enacted). This legislation was substantively enacted on 17 March 2020.

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**HOWDEN INTERNATIONAL BROKING LIMITED (FORMERLY HOWDEN INSURANCE BROKERS LIMITED)**

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**12. DEBTORS**

Amounts owed by Group undertakings are unsecured and repayable on demand.

	2020 £000	2019 £000
Insurance debtors	294	-
Amounts owed by fellow subsidiaries	-	6,926
Amounts owed by parent company	-	13,816
Other debtors	113	84
Prepayments and accrued income	1	-
Deferred taxation	7	6
Amounts owed by group companies	22,727	-
	<u>23,142</u>	<u>20,832</u>

Amounts owed by group undertakings are interest free, unsecured and repayable on demand.

**13. CASH AND CASH EQUIVALENTS**

	2020 £000	2019 £000
Cash at bank and in hand	76	303
Insurance cash balance	7,365	11,865
	<u>7,441</u>	<u>12,168</u>

**14. CREDITORS: Amounts falling due within one year**

	2020 £000	2019 £000
Insurance creditors	7,365	11,993
Amounts owed to fellow subsidiaries	-	31
Corporation tax	737	928
Other creditors	13	96
Accruals and deferred income	9	26
	<u>8,124</u>	<u>13,074</u>

Amounts owed to group undertakings are interest free, unsecured and repayable on demand.



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**HOWDEN INTERNATIONAL BROKING LIMITED (FORMERLY HOWDEN INSURANCE BROKERS LIMITED)**

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**NOTES TO THE FINANCIAL STATEMENTS  
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**15. DEFERRED TAXATION**

	2020 £000
At beginning of year	6
Adjustment in respect of prior years	-
Deferred tax charge to income statement for the period	1
<b>AT END OF YEAR</b>	<b>7</b>

The deferred tax asset is made up as follows:

	2020 £000	2019 £000
Short term timing differences	7	6

**16. SHARE CAPITAL**

	2020 £000	2019 £000
<b>Allotted, called up and fully paid</b>		
613,150 (2019 - 613,150) Ordinary shares of £1 each	613	613

The Company has one class of ordinary shares which carry voting rights but no right to fixed income.

**17. RESERVES****Share premium account**

This reserve records the amount above the nominal value received for shares sold, less transaction costs.

**Other reserves**

This reserve records movements arising from share based payments made to employees.

**Retained earnings**

This reserve consists of current and prior period retained profits and losses, less any dividends paid.

**NOTES TO THE FINANCIAL STATEMENTS  
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**18. CONTINGENT LIABILITIES**

On 29 April 2015, the ultimate parent company Howden Group Holdings Limited along with the Company and fellow subsidiary Hyperion Refinance S.à r.l., entered into a financing agreement with Morgan Stanley Senior Funding, Inc., Royal Bank of Canada, HSBC Bank plc, Lloyds Bank plc, Royal Bank of Scotland and ING Capital LLC. Under the terms of this agreement, the Company together with a number of other subsidiaries have given guarantees in respect of Hyperion Refinance S.à r.l.'s obligations under the terms of the agreement.

On 20 December 2017, the ultimate parent company Howden Group Holdings Limited along with fellow subsidiaries HIG Finance 2 Limited and Hyperion Refinance S.à r.l. entered into an amended and restated credit agreement with the Group's lenders in respect of the Group's main lending facilities. As part of the amended and restated credit agreement the Company continues to be a guarantor in respect of obligations undertaken by Howden Group Holding Limited, HIG Finance 2 Limited and Hyperion Refinance S.à r.l..

**19. COMMITMENTS**

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £Nil (2019: £65k). Contributions totalling £Nil (2019: £Nil) were payable to the fund at the reporting date.

**20. RELATED PARTY TRANSACTIONS**

The Company has taken advantage of the exemption available under Section 33 of FRS 102 to not disclose related party transactions with subsidiaries that are wholly owned within the group.

There were no other related party transactions in the year.

**21. POST BALANCE SHEET EVENTS**

The continuation of the Covid 19 pandemic is a non-adjusting post balance sheet event. Covid 19 could impact the future demand for the services as defined in the principal activities of the Company and recoverability of receivables and other assets. An estimate of the financial effect of Covid 19 cannot be made due to the pervasive nature of the Covid 19 and uncertainties over the duration of the pandemic and subsequent impacts on the wider economy. However, as at the date of the report Covid 19 has not had a material impact on the financials of the Company.

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**22. CONTROLLING PARTY**

The Company's immediate parent company is Howden Broking Group Limited, a company incorporated in the United Kingdom and registered in England Wales.

The Company's ultimate parent company is Howden Group Holdings Limited, a company incorporated in the United Kingdom and registered in England and Wales.

The largest and smallest group of which the Company is a member for which group financial statements are drawn up is that of Howden Group Holdings Limited. Copies of the financial statements of this Company can be obtained from the Group Finance Department at the registered office, One Creechurch Place, London, United Kingdom, EC3A 5AF.