

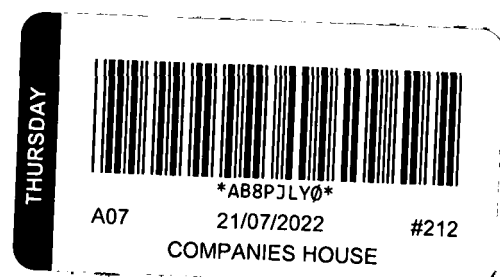
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**HOWDEN INTERNATIONAL BROKING LIMITED**

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**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 SEPTEMBER 2021**



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## HOWDEN INTERNATIONAL BROKING LIMITED

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### COMPANY INFORMATION

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|                            |   |
|----------------------------|---|
| <b>Directors</b>           | A Farooq (appointed 9 June 2022)<br>A T Bastow (resigned 22 December 2020)<br>A K Cameron (resigned 31 March 2022)<br>A S W Hall (appointed 22 December 2020) |
| <b>Company secretary</b>   | A J Moore (resigned 1 October 2020)<br>P Fokou (appointed 1 October 2020)   |
| <b>Registered number</b>   | 00203500  |
| <b>Registered office</b>   | One Creechurch Place<br>London<br>United Kingdom<br>EC3A 5AF  |
| <b>Independent auditor</b> | Deloitte LLP<br>1 New Street Square<br>London<br>United Kingdom<br>EC4A 3HQ   |

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**HOWDEN INTERNATIONAL BROKING LIMITED**

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## HOWDEN INTERNATIONAL BROKING LIMITED

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### DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2021

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The Directors present their report and the audited financial statements for the year ended 30 September 2021.

#### Principal activity

The principal activity of Howden International Broking 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 £1,389k (2020: £2,539k).

Dividends of £15,000k (2020: £Nil) were paid during the year. At the year end, no further dividends have been recommended for payment.

#### Directors

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

A Farooq (appointed 9 June 2022)  
A T Bastow (resigned 22 December 2020)  
A K Cameron (resigned 31 March 2022)  
A S W Hall (appointed 22 December 2020)

#### Future developments

The company will continue as an insurance broker operating in Taiwan.

#### *Covid-19*

During 2020 and 2021 a global crisis ("Covid 19") spread 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. Whilst the insurance broking industry 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 Company's services as well as increase the credit risk arising over outstanding amounts due from clients. Government restrictions have 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.

#### *The United Kingdom's withdrawal from the European Union ("Brexit")*

Following the United Kingdom exiting the EU, the Company has been working to minimise any potential disruption to clients.

#### *Environment*

The Company is part of the Howden Group Holdings Limited group of companies which is determined to reduce its environmental impact as much as it can. The Group aims to reduce carbon footprint and during 2020 globally started the process of becoming carbon neutral. As part of this, emission data is collected which will influence further carbon management plans. Travel was reduced by teleconferencing, video calling and use of instant messaging and employees are encouraged to use bicycles and most offices therefore have dedicated bike storage facilities and showers. As part of waste management & recycling the Company aims to replace paper with electronic media, provides recycling bins for paper, cardboard, glass and batteries and actively encourage employees to reduce waste and recycle. The Group has pledged to reduce our plastic consumption and is also

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## HOWDEN INTERNATIONAL BROKING LIMITED

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### DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2021

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using environmentally responsible materials for use in printers and recycle black and white toner cartridges, notepad paper and biros etc and uses energy efficient lighting wherever possible e.g. motion sensor lights; and has achieved BREEAM rating 'Excellent' UK Group headquarters during its London office move in December 2018. The same approach for an ecobuilding is being taken with other office buildings.

#### 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 any liabilities relating to the defence of any proceedings brought against them which relate 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.

#### Subsequent events following the reporting date

There are no material post balance sheet events which require disclosure so far as the directors are aware.

#### Independent Auditor

The auditor, Deloitte LLP, will not be proposed for reappointment. Ernst and Young LLP will be proposed as auditor for the following financial period 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 Farooq**  
Director

Date: 14 July 2022

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## HOWDEN INTERNATIONAL BROKING LIMITED

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### DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 30 SEPTEMBER 2021

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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; 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 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

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### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HOWDEN INTERNATIONAL BROKING 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 (the 'Company'):

- give a true and fair view of the state of the Company's affairs as at 30 September 2021 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 23.

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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

##### Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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.

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## HOWDEN INTERNATIONAL BROKING LIMITED

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### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HOWDEN INTERNATIONAL BROKING LIMITED

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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 course of 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 this gives rise to material misstatement in the financial statements themselves. If, based on the 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, 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 either 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.

#### **Extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

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## HOWDEN INTERNATIONAL BROKING LIMITED

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### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HOWDEN INTERNATIONAL BROKING LIMITED

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We obtained an understanding of the legal and regulatory frameworks that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act (2006) and relevant tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. These included Financial Conduct Authority regulations.

We discussed among the audit engagement team including relevant internal specialists such as tax, IT and actuarial regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the following area, and our specific procedures performed to address it are described below:

- recognition of revenue: there is a significant risk relating to fraud arising from the cut-off assertion of revenue. We carried out walkthroughs of the revenue business process and tested applicable controls for their design and implementation. We also performed specific sampling procedures across year end to ensure the revenue was recognised within the correct period.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and in-house legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with HMRC.

#### **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 Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

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**HOWDEN INTERNATIONAL BROKING LIMITED**

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HOWDEN INTERNATIONAL BROKING LIMITED**

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

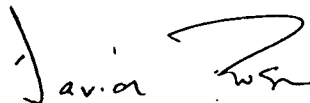
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- 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.

We have nothing to report in respect of these matters.

**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.



David Rush ACA (Senior statutory auditor)

for and on behalf of

Deloitte LLP  
Statutory Auditor  
London  
United Kingdom

Date: 14 July 2022

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HOWDEN INTERNATIONAL BROKING LIMITED

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INCOME STATEMENT  
FOR THE YEAR ENDED 30 SEPTEMBER 2021

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|  | Note | 2021<br>£000        | 2020<br>£000        |
|--|------|---------------------|---------------------|
| Turnover                               | 4    | (112)               | (132)               |
| <b>Gross loss</b>                      |      | <u>(112)</u>        | <u>(132)</u>        |
| Administrative expenses                |      | (590)               | 240                 |
| Other operating income                 | 5    | 2,428               | 3,028               |
| <b>Operating profit</b>                | 6    | <u>1,726</u>        | <u>3,136</u>        |
| Interest receivable and similar income | 10   | 1                   | 1                   |
| <b>Profit before tax</b>               |      | <u>1,727</u>        | <u>3,137</u>        |
| Tax on profit                          | 11   | (338)               | (598)               |
| <b>Profit for the financial year</b>   |      | <u><u>1,389</u></u> | <u><u>2,539</u></u> |

There were no recognised gains and losses for 2021 or 2020 other than those included in the Income Statement.

All results were derived from continuing operations.

The notes on pages 12 to 24 form part of these financial statements.

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HOWDEN INTERNATIONAL BROKING LIMITED

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STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 SEPTEMBER 2021

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|   | 2021<br>£000 | 2020<br>£000 |
|---|--------------|--------------|
| Profit for the financial year           | 1,389        | 2,539        |
| Other comprehensive income              |              |              |
| Total comprehensive income for the year | 1,389        | 2,539        |

The notes on pages 12 to 24 form part of these financial statements.

**HOWDEN INTERNATIONAL BROKING LIMITED**  
**REGISTERED NUMBER: 00203500**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 SEPTEMBER 2021**

|  | Note | 2021<br>£000  | 2020<br>£000  |
|--|------|---------------|---------------|
| <b>Current assets</b>                          |      |               |               |
| Debtors: amounts falling due within one year   | 13   | 9,312         | 23,142        |
| Cash at bank and in hand                       | 14   | 1,016         | 7,441         |
|  |      | <u>10,328</u> | <u>30,583</u> |
| Creditors: amounts falling due within one year | 15   | (1,280)       | (8,124)       |
| <b>Net current assets</b>                      |      | 9,048         | 22,459        |
| <b>Total assets less current liabilities</b>   |      | 9,048         | 22,459        |
| <b>Provisions for liabilities</b>              |      |               |               |
| Other provisions                               | 17   | (200)         | -             |
|  |      | <u>(200)</u>  | <u>-</u>      |
| <b>Net assets</b>                              |      | <u>8,848</u>  | <u>22,459</u> |
| <b>Capital and reserves</b>                    |      |               |               |
| Called up share capital                        | 18   | 613           | 613           |
| Share premium account                          | 19   | 1,362         | 1,362         |
| Other reserves                                 | 19   | 3             | 3             |
| Profit and loss account                        | 19   | 6,870         | 20,481        |
|  |      | <u>8,848</u>  | <u>22,459</u> |

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



**A Farooq**  
Director

Date: 14 July 2022

The notes on pages 12 to 24 form part of these financial statements.

**HOWDEN INTERNATIONAL BROKING LIMITED**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

|  | <b>Called up<br/>share capital</b> | <b>Share<br/>premium<br/>account</b> | <b>Other<br/>reserves</b> | <b>Profit and<br/>loss account</b> | <b>Total<br/>shareholders'<br/>funds</b> |
|--|------------------------------------|--------------------------------------|---------------------------|------------------------------------|--|
|  | <b>£000</b>                        | <b>£000</b>                          | <b>£000</b>               | <b>£000</b>                        | <b>£000</b>                              |
| At 1 October 2020                                  | 613                                | 1,362                                | 3                         | 20,481                             | 22,459                                   |
| <b>Comprehensive income for the<br/>year</b>       |                                    |                                      |                           |                                    |  |
| Profit for the year                                | -                                  | -                                    | -                         | 1,389                              | 1,389                                    |
| <b>Total comprehensive income for<br/>the year</b> | -                                  | -                                    | -                         | 1,389                              | 1,389                                    |
| Dividends paid on Equity capital<br>(Note 12)      | -                                  | -                                    | -                         | (15,000)                           | (15,000)                                 |
| <b>Total transactions with owners</b>              | -                                  | -                                    | -                         | (15,000)                           | (15,000)                                 |
| <b>At 30 September 2021</b>                        | <b>613</b>                         | <b>1,362</b>                         | <b>3</b>                  | <b>6,870</b>                       | <b>8,848</b>                             |

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

|  | <b>Called up<br/>share capital</b> | <b>Share<br/>premium<br/>account</b> | <b>Other<br/>reserves</b> | <b>Profit and<br/>loss account</b> | <b>Total<br/>shareholders'<br/>funds</b> |
|--|------------------------------------|--------------------------------------|---------------------------|------------------------------------|--|
|  | <b>£000</b>                        | <b>£000</b>                          | <b>£000</b>               | <b>£000</b>                        | <b>£000</b>                              |
| At 1 October 2019                                  | 613                                | 1,362                                | 3                         | 17,942                             | 19,920                                   |
| <b>Comprehensive income for the<br/>year</b>       |                                    |                                      |                           |                                    |  |
| Profit for the year                                | -                                  | -                                    | -                         | 2,539                              | 2,539                                    |
| <b>Total comprehensive income for<br/>the year</b> | -                                  | -                                    | -                         | 2,539                              | 2,539                                    |
| <b>Total transactions with owners</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 12 to 24 form part of these financial statements.

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## HOWDEN INTERNATIONAL BROKING LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021

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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.

These financial statements have been presented in Pounds Sterling (£), this being the functional currency of the Company and currency of its primary economic environment.

Monetary amounts included within these financial statements have been rounded to the nearest thousand (£000's).

#### 2. Accounting policies

##### 2.1 Basis of preparation of 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.

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

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

##### 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 2021 and these financial statements may be obtained from One Creechurch Place, London, United Kingdom, EC3A 5AF.

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## HOWDEN INTERNATIONAL BROKING LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021

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#### 2. Accounting policies (continued)

##### 2.3 Going concern

As at 30 September 2021, the Company has net current assets of £9,048k (2020 - £22,459k) and net assets of £8,848k (2020 - £22,459k).

The Company's ultimate parent company, Howden Group Holdings Limited, has undertaken to provide financial support to the Company to meet liabilities as they fall due for a period not less than 12 months after the approval of the financial statements. Having considered the aforementioned, and after making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for at least twelve months from the date of signing/approval of these financial statements. Accordingly, the Company continues to adopt the going concern basis in preparing the financial statements.

##### 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 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.

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## HOWDEN INTERNATIONAL BROKING LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021

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#### 2. Accounting policies (continued)

##### 2.7 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.

##### 2.8 Financial instruments

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Income Statement.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### 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.

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**HOWDEN INTERNATIONAL BROKING LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

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**2. Accounting policies (continued)**

**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'.

**2.11 Dividends**

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

**2.12 Employee benefits**

**Holiday pay accrual**

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

**2.13 Interest income**

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

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## HOWDEN INTERNATIONAL BROKING LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021

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#### 2. Accounting policies (continued)

##### 2.14 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.

##### 2.15 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.

#### 3. Judgements in applying accounting policies 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.

There are no key sources of estimation uncertainty to report.

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HOWDEN INTERNATIONAL BROKING LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2021

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4. Analysis of revenue

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

|                                 | 2021<br>£000 | 2020<br>£000 |
|---------------------------------|--------------|--------------|
| Brokerage, commissions and fees | (112)        | (136)        |
| Fiduciary income                | -            | 4            |
|                                 | <u>(112)</u> | <u>(132)</u> |

Analysis of turnover by country of destination:

|                   | 2021<br>£000 | 2020<br>£000 |
|-------------------|--------------|--------------|
| United Kingdom    | (112)        | (70)         |
| Rest of Europe    | -            | (22)         |
| Rest of the world | -            | (40)         |
|                   | <u>(112)</u> | <u>(132)</u> |

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

5. Other operating income

|                        | 2021<br>£000 | 2020<br>£000 |
|------------------------|--------------|--------------|
| Other operating income | <u>2,428</u> | <u>3,028</u> |

Other income relates to credit writebacks.

6. Operating profit

The operating profit is stated after charging:

|                               | 2021<br>£000 | 2020<br>£000 |
|-------------------------------|--------------|--------------|
| Exchange differences          | 185          | 6            |
| Other operating lease rentals | <u>35</u>    | <u>28</u>    |

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HOWDEN INTERNATIONAL BROKING LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2021

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7. Auditor's remuneration

|  | 2021<br>£000 | 2020<br>£000 |
|--|--------------|--------------|
| Fees payable to the Company's auditor in respect of the audit of the Company's annual accounts | 8            | 8            |

In the current and prior year, no amounts were paid to the Company's auditor in respect of non-audit services.

8. Employees

Staff costs were as follows:

|                       | 2021<br>£000 | 2020<br>£000 |
|-----------------------|--------------|--------------|
| Wages and salaries    | 375          | 289          |
| Social security costs | 19           | 10           |
| Other staff costs     | 22           | 13           |
|                       | <u>416</u>   | <u>312</u>   |

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

|                          | 2021<br>No. | 2020<br>No. |
|--------------------------|-------------|-------------|
| Directors and management | 1           | 1           |
| Insurance professionals  | 3           | 1           |
| Administration           | -           | 2           |
|                          | <u>4</u>    | <u>4</u>    |

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

9. Directors' remuneration

The highest paid Director received remuneration of £Nil (2020 - £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 (2020 - £Nil).

As at the year end retirement benefits were accruing to 0 Directors (2020 - 0).

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HOWDEN INTERNATIONAL BROKING LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2021

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10. Interest receivable and similar income

|                           | 2021<br>£000 | 2020<br>£000 |
|---------------------------|--------------|--------------|
| Other interest receivable | 1            | 1            |

11. Taxation

|  | 2021<br>£000 | 2020<br>£000 |
|--|--------------|--------------|
| <b>Corporation tax</b>                           |              |              |
| Current tax on profits for the year              | 339          | 598          |
| Adjustments in respect of previous periods       | 1            | -            |
|  | 340          | 598          |
| <b>Total current tax</b>                         | 340          | 598          |
| <b>Deferred tax</b>                              |              |              |
| Origination and reversal of timing differences   | (2)          | -            |
| <b>Total deferred tax</b>                        | (2)          | -            |
| <b>Taxation on profit on ordinary activities</b> | 338          | 598          |

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HOWDEN INTERNATIONAL BROKING LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2021

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11. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2020 - higher than) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

|  | 2021<br>£000 | 2020<br>£000 |
|--|--------------|--------------|
| Profit on ordinary activities before tax   | 1,727        | 3,137        |
| Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%) | 328          | 596          |
| Effects of:  |              |              |
| Changes to tax rate  | (2)          | 2            |
| Expenses not deductible for tax purposes   | 5            | -            |
| Effect of overseas tax rates   | 7            | -            |
| Adjustments to tax charge in respect of prior periods  | 1            | -            |
| Non-taxable income less expenses not deductible for tax purposes, other than goodwill and impairment       | (1)          | -            |
| Total tax charge for the year  | 338          | 598          |

Factors that may affect future tax charges

The UK Government announced in the 2021 budget that from 1 April 2023, the rate of corporation tax in the United Kingdom will increase from 19% to 25%. Companies with profits of £50,000 or less will continue to be taxed at 19%, which is a new small profits rate. Where taxable profits are between £50,000 and £250,000, the higher 25% rate will apply but with a marginal relief applying as profits increase.

12. Dividends

|                | 2021<br>£000 | 2020<br>£000 |
|----------------|--------------|--------------|
| Dividends paid | 15,000       | -            |

At the year end, no further dividends have been recommended for payment.

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HOWDEN INTERNATIONAL BROKING LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2021

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13. Debtors

|                                     | 2021<br>£000 | 2020<br>£000  |
|-------------------------------------|--------------|---------------|
| Insurance debtors                   | -            | 294           |
| Other debtors                       | 12           | 113           |
| Prepayments and accrued income      | 1            | 1             |
| Deferred taxation                   | 9            | 7             |
| Amounts owed by fellow subsidiaries | 9,290        | 22,727        |
|                                     | <u>9,312</u> | <u>23,142</u> |

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

14. Cash and cash equivalents

|                          | 2021<br>£000 | 2020<br>£000 |
|--------------------------|--------------|--------------|
| Cash at bank and in hand | 103          | 76           |
| Insurance bank balances  | 913          | 7,365        |
|                          | <u>1,016</u> | <u>7,441</u> |

15. Creditors: Amounts falling due within one year

|                                    | 2021<br>£000 | 2020<br>£000 |
|------------------------------------|--------------|--------------|
| Insurance creditors                | 889          | 7,365        |
| Amounts owed to parent company     | 71           | -            |
| Corporation tax                    | 213          | 737          |
| Other taxation and social security | 4            | -            |
| Other creditors                    | 9            | 13           |
| Accruals and deferred income       | 94           | 9            |
|                                    | <u>1,280</u> | <u>8,124</u> |

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

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HOWDEN INTERNATIONAL BROKING LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2021

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16. Deferred taxation

|                           | 2021<br>£000 |
|---------------------------|--------------|
| At beginning of year      | 7            |
| Charged to profit or loss | 2            |
| <b>At end of year</b>     | <b>9</b>     |

The deferred tax asset is made up as follows:

|                               | 2021<br>£000 | 2020<br>£000 |
|-------------------------------|--------------|--------------|
| Short term timing differences | 9            | 7            |

17. Provisions

|                             | Other<br>Provisions<br>£000 |
|-----------------------------|-----------------------------|
| Provided for in the year    | 200                         |
| <b>At 30 September 2021</b> | <b>200</b>                  |

This provision is in relation to anticipated potential claims in relation to credit writebacks.

18. Share capital

|   | 2021<br>£000 | 2020<br>£000 |
|---|--------------|--------------|
| <b>Allotted, called up and fully paid</b>           |              |              |
| 613,150 (2020 - 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.

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HOWDEN INTERNATIONAL BROKING LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2021

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**19. Reserves**

**Share premium account**

The Share premium account represents the amounts above the nominal value received for shares sold, less transaction costs.

**Other reserves**

The Other reserve represents movements arising from share based payments made to employees.

**Share based payment reserve**

This reserve consists of the total contribution to the equity capital of the Company that was not made in exchange for shares.

**Profit and loss account**

The Profit and loss account is made up of all current and prior period retained profits and losses, less any dividends paid.

**20. 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..

**21. 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.

**22. Subsequent events following the reporting date**

There are no material post balance sheet events which require disclosure so far as the directors are aware.

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**HOWDEN INTERNATIONAL BROKING LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

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**23. 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. Its registered office is at One Creechurch Place, London, EC3A 5AF, United Kingdom.

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 Company Secretary at the registered office of Howden Group Holdings Limited.