

Company Registration No. 02708148 (England and Wales)

MAI REINSURANCE BROKERS LIMITED
DIRECTOR'S REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008

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MAI REINSURANCE BROKERS LIMITED

COMPANY INFORMATION

Director	H Barker
Secretary	GLS Financial Services Limited
Company number	02708148
Registered office	2nd Floor 43 Whitfield Street London W1T 4HD
Auditors	Gateway Partners Auditing UK Limited 2nd Floor 43 Whitfield Street London W1T 4HD
Business address	74a Terrbatas Str Riga Latvia LV -1001

MAI REINSURANCE BROKERS LIMITED

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MAI REINSURANCE BROKERS LIMITED

DIRECTOR'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2008

The director presents his report and financial statements for the year ended 31 December 2008

Principal activities

The principal activity of the company continued to be that of a specialist reinsurance broker placing treaty and facultative reinsurance for the insurance companies of Central and Eastern Europe

Directors

The following directors have held office since 1 January 2008

H Barker

G Pumpurs

K Garancis

(Resigned 22 September 2009)

(Resigned 6 February 2009)

Auditors

Gateway Partners Auditing UK Limited were appointed auditors to the company and in accordance with section 385 of the Companies Act 1985, a resolution proposing that they be re-appointed will be put to the Annual General Meeting

Statement of director's responsibilities

The director is responsible for preparing the financial statements in accordance with applicable law and regulations

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 director is required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The director is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable him to ensure that the financial statements comply with the Companies Act 1985. He is 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

MAI REINSURANCE BROKERS LIMITED

DIRECTOR'S REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2008

Statement of disclosure to auditors

So far as the director is aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the director has taken all the necessary steps that he ought to have taken as director in order to make himself aware of all relevant audit information and to establish that the company's auditors are aware of that information.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

On behalf of the board

H Barker

Director

1 September 2010

MAI REINSURANCE BROKERS LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF MAI REINSURANCE BROKERS LIMITED

We have audited the financial statements of MAI Reinsurance Brokers Limited for the year ended 31 December 2008 set out on pages 5 to 11. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of director and auditors

The director's responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Director's Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the director's report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding director's remuneration and other transactions is not disclosed.

We read the director's report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the director in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

We have undertaken the audit in accordance with the requirements of APB Ethical Standards including APB Ethical Standard - Provisions Available for Small Entities, in the circumstances set out in note 12 to the financial statements.

MAI REINSURANCE BROKERS LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE SHAREHOLDERS OF MAI REINSURANCE BROKERS LIMITED

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2008 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Director's Report is consistent with the financial statements

Gateway Partners Auditing UK Limited
Gateway Partners Auditing UK Limited

5 September 2010

Chartered Accountants
Registered Auditor

2nd Floor
43 Whitfield Street
London
W1T 4HD

MAI REINSURANCE BROKERS LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2008

	Notes	2008 €	2007 €
Turnover	2	681,570	552,320
Administrative expenses		(468,476)	(659,788)
Operating profit/(loss)	3	213,094	(107,468)
Other interest receivable and similar income	4	21,788	10,136
Profit/(loss) on ordinary activities before taxation		234,882	(97,332)
Tax on profit/(loss) on ordinary activities	5	(24,454)	-
Profit/(loss) for the year	10	210,428	(97,332)

The profit and loss account has been prepared on the basis that all operations are continuing operations

There are no recognised gains and losses other than those passing through the profit and loss account

MAI REINSURANCE BROKERS LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2008

		2008		2007 as restated	
	Notes	€	€	€	€
Fixed assets					
Tangible assets	6		2,042		3,823
Current assets					
Debtors	7	372,810		301,645	
Cash at bank and in hand		22,294		34,636	
		<u>395,104</u>		<u>336,281</u>	
Creditors: amounts falling due within one year	8	<u>(392,269)</u>		<u>(545,655)</u>	
Net current assets/(liabilities)			<u>2,835</u>		<u>(209,374)</u>
Total assets less current liabilities			<u><u>4,877</u></u>		<u><u>(205,551)</u></u>
Capital and reserves					
Called up share capital	9	104,075		104,075	
Profit and loss account	10	<u>(99,198)</u>		<u>(309,626)</u>	
Shareholders' funds	11	<u><u>4,877</u></u>		<u><u>(205,551)</u></u>	

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies

Approved by the Board and authorised for issue on 1 September 2010

H Barker
Director

Company Registration No 02708148

MAI REINSURANCE BROKERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2008

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cash flow statement on the grounds that it is a small company

1.2 Turnover

Turnover represents commission income on insurance brokerage and is taken to the profit and loss account on inception of the insurance contract or on the date when the income is reasonably certain if later

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows

Fixtures, fittings & equipment	25% on cost
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1.4 Deferred taxation

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted

1.5 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into Euros at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account

2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in Central and Eastern Europe

3 Operating profit/(loss)	2008	2007
	€	€
Operating profit/(loss) is stated after charging		
Depreciation of tangible assets	1,781	2,626
Loss on foreign exchange transactions	294	-
Auditors' remuneration	15,259	20,000
Director's emoluments	100,175	191,141
and after crediting		
Profit on foreign exchange transactions	-	(7,532)

MAI REINSURANCE BROKERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2008

4	Investment income	2008	2007
		€	€
	Bank interest	5,849	8,779
	Other interest	15,939	1,357
		<u>21,788</u>	<u>10,136</u>
5	Taxation	2008	2007
		€	€
	Domestic current year tax		
	U K corporation tax	24,454	-
	Current tax charge	<u>24,454</u>	<u>-</u>
	Factors affecting the tax charge for the year		
	Profit/(loss) on ordinary activities before taxation	<u>234,882</u>	<u>(97,332)</u>
	Profit/(loss) on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 28.00% (2007 - 30.00%)	<u>65,767</u>	<u>(29,200)</u>
	Effects of		
	Non deductible expenses	-	1,649
	Depreciation in excess of capital allowances	315	652
	Tax losses brought forward	(29,926)	26,899
	Other tax adjustments	(11,702)	-
		<u>(41,313)</u>	<u>29,200</u>
	Current tax charge	<u>24,454</u>	<u>-</u>

MAI REINSURANCE BROKERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2008

6 Tangible fixed assets

	Plant and machinery etc
	€
Cost	
At 1 January 2008	19,007
Disposals	(13,201)
	<hr/>
At 31 December 2008	5,806
	<hr/>
Depreciation	
At 1 January 2008	15,184
On disposals	(13,201)
Charge for the year	1,781
	<hr/>
At 31 December 2008	3,764
	<hr/>
Net book value	
At 31 December 2008	2,042
	<hr/>
At 31 December 2007	3,823
	<hr/>

7 Debtors

	2008	2007 as restated
	€	€
Trade debtors	227,085	166,665
Amounts owed by group undertakings	109,827	108,095
Other debtors	35,898	26,885
	<hr/>	<hr/>
	372,810	301,645
	<hr/>	<hr/>

Trade debtors have been restated to omit the insurance premiums due from third parties to the insurance underwriters

MAI REINSURANCE BROKERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2008

8	Creditors' amounts falling due within one year	2008	2007 as restated
		€	€
	Trade creditors	275,726	375,306
	Amounts owed to group undertakings	20,617	20,017
	Taxation and social security	24,454	-
	Other creditors	71,472	150,332
		<u>392,269</u>	<u>545,655</u>

Trade creditors have been restated to omit the insurance premiums due to insurance underwriters from third parties

9	Share capital	2008	2007
		€	€
	Authorised		
	66,600 Ordinary shares of €1 56269 each	<u>104,075</u>	<u>104,075</u>
	Allotted, called up and fully paid		
	66,600 Ordinary shares of €1 56269 each	<u>104,075</u>	<u>104,075</u>

10	Statement of movements on profit and loss account	Profit and loss account €
	Balance at 1 January 2008	(309,626)
	Profit for the year	<u>210,428</u>
	Balance at 31 December 2008	<u>(99,198)</u>

11	Reconciliation of movements in shareholders' funds	2008	2007
		€	€
	Profit/(Loss) for the financial year	210,428	(97,332)
	Opening shareholders' funds	<u>(205,551)</u>	<u>(108,219)</u>
	Closing shareholders' funds	<u>4,877</u>	<u>(205,551)</u>

MAI REINSURANCE BROKERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2008

12 Auditors' Ethical Standards

In common with many businesses of our size and nature we use our auditors to prepare and submit returns to the tax authorities and assist with the preparation of the financial statements

13 Control

The immediate parent company is MAI Central Eastern Europe Limited, a company incorporated and registered in England and Wales

The ultimate parent company at the balance sheet date was Maclerda Limited, a company incorporated and registered in Cyprus

At the balance sheet date there was no controlling party

14 Related party transactions

The company has taken advantage of the exemption in Financial Reporting Standard Number 8 from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company

15 Post balance sheet events

Revenue is recognised based on the best available estimates at the start of each contract. Adjustments are subsequently made to income over the life of each brokerage contract. Post year end adjustments to income resulted in a net adjustment to income of €63,101