

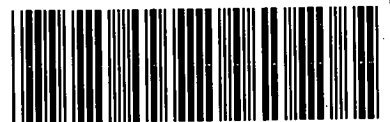
Reports & Financial Statements

For the year ended 31 December 2013

H. W. Wood Limited

Registered number: 01565756

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COMPANIES HOUSE

DIRECTORS

H. W. Wood - Chairman
S. G. Rudduck – Managing Director
P. H. Chamberlain
S. S. de B. Codrington
P. A. H. Comonte
M. J. Harlin (appointed 9 May 2013)
J. M. T. Thomas
J. A. Hayward (resigned 31 March 2013)
S. M. Rouse (resigned 22 April 2014)

SECRETARY:

P. H. Chamberlain

REGISTERED OFFICE:

The Baltic Exchange
38 St Mary Axe
LONDON EC3A 8BH

STATUTORY AUDITOR:

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

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STRATEGIC REPORT

The Directors present their strategic report for the Company for the year ended 31 December 2013.

Review and analysis of the business

The Company continued its principal activities throughout the current year, which are those of insurance and reinsurance broking.

Key performance indicators

Management use a range of financial and non-financial key performance indicators to monitor and manage the business. The performance measures are as set out below.

Turnover

As reported in the profit and loss account on page 8, turnover increased during the year to £10.7m (2012: £10.3m).

Profit margins

The net profit margin for the year ended 2013 was 2.5%, the reduction from 2012 reflecting investments made in new teams.

Net Assets

As at 31 December 2013 the Company's net assets stood at £1.6m (December 2012: £1.6m). Management continue to put emphasis on creating long term shareholder value.

Non-financial*Customer service levels*

The Company is committed to treating clients fairly and to providing 'contract certainty' to its clients in accordance with best market practice and guidelines.

Credit control and terms of trade

The Company closely monitors its insurance debtors, creditors and cash balances to ensure adherence with all regulatory and legal considerations and to minimise the risk of default.

Principal risks and uncertainties facing the business

Management continually monitor the key risks facing the Company. The principal risks and uncertainties facing the Company are as follows:

Disaster recovery, business continuity and loss of systems

The Company has adopted Business Interruption and Disaster Recovery procedures which are regularly reviewed and assessed to ensure that they are practical, robust and appropriate. The Company relies on a variety of third party systems and software in order to carry out its business and these are assessed regularly to ensure they are reliable and secure.

Credit risk

The financial instrument which most crucially subjects the Company to credit risk is cash. The Company manages this risk by maintaining investment practices that restrict placement of cash and investments solely to financial institutions considered to be secure and creditworthy. In addition, there is a risk that third party debtors do not settle amounts due. The Company seeks to minimise this risk by maintaining robust credit control and collection practices.

STRATEGIC REPORT (continued)*Exchange rate risk*

A significant portion of the Company's balances are denominated in currencies other than Sterling. The Company seeks to mitigate the subsequent exchange rate risk by maintaining bank accounts in foreign currencies (in order to match assets and liabilities in the same currency).

Liquidity risk

The Company manages its cash closely to ensure it has sufficient liquid resources to finance operations on a day to day basis. Projected future cash requirements are closely monitored and banks used by the Company to hold cash periodically reviewed. Client money is held in strict accordance with FCA regulations.

Regulatory risk

The Company has ongoing regulatory and statutory duties and responsibilities which it is obliged to meet and has implemented systems and procedures which enable senior management to monitor, review and control the operations of the business to ensure compliance with these obligations.

Interest rate risk

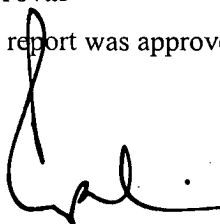
The Company's operations are subject to the risk of interest rate fluctuations on interest bearing cash deposits. The Company seeks to mitigate this risk by constantly reviewing its investment strategy.

Insurances

The Company considers that it carries sufficient insurance cover to mitigate most losses it might reasonably encounter in the course of business or claims likely to be brought against it. However, the directors are mindful of the fact that no insurance cover can ever be purchased that will offer complete protection against all possible claims that might arise.

Approval

This report was approved by the board on 10 July 2014 and signed on its behalf by:

A handwritten signature in black ink, appearing to be 'L. Wood', is written over the text 'signed on its behalf by:'.

DIRECTORS' REPORT

The directors present their report and financial statements for the year ended 31 December 2013. The company registration number is 01565756.

PRINCIPAL ACTIVITY

The Company is an accredited Lloyd's broker whose principal activity is that of insurance broking. There has not been any significant change in the principal activity of the Company over the year under review and the directors are unaware, at the date of this report, of any major changes in the Company's principal activity in the forthcoming year.

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The directors report that turnover for the year ended 31 December 2013 is £10,659,107 (2012: £10,322,262). Profit before tax is £262,883 (2012: £315,096).

The business has performed consistently over the period and despite challenging market conditions in certain sectors, income has remained firm across the client base. There are no specific matters or issues facing the business which cause the directors to revise their expectation that the business will continue to prosper for the foreseeable future.

The Company remains dedicated to providing a professional, value-added and complete service to its clients. It is committed to treating clients fairly and to providing 'contract certainty' to its clients in accordance with best market practice and guidelines.

RESULTS and DIVIDENDS

The results for the year are set out in the financial statements on pages 8 to 22. An interim dividend of £100,000 for the year ended 31 December 2013 was declared and paid on 12 August 2013. A final dividend of £100,298 for the year ended 31 December 2013 was declared and paid on 19 November 2013.

DIRECTORS

The current directors are shown on page 1. Unless otherwise indicated, all held office throughout the period.

DIRECTORS' REPORT (continued)**DIRECTORS' RESPONSIBILITIES**

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

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

In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

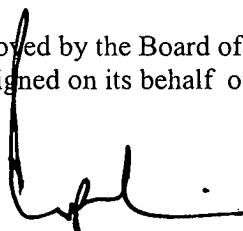
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

Each director confirms that so far as he is aware there is no relevant audit information of which the company's auditor is unaware. Furthermore, each director confirms that he has taken all of the steps that he ought to have taken as a director in order to make himself aware of any such information and to establish whether the auditor is aware of that information.

AUDITORS

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

Approved by the Board of Directors on 10 July 2014
and signed on its behalf of the Board by:



We have audited the financial statements of H. W. Wood Limited for the year ended 31 December 2013 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors. This report is made solely to the company's member, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's member those matters we are required to state to it in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's member as a body for our audit work, for this report, or for the opinions we have formed.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's web-site at www.frc.org.uk/auditscopeukprivate.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2013 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on the other matter prescribed by the Companies Act 2006

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

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF H. W. WOOD LIMITED
(CONTINUED)**

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Matters on which we are required to report by exception

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

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



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

23 July 2014

PROFIT AND LOSS ACCOUNT**For the year ended 31 December 2013**

	Notes	Year ended 31 December 2013 £	Year ended 31 December 2012 £
Net commission and fees receivable	2	10,659,107	10,322,262
Administrative expenses		(10,349,837)	(9,947,938)
OPERATING PROFIT	3	309,270	374,324
Interest payable	6	(80,025)	(80,508)
Interest receivable		33,638	21,280
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		262,883	315,096
Tax on profit on ordinary activities	7	(92,957)	(97,197)
PROFIT FOR THE FINANCIAL YEAR	16	169,926	217,899

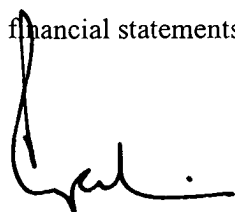
The company's turnover and expenses all relate to continuing operations. There are no recognised gains or losses other than those reflected in the profit for the period. Accordingly, no statement of total recognised gains or losses is given.

The notes on pages 11 to 22 form part of these financial statements.

BALANCE SHEET as at 31 December 2013

		2013 £	2012 £
	Notes		
FIXED ASSETS			
Tangible fixed assets	8	352,800	316,557
CURRENT ASSETS			
Debtors	10	10,004,509	10,344,560
Cash at bank and in hand	9	7,577,198	10,528,602
		17,581,707	20,873,162
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	11	(16,269,622)	(19,499,143)
NET CURRENT ASSETS		1,312,085	1,374,019
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	12	(70,114)	(65,433)
NET ASSETS		1,594,771	1,625,143
CAPITAL AND RESERVES			
Called up share capital	15	500,000	500,000
Profit and loss account	16	1,094,771	1,125,143
SHAREHOLDERS' FUNDS		1,594,771	1,625,143

The financial statements on pages 8 to 22 were approved by the Board on 10 July 2014.



Philip Chamberlain
Director

The notes on pages 11 to 22 form part of these financial statements.

CASH FLOW STATEMENT**For the year ended 31 December 2013**

		Year ended 31 December 2013 £	Year ended 31 December 2012 £
	Notes		
Cash (outflow)/ inflow from operating activities	18(a)	(2,458,833)	542,084
Returns on investments and servicing of finance			
Interest paid	6	(80,025)	(80,508)
Interest received		33,638	21,280
		<hr/>	<hr/>
Net cash (outflow)/ inflow after returns on investments and servicing of finance		(2,505,220)	482,856
Taxation		(86,516)	(80,000)
Capital expenditure and financial investment			
Purchase of tangible fixed assets	8	(159,370)	(217,986)
		<hr/>	<hr/>
Net cash (outflow)/ inflow after capital expenditure and financial investment		(2,751,106)	184,870
Equity dividends paid		(200,298)	(100,000)
		<hr/>	<hr/>
(Decrease)/ increase in cash in the year	18 (b)(c)	<u>(2,951,404)</u>	<u>84,870</u>

The notes on pages 11 to 22 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS**For the year ended 31 December 2013****1. ACCOUNTING POLICIES****(a) Accounting basis**

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

(b) Tangible fixed assets

Depreciation is calculated to write off the cost of tangible fixed assets over the expected useful lives of the assets concerned on the following bases:-

Short leasehold property	-	over the life of the lease
Furniture and fixtures and fittings	-	15% straight line basis
Office equipment	-	20% straight line basis
Computer software	-	20% straight line basis
Computer equipment	-	25% straight line basis

(c) Turnover

Turnover represents net brokerage, commission and fees receivable on continuing activities. Brokerage is credited to the profit and loss account on the earlier of the date of inception of a risk or the debit note date. Brokerage on binding authority policies is accounted for on a declarations basis while adjustments relating to additional or return premiums are accounted for as and when they arise. Commission is credited on an accruals basis regardless of payment basis. An appropriate proportion of revenue is deferred to recognise, in full, the company's post placement obligations to clients for providing technical and claims services.

(d) Foreign currencies

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

(e) Deferred taxation

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

(f) Insurance broking assets and liabilities

Insurance brokers usually act as agents in placing the insurable risks of their clients with insurers and, as such, generally are not liable as principals for amounts arising from such transactions. Notwithstanding these legal relationships, debtors and creditors arising from insurance broking transactions are shown as assets and liabilities. This recognises that the insurance broker is entitled to retain the investment income on any cash arising from these transactions.

NOTES TO THE FINANCIAL STATEMENTS**For the year ended 31 December 2013 (continued)****1. ACCOUNTING POLICIES (continued)****(f) Insurance broking assets and liabilities (continued)**

Insurance broking debtors arising from a transaction between clients and insurers are recorded simultaneously. Consequently, there is a high level of correlation between the totals reported in respect of insurance broking debtors and insurance broking creditors.

The position of the insurance broker as agent means that generally the credit risk is borne by the principals. There can be circumstances where the insurance broker acquires credit risk – through statute, or through the act or omission of the insurance broker or of one of the principals. There is much legal uncertainty surrounding the circumstances and the extent of such exposures and consequently they cannot be evaluated. However, the total of insurance broking debtors appearing in the balance sheet is not an indication of credit risk.

It is normal practice for insurance brokers to settle accounts with other intermediaries, clients, insurers and market settlement bureaux on a net basis. Thus large changes in both insurance broking debtors and creditors can result from comparatively small cash settlements. For this reason, the totals of insurance broking debtors and creditors give no indication of future cash flows.

The legal status of settling accounts on a net basis is uncertain and in the event of insolvency, it is generally abandoned. Financial Reporting Standard Number 5 “Reporting the substance of transactions” (FRS5) requires that offset of assets and liabilities should be recognised in financial statements where, and only where, the offset would survive the insolvency of the other party. Accordingly, only such offsets have been recognised in calculating insurance broking debtors and creditors.

(g) Lease contracts

Assets held under finance leases and the related lease obligations are included at the fair value of the leased assets at the inception of the lease. Rentals payable are apportioned between the finance charge and a reduction of the outstanding obligation for future amounts payable so that the charge for each accounting period is a constant percentage of the remaining balance of the capital sum outstanding.

Rent payable under operating leases is charged on a straight-line basis over the term of the lease.

(h) Pensions*Defined Contribution Schemes*

Contributions payable to the company’s pension scheme and other executive pension schemes are charged to the profit and loss account in the period to which they relate.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2013 (continued)

2. COMMISSION AND FEES RECEIVABLE

The commission and fees receivable and profit before tax are attributable to the one principal activity of the company. An analysis of commission and fees receivable is given below:

	Year 31 December 2013 £	Year 31 December 2012 £
United Kingdom	3,422,231	3,066,056
Europe	1,791,396	1,404,150
United States of America and Canada	1,678,300	1,478,066
Asia	1,307,407	1,259,416
Other	2,459,773	3,114,574
	<u>10,659,107</u>	<u>10,322,262</u>

3. OPERATING PROFIT

Operating profit is stated after charging:

	Year 31 December 2013 £	Year 31 December 2012 £
Depreciation of owned fixed assets	123,127	119,002
Auditor's remuneration		
- audit services	31,250	30,500
- audit related assurance services	5,300	5,150
- taxation compliance services	-	8,500
Operating lease costs:		
- land and buildings	211,002	240,002
- other	93,255	128,124
Net loss/(gain) on foreign currency translation	<u>9,322</u>	<u>(57,857)</u>

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2013 (continued)

4. PARTICULARS OF EMPLOYEES

The average number of staff employed by the company during the financial period amounted to:

	Year to 31 December 2013 No	Year to 31 December 2012 No
Broking and technical	71	68
Administration and claims handling	25	25
	<hr/>	<hr/>
Total staff	96	93
	<hr/>	<hr/>

The aggregate payroll costs of the above were:

	Year to 31 December 2013 £	Year to 31 December 2012 £
Wages and salaries	5,706,164	5,432,965
Social security costs	653,936	619,289
Other pension costs	648,071	521,371
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	7,008,171	6,573,625
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5. DIRECTORS' EMOLUMENTS

The directors' aggregate emoluments in respect of qualifying services were:

	Year to 31 December 2013 £	Year to 31 December 2012 £
Emoluments receivable	904,171	777,943
Value of company pension contributions to money purchase schemes	157,089	109,456
	<hr/>	<hr/>
	1,061,260	887,399
	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2013 (continued)

5. DIRECTORS' EMOLUMENTS (continued)
Emoluments of highest paid director:

	Year to 31 December 2013 £	Year to 31 December 2012 £
Total emoluments (excluding pension contributions)	172,647	183,873
Value of company pension contributions to money purchase schemes	32,900	14,700
	<u>205,547</u>	<u>198,573</u>

The number of directors who accrued benefits under company pension schemes was as follows:

Money purchase schemes	8	8
	<u>8</u>	<u>8</u>

6. INTEREST PAYABLE

	Year to 31 December 2013 £	Year to 31 December 2012 £
Bank interest	15,374	17,539
Bank charges	64,651	62,969
	<u>80,025</u>	<u>80,508</u>

7. TAXATION

(a) Analysis of charge in period

	Year to 31 December 2013 £	Year to 31 December 2012 £
UK tax:		
UK corporation tax based on the results for the period at 23.25% (2012: 24.5%)	85,714	132,278
Over provision in previous year	(21,507)	(13,320)
	<u>64,207</u>	<u>118,958</u>
Deferred tax charge/(credit)	28,750	(21,761)
	<u>92,957</u>	<u>97,197</u>

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2013 (continued)

7. TAXATION (continued)

(b) Factors affecting tax charge for period

	Year to 31 December 2013 £	Year to 31 December 2012 £
Profit on ordinary activities before tax	262,883	315,096
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 23.25% (2012: 24.5%)	61,111	77,198
<i>Effects of:</i>		
Expenses not deductible for tax purposes	33,478	30,473
Depreciation for period less than capital allowances	(9,092)	11,287
Other timing differences	217	13,220
Adjustment to tax charge in respect of previous year	(21,507)	(13,220)
Current tax charges for period (see (a) above)	64,207	118,958

(c) Deferred tax

	Year to 31 December 2013 £	Year to 31 December 2012 £
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The deferred tax asset included in debtors (note 10) is as follows:

Accelerated capital allowances	(9,598)	6,498
Other temporary timing differences	11,369	24,023
Provision for deferred tax	1,771	30,521
Deferred tax asset at the beginning of the year	30,521	8,760
Deferred tax (charge)/credit for the period	(28,750)	21,761
Deferred tax asset at the end of the year	1,771	30,521

The amount of unprovided deferred tax is:

Capital losses carried forward	13,893	15,976
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NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2013 (continued)

8. TANGIBLE FIXED ASSETS

Group	Leasehold improvements	Furniture and office equipment	Computer equipment	Computer software	Total
	£	£	£	£	£
COST					
At 1 January 2013	210,920	225,774	196,038	96,932	729,664
Additions	3,250	17,629	120,436	18,055	159,370
	<u>214,170</u>	<u>243,403</u>	<u>316,474</u>	<u>114,987</u>	<u>889,034</u>
DEPRECIATION					
At 1 January 2013	160,615	91,403	114,892	46,197	413,107
Charge for the period	26,262	28,567	46,822	21,476	123,127
	<u>186,877</u>	<u>119,970</u>	<u>161,714</u>	<u>67,673</u>	<u>536,234</u>
NET BOOK VALUE					
At 31 December 2012	<u>50,305</u>	<u>134,371</u>	<u>81,146</u>	<u>50,735</u>	<u>316,557</u>
At 31 December 2013	<u>27,293</u>	<u>123,433</u>	<u>154,760</u>	<u>47,314</u>	<u>352,800</u>

9. CASH AT BANK

	2013 £	2012 £
Cash at bank	<u>7,577,198</u>	<u>10,528,602</u>

Cash at bank includes £7,276,646 (2012: £9,811,967) which relates to insurance broking.

The bank holds a charge over all the assets of the company, including a specific charge over book debts, excluding fiduciary assets held under FCA's rules within the Non Statutory Trust accounts.

10. DEBTORS

	2013 £	2012 £
Due in less than one year:		
Trade debtors	8,621,980	9,077,835
Amounts owed by group undertakings	205,172	148,077
Other debtors	210,707	193,862
Prepayments and accrued income	964,879	894,265
Deferred taxation	1,771	30,521
	<u>10,004,509</u>	<u>10,344,560</u>

Included within trade debtors is £1,200,653 (2012: £391,790) in respect of insurance business with fellow group companies.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2013 (continued)

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2013 £	2012 £
Trade creditors	14,609,181	17,509,552
Amounts owed to group undertakings	230,731	330,369
Other taxes and social security costs	184,725	180,150
Amounts due under finance leases	38,210	17,927
Staff pension contributions	52,213	104,446
Other creditors	56,933	81,873
Corporation tax	65,497	87,806
Deferred brokerage	256,894	368,177
Accruals	775,238	818,843
	<u>16,269,622</u>	<u>19,499,143</u>

Included within trade creditors is £24,794 (2012: £nil) in respect of insurance business with fellow group companies.

12. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

Obligations under finance leases

An analysis of the amounts payable under finance leases is as follows:

	2013 £	2012 £
Amounts payable in one year or less	<u>38,210</u>	<u>17,927</u>
Amounts payable between 1-2 years	40,286	19,309
Amounts payable between 2-5 years	<u>29,828</u>	<u>46,124</u>
	<u>70,114</u>	<u>65,433</u>
Total obligations under finance leases	<u>108,324</u>	<u>83,360</u>

Obligations under finance leases are secured by the related assets.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2013 (continued)

13. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2013 the company had annual commitments under non-cancellable operating leases set out below.

	2013	2013	2012	2012
	Land &	Other	Land &	Other
	Buildings	Items	Buildings	Items
	£	£	£	£
Operating leases which expire:				
- within 1 year	-	4,858	-	7,142
- within 2 to 5 years	306,137	61,064	162,353	65,559
- after more than 5 years	28,000	-	28,000	-
	<u>334,137</u>	<u>65,923</u>	<u>190,353</u>	<u>72,701</u>

14. RELATED PARTY TRANSACTIONS

The related parties of H. W. Wood Limited as defined by Financial Reporting Standard 8, the nature of the relationships and the extent of transactions with them is summarised below. The company has taken advantage of the exemption to disclose transactions with immediate group companies as it is a wholly owned subsidiary of H. W. Wood Enterprises Limited.

	2013	2012
	£	£
Charges to Hugh Wood Inc., in respect of services provided by H. W. Wood Limited	28,500	13,616
Amount due from Hugh Wood Inc. (see note a)	763,180	871,264

(a) At 31 December 2013 Hugh Wood Inc. was controlled by H. W. Wood Esq. Since the year end Hugh Wood Inc. was acquired by the Company's holding company, H.W. International BV.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2013 (continued)

14. RELATED PARTY TRANSACTIONS (continued)

(b) The following fellow group companies are wholly owned by H. W. International B.V., or its subsidiaries:-

- H. W. Wood International Limited, a company incorporated in England
- HWI France, a company incorporated in France
- H. W. International GmbH, a company incorporated in Germany
- AMID Firmen-Versicherungsmakler GmbH, a company incorporated in Germany
- H.W. Assurantien B.V., a company incorporated in The Netherlands
- HWI Espana SA Correduria de Seguros y Reaseguros, a company incorporated in Spain
- H. W. Wood Australia Pty Limited, a company incorporated in Australia
- Surrey Reinsurance Limited, a company incorporated in Bermuda
- Hugh Wood Canada Limited, a company incorporated in Canada

The above amounts include insurance premiums where applicable and constitute normal trading activity between these related companies.

15. CALLED UP SHARE CAPITAL

	2013 £	2012 £
Allotted, called up and fully paid 500,000 ordinary shares (2012: 500,000) of £1 each	500,000	500,000

16. SHAREHOLDERS' FUNDS

	Share capital £	Profit and loss account £	Total £
At 1 January 2013	500,000	1,125,143	1,625,143
Profit for the period	-	169,926	169,926
Equity dividend paid	-	(200,298)	(200,298)
At 31 December 2013	500,000	1,094,771	1,594,771

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2013 (continued)

17. EVENTS AFTER THE BALANCE SHEET DATE

There are no events, adjusting or non adjusting, after the balance sheet date.

18. CASH FLOW STATEMENT

(a) Reconciliation of operating profit to operating cash flows

	2013 £	2012 £
Operating profit	309,270	374,324
Depreciation charges	123,127	119,002
Decrease in debtors	311,301	1,683,841
Decrease in creditors	(3,202,531)	(1,635,083)
Net cash (outflow)/inflow from operating activities	<u>(2,458,833)</u>	<u>542,084</u>

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

	2013 £	2012 £
Movement in net cash in the period	(2,951,404)	84,870
Net cash at the start of the period	10,528,602	10,443,732
Net cash at 31 December	<u>7,577,198</u>	<u>10,528,602</u>

(c) Analysis of net cash

	At 1 January 2013 £	Cash Flow £	At 31 December 2013 £
Cash in hand and at bank	<u>10,528,602</u>	<u>(2,951,404)</u>	<u>7,577,198</u>

NOTES TO THE FINANCIAL STATEMENTS**For the year ended 31 December 2013 (continued)****19. CAPITAL COMMITMENTS**

At 31 December 2013 the company had no capital commitments.

20. ULTIMATE PARENT COMPANY AND CONTROLLING PARTY

The parent undertaking is H. W. Wood Enterprises Limited, a company incorporated in England. The parent company of H. W. Wood Enterprises Limited is H. W. International B.V., a company incorporated in the Netherlands.

It is intended that H. W. Wood Enterprises Limited will be wound up in 2014. Prior to winding up that company's shareholding in H. W. Wood Limited was transferred to H. W. International B.V., on 30 April 2014.

Mr Hugh William Wood, a resident of Bermuda and a director of H. W. International B.V., is considered the controlling party of H.W. Wood Limited.

21. CONTINGENT LIABILITY

Along with fellow group entity H.W. Wood International Limited, the company has provided an unlimited multilateral guarantee to HSBC in respect of the borrowings of either company. At the balance sheet date the company had no such borrowings and H.W. Wood International Limited had borrowings of Euro 650,000 (2012: Euro 1,025,000). These borrowings were repaid in full on 27 June 2014.