

Marlow Underwriting Agency Limited

Report and Financial Statements
Year ended 31 December 2007



Company No 965696

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COMPANY INFORMATION

Directors	TPC Oliver WDA Justice Hampden Legal Plc
Secretary	Hampden Legal Plc
Registered office	Hampden House Great Hampden Great Missenden Bucks HP16 9RD
Registered number	965696
Auditors	Seymour Taylor Chartered Accountants 57 London Road High Wycombe Bucks HP11 1BS

REPORT OF THE DIRECTORS

The directors present their report and financial statements for the year ended 31 December 2007

Principal activities

The principal activity of the company is that of underwriting managers

Review of business

The directors consider that the company is in a satisfactory position

Results and dividends

The results of the company for the year ended 31 December 2007 are set out in the financial statements on pages 6 to 13
The directors do not recommend the payment of a dividend (2006 - £Nil)
The profit for the year after taxation has been transferred to reserves

Financial risk management objectives and policies

The company does not accept new business and is in the process of running-off its historic operations. The directors have reviewed the risk profile of the company and are of the opinion that due to the nature of the company's operations, it is not exposed to significant price, credit or interest rate cash flow risks and that liquidity risks are limited to the recoverability of debtor balances and cash balances. The directors have reviewed the recoverability of debtor balances and are satisfied that they are recoverable in full. The directors are satisfied that the company minimises any credit or liquidity risks by holding cash balances only with regulated UK banks.

Directors

The directors set out below have held office during the whole of the period from 1 January 2007 to the date of this report unless otherwise stated

T P C Oliver
W D A Justice
Hampden Legal Plc

Auditors

The Auditors, Seymour Taylor, offer themselves for reappointment under the provisions of section 385 of the Companies Act 1985

Statement of directors' responsibilities for the financial statements

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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable

REPORT OF THE DIRECTORS
(continued)

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 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 estimates that are reasonable and prudent,
- follow applicable accounting standards, 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 proper accounting records which 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 1985. They have general responsibilities for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

Statement as to disclosure of information to auditors

So far as the directors are aware, there is no relevant audit information (as defined by 234ZA of the Companies Act 1985) of which the company's auditors are unaware, and each director has taken all steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Close company

In the opinion of the directors the company is a close company within the meaning of Section 414, Income and Corporation Taxes Act 1988.

Approval

The report of the directors was approved by the Board on 23 October 2008 and signed on its behalf by



Hampden Legal Plc
Secretary

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF MARLOW UNDERWRITING AGENCY LIMITED

We have audited the financial statements of Marlow Underwriting Agency Limited, for the year ended 31 December 2007, which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement and the related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's shareholder 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 shareholder 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 shareholder as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the directors and the auditors

As described in the Directors' report, the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 if, in our opinion, the Directors' Report is not consistent with the financial statements, if 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 directors' remuneration and transactions with the group is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements in it. Our responsibilities do not extend to any other information.

Basis of 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 directors 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.


**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDER OF MARLOW UNDERWRITING
AGENCY LIMITED**

(continued)

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 2007 and of its profit for the year then ended, and
- the financial statements have been properly prepared in accordance with the Companies Act 1985,
- the information given in the directors' Report is consistent with the financial statements



Seymour Taylor
Chartered Accountants
Registered Auditors
57 London Road
High Wycombe
Buckinghamshire
HP11 1BS

23 October 2008

PROFIT AND LOSS ACCOUNT
for the year ended 31 December 2007

	Notes	2007 £	2006 £
Turnover from continuing operations	2	-	-
Administrative expenses		<u>2,450</u>	<u>3,790</u>
		(2,450)	(3,790)
Other operating income		<u>(14,513)</u>	<u>(94,546)</u>
Operating profit from continuing operations	3	12,063	90,756
Interest receivable	5	<u>125</u>	<u>177</u>
Profit on ordinary activities before taxation		12,188	90,933
Tax on ordinary activities	6	<u>-</u>	<u>-</u>
Profit on ordinary activities after taxation		£ 12,188	£ 90,933

For both of the above financial years the company has no recognised gains or losses other than the profit for the year

The notes on pages 9 to 13 form part of these financial statements

BALANCE SHEET
at 31 December 2007

	Notes	2007		2006	
		£	£	£	£
Current assets					
Debtors	7	813,581		815,471	
Cash at bank and in hand		<u>10,942</u>		<u>10,189</u>	
		824,523		825,660	
Creditors					
Amounts falling due within one year	8	<u>523,451</u>		<u>536,776</u>	
Net current assets			<u>301,072</u>		<u>288,884</u>
Total assets less current liabilities			£ 301,072		£ 288,884
Capital and reserves					
Called up share capital	9		75,000		75,000
Profit and loss account	10		<u>226,072</u>		<u>213,884</u>
Equity shareholders' interests	11		£ 301,072		£ 288,884

The financial statements were approved by the board on 23 October 2008 and signed on its behalf by



Hampden Legal Plc
Director

The notes on pages 9 to 13 form part of these financial statements

CASH FLOW STATEMENT
for the year ended 31 December 2007

	2007		2006	
	£	£	£	£
Operating activities				
Net cash outflow from operations - Note (a)		628		(1,464)
Returns on investments and servicing of finance				
Interest received		<u>125</u>		<u>177</u>
(Decrease)/increase in cash - Note (b)		<u>£ 753</u>		<u>£ (1,287)</u>

Notes to the cash flow statement

(a) reconciliation of operating profit to net cash inflow/(outflow) from operations

Operating profit	12,063	90,756
Decrease in debtors	-	-
(Decrease) in creditors	(13,325)	(95,376)
Transfer of investment	<u>-</u>	<u>-</u>
	(1,262)	(4,620)
Parent and fellow subsidiary undertakings		
Decrease in debtors	<u>1,890</u>	<u>3,156</u>
Net cash inflow/(outflow) from operations	<u>£ 628</u>	<u>£ (1,464)</u>

(b) analysis of changes in cash and cash equivalents

Balance at 1st January	10,189	11,476
Net cash inflow/(outflow)	<u>753</u>	<u>(1,287)</u>
Balance at 31 December	<u>£ 10,942</u>	<u>£ 10,189</u>

The notes on pages 9 to 13 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2007

1 ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements

Basis of accounting

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules

Turnover

Turnover represents gross underwriting and consultancy fees receivable

Foreign currencies

Assets, liabilities and transactions of the company denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. All exchange rate differences are reflected in the profit and loss account

Deferred Tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date. Timing differences are differences between taxable profits and the results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessment in periods different from those in which they are recognised in the financial statements

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

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

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2007

1 ACCOUNTING POLICIES (continued)

Financial Instruments

Financial instruments are classified and accounted for, according to the substance of the contractual agreement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distribution relating to equity instruments are debited direct to equity.

2 TURNOVER

Turnover and pre-tax profit/(loss) are attributable to the following activities and are generated from activities in the United Kingdom.

	Turnover		Pre-tax profit/(loss)	
	2007	2006	2007	2006
Underwriting and consultancy fees	£ —	£ —	£ 12,188	£ 90,933

3 OPERATING PROFIT/(LOSS)

This is stated after charging/(crediting)

	2007	2006
	£	£
Auditors' remuneration for audit services	2,000	1,890
non audit services	450	425
Difference on exchange	(14,516)	(94,546)

4 STAFF COSTS AND DIRECTORS REMUNERATION

There were no staff costs or directors' remuneration paid by the company for the years ended 31 December 2007 and 31 December 2006.

5 INTEREST RECEIVABLE

Short term bank deposits	£ 125	£ 177
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NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2007

	2007 £	2006 £
6 TAXATION ON PROFIT ON ORDINARY ACTIVITIES		
(a) Taxation		
Current Tax		
In respect of the year		
UK Corporation Tax based on the results for the year	-	-
At 30% (2006 - 30%)	-	-
Over/under provision in prior years	-	-
Deferred tax	-	-
Decrease in deferred tax provision	-	-
Tax on profit on ordinary activities	<u>£ -</u>	<u>£ -</u>
(b) Factors affecting current tax charge		
The tax assessed for the year is higher than the standard rate of Corporation Tax in the UK of 30% (2006-30%), applied to the profit on ordinary activities before taxation. The differences are explained below		
Profit on ordinary activities before taxation	<u>£ 12,188</u>	<u>£ 90,933</u>
Profit on ordinary activities multiplied by the company's rate of corporation tax in the UK	3,657	27,280
Effects of		
Expenses not allowed for tax purposes	-	250
Group relief utilisation of losses	(3,657)	(27,530)
Total current tax (Note 6 (a))	<u>£ -</u>	<u>£ -</u>
7 DEBTORS		
Trade debtors	1,129	1,128
Amounts owed by group companies	<u>812,452</u>	<u>814,343</u>
	<u>£ 813,581</u>	<u>£ 815,471</u>
8 CREDITORS		
AMOUNTS FALLING DUE WITHIN ONE YEAR		
Trade creditors	520,136	534,021
Accruals	<u>3,315</u>	<u>2,755</u>
	<u>£ 523,451</u>	<u>£ 536,776</u>

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2007

9	CALLED UP SHARE CAPITAL	2007	2006
		£	£
	Authorised		
	90,000 'A' ordinary shares of 5p each	4,500	4,500
	2,000,000 'B' ordinary shares of 5p each	<u>100,000</u>	<u>100,000</u>
		£ 104,500	£ 104,500
	Allotted, called up and fully paid		
	64,593 'A' ordinary shares of 5p each	3,230	3,230
	1,435,407 'B' ordinary shares of 5p each	<u>71,770</u>	<u>71,770</u>
		£ 75,000	£ 75,000
	The 'A' ordinary and 'B' ordinary shares of 5p each rank pari passu in all respects		
10	PROFIT AND LOSS ACCOUNT		
	Retained profit brought forward	213,884	122,951
	Profit for the year	<u>12,188</u>	<u>90,933</u>
	Retained profit carried forward	£ 226,072	£ 213,884
		2007	2006
		£	£
11	RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDERS' FUNDS		
	Opening shareholders' funds	288,884	197,951
	Profit after taxation	<u>12,188</u>	<u>90,933</u>
	Closing shareholders' funds	£ 301,072	£ 288,884

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2007

12 RELATED PARTY TRANSACTIONS

Disclosure of transactions with entities that are part of the group is not required, as more than 90% of the voting rights of the company are controlled within the group. No other material related party transactions were undertaken during the year.

13 ULTIMATE PARENT AND CONTROLLING COMPANY

The ultimate parent and controlling company is Hampden Holdings Limited, a company registered in England and Wales.

The immediate parent company is Hampden Group Management Limited, a company registered in England and Wales.

Copies of Hampden Holdings Limited consolidated financial statements can be obtained from the registered office, the address of which is as follows:

Hampden House
Great Hampden
Great Missenden
Buckinghamshire
HP16 9RD