

Company Registration Number: 03079558



## **Hampden Holdings Limited**

***Annual Report and Consolidated  
Financial Statements***

***For the year ended***

***31 December 2018***

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**HAMPDEN HOLDINGS LIMITED**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2018**

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**HAMPDEN HOLDINGS LIMITED**  
**OFFICERS AND PROFESSIONAL ADVISERS**

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<b>The board of directors</b>	T P C Oliver - Chairman C G Camroux-Oliver S J Harris J R C Oliver
<b>Company secretary</b>	Hampden Legal Plc
<b>Registered office</b>	Hampden House Great Hampden Great Missenden Buckinghamshire England HP16 9RD
<b>Registered number</b>	03079558 (England & Wales)
<b>Registered auditor</b>	Carter Backer Winter LLP Chartered Accountants & Statutory Auditor 66 Prescott Street London E1 8NN

# **HAMPDEN HOLDINGS LIMITED**

## **CHAIRMAN'S STATEMENT**

**YEAR ENDED 31 DECEMBER 2018**

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Once again I am very pleased to offer some comments on the activities and performance of the Hampden Group during 2018, and to give an overview of the information contained in these financial statements.

The results of the group overall have been in accordance with our expectations, and it is good to reflect that our net assets remain well in excess of £67 million. The primary influences over our results are from the following activities:-

I am happy to confirm that our activities in the Lloyd's market have once again performed as well as market conditions would allow. It has been widely reported, however, that the Lloyd's results for the 2016 underwriting year were at a lower level of profitability than in previous years, and that 2017 has shown a loss. What this means for Hampden is that our profit from this activity has fallen this year, and the results for 2019 will also be affected. The rest of the Group's companies are performing well, and the Directors are very confident that this will have only a relatively short term impact.

I reproduce below, an extract from my report on the Hampden Capital Group, (in which our Lloyd's business operate) for 2018 which is, I believe, self- explanatory

This part of the group primarily comprises Hampden Capital Plc (the holding company), Hampden Agencies Ltd, Nomina Plc, Hampden Insurance Partners Management (Cayman) Ltd, Hampden Syndicate Services Ltd and Hampden Tax Consultants Ltd. These companies provide services to private and institutional clients who underwrite in the Lloyd's market.

**Hampden Agencies Ltd (HAL).** HAL acts for 1,119 Members (2017: 1,120 Members) at Lloyd's, and has direct influence over a capacity to underwrite of £2,524 million (2017: £2,289 million), which is being actively utilised in the underwriting Syndicates.

The results for 2018 Financial Year have been reasonable. Due to the nature of the Lloyd's reporting cycle, I am able to say that the company's result for the year ended 31 December 2019 will be rather less buoyant, due to significant losses in the market in the 2017 underwriting year. At present it is not clear whether a profit will be made, although it is safe to say that the outcome will be close to break even.

**Nomina Plc.** Provides accounting, taxation and company secretarial support for both private and corporate clients who participate in Lloyd's via a limited liability vehicle. These are predominantly limited companies (Namecos) but also a significant number of limited liability partnerships. For 2018, the company acted for 1,529 Clients (2017: 1,509 Clients). This company has had an excellent year in 2018, increasing the number of clients under management.

**Hampden Tax Consultants Ltd.** Provides taxation services to private clients, including participants in the Lloyd's market.

*It seems appropriate to summarise how significant the Hampden Capital Group has become within the Lloyd's insurance market.*

# HAMPDEN HOLDINGS LIMITED

## CHAIRMAN'S STATEMENT *(continued)*

YEAR ENDED 31 DECEMBER 2018

### Funds Employed

The funds over which Hampden has influence are substantial. Its private clients' capacity to underwrite now exceeds £2.524 billion. Under Lloyd's very stringent rules this capacity has to be backed by significant resources belonging to Members. These can be summarised as follows

	2018 £m	2017 £m
<b>Syndicate Assets</b>		
Investments	3,357	2,457
Cash and Deposits	182	129
Overseas Deposits	274	191
Other assets	1,935	1,509
<b>Total Syndicate Assets</b>	<b>5,748</b>	<b>4,286</b>
To this should be added other sums which are held by Members which are in the form of collateral, i.e. assets set aside and available to Syndicates if necessary. We estimate these assets to be in excess of	1,755	1,715
<b>Total funds</b>	<b>7,503</b>	<b>6,001</b>
<b>Nomina Clients</b>		
Cash and Investments held by Clients	71	58
Total funds under the influence of the Hampden Capital Group	7,574	6,059

With such significant sums, £7.574 billion, being under the Group's influence, a great deal of time, effort and resources are devoted to ensuring that our clients are given the best possible guidance and support.

<b>Annually Accounted Results</b>	<b>2018 £m</b>	<b>2017 £m</b>
Capacity of Syndicates in which HAL Clients Participate	8,918	7,981
Capacity of HAL clients	1,680	1,658
Gross Written Premiums	1,669	1,702
Net Earned Premiums	1,527	1,431
Net Claims	(734)	(932)
Net Operating Expenses	(658)	(609)
Return from Investments	59	52
Other Gains and Losses	6	39
<b>Net Result</b>	<b>200</b>	<b>(19)</b>

# HAMPDEN HOLDINGS LIMITED

## CHAIRMAN'S STATEMENT *(continued)*

### YEAR ENDED 31 DECEMBER 2018

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The Directors and Staff of the Hampden Companies are content with this outcome, as it reflects well on those matters which are under the Group's control. Clearly the overall results in the Lloyd's Market are less impressive, but Hampden's clients have been, the Directors believe, well managed. The Group remains ever conscious of the need to look for new opportunities and products to enable our clients to optimise their investments. During 2018, considerable progress continued in two areas. The development of Hampden Insurance Partners (HIP) has built on its previous success, and in the Strategic report mention is made of the significant growth which has taken place in this area of operation. More challenging during the year has been the continued attention devoted to Syndicate 2689 which was launched in 2016, which was, of course, significantly affected by the 2017 results in the market. This Syndicate, and its associated Service Company (Hampden Syndicate Services Ltd) continued activities in 2018 and beyond.

Thirdly, it is good to report that other parts of the Group, and companies in which we have an interest, have continued to do well. These include

**Hampden and Co**, is a private bank which has now been trading for over three years. This is not part of the Group, despite bearing our name, but Hampden is one of several cornerstone investors. As one might expect with a bank, at this stage of its development, it is primarily interested in delivering steady, consistent and secure growth. It is currently performing to its business plan.

**Hampden Insurance Group BV** (Hampden's companies in the Netherlands), have had another good year, and continue to explore the opportunities which are available to them.

**ArchOver**, the Group's crowd-lending business, is maturing and expanding strongly, having now facilitated well in excess of £114 million worth of loans. During 2018 ArchOver, took control of Unitbirwelco, a business which had taken borrowing across the ArchOver platform. This was done to protect its platform lenders. Subsequent to this take over, the business has been restructured and placed under new management, with the intention of future disposal when the appropriate time arises.

**Seymour Taylor**, the Group's accountancy practice based in the Thames Valley, has continued to progress well, with steady growth both in terms of turnover and profitability. This business has also been the recipient of awards which recognise its excellent client service and staff development

My Hampden Holdings Board Colleagues and I wish to express our continuing appreciation for all the dedicated work of the Group's staff during 2018 and in the current calendar year.

T.P.C. Oliver

Chairman, Hampden Holdings Limited

28 November 2019

# HAMPDEN HOLDINGS LIMITED

## STRATEGIC REPORT

YEAR ENDED 31 DECEMBER 2018

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The directors present their strategic report for the year ended 31 December 2018.

### REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS

The principal activities of the group are providing insurance services, insurance run-off services and ownership, Lloyd's members' agency services and audit, accounting and taxation advice.

Underwriting capacity for the 2018 underwriting account for which the members' agency subsidiary acts amounts to £2,524 million (2017: £2,289m) representing over 8% of the Lloyd's market capacity; Nomina Plc has over 1,500 limited-liability Lloyd's vehicles under management for 2018.

The directors consider the group to be in an excellent financial position and it continues actively to pursue business opportunities as they arise.

During 2018 Hampden, through its subsidiary ArchOver, took control of Unitbirwelco a business borrowing across the ArchOver platform in order to protect the platform lenders. All goodwill and intangibles arising on consolidation have been fully impaired.

### KEY PERFORMANCE INDICATORS

The directors consider the following to be the key performance indicators of the group:

	2018	2017
Number of Lloyd's Members for whom the company acts	1,119	1,120
Capacity of those Lloyd's Members (£m)	£2,524	£2,289
No. of corporate member clients at year end (Nomina Plc)	1,529	1,509
Lloyd's result for the closed year 2016:2015 (% of capacity)	(2.9%)	6.2%
Corresponding result of Members underwriting through the company	5.5%	11.3%

Although run-off business conducted in the UK and The Netherlands is one of the main activities of the group, due to the intrinsic difficulty in measuring the performance of the run-off activity in a statistical manner, no KPI's have been included.

### PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks to the company are limited to the value of its investments in its subsidiaries. The principal risks to its subsidiaries are detailed in those companies own financial statements. A list of subsidiaries can be found at note 48.

#### Financial risk management

The group's operations expose it to a number of financial risks that include changes in debt and equity market prices, credit risks, liquidity risk and interest rate risk. The board has reviewed the risks posed to the group from these sources, however, given the size of the group the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee. Where appropriate, financial risk policies are set by the boards of the subsidiary companies and implemented by the group's finance department. In the opinion of the board the material financial risks to the Company are limited to the recoverability of debtor balances, the payment of creditor balances and maintenance of cash balances. The directors have reviewed the recoverability of debtor are satisfied that the company minimises any credit or liquidity risks by holding cash balances only with UK regulated banks.

#### Environmental Business Risk

The effect of the proposed withdrawal of the United Kingdom from the European Union is not fully known but is not expected to have a significant impact on Hampden Holdings Limited.

# HAMPDEN HOLDINGS LIMITED

## STRATEGIC REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2018

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### STAFF AND ENVIRONMENTAL MATTERS

The operations of the group are reliant on key staff. The directors believe that its human resources policies are appropriate to recruit and retain such staff.

We understand and appreciate the importance and value that our employees bring to the business both today and in the future. Group-wide we actively encourage employee engagement and involvement through a number of initiatives. These initiatives include:

- Regular team meetings - 'All employee' team meetings occur either monthly or quarterly depending on the group subsidiary. Functional team meetings happen more regularly. These meetings are designed to give business updates as well as feedback sessions to the CEO / MD.
- Suggestions Box - A facility whereby employees can submit ideas / suggestions / feedback anonymously, HINT - The Group-wide intranet system which has regular updates and social activities. Noticeboards - Similar to HINT, the noticeboards are designed to communicate updates, albeit on a local level.
- Organisational Structure - Hampden generally promotes a flat organisational structure making an 'Open Door' policy to the CEO / MD a reality. This local level of communication is encouraged throughout, hence promoting employee engagement and involvement.

The Group is committed to promoting equality of opportunity for all staff and job applicants. The Group aims to create a working environment in which all individuals are able to make best use of their skills, free from discrimination or harassment, and in which all decisions are based on merit.

Included in our Staff Handbook is our equal Opportunities policy which is distributed to all new starters as well as being held and reviewed on HINT, our Intranet system.

Whilst the directors do not regard the company as having a major environmental impact, staff are encouraged to have regard to the impact on the environment in the conduct of their business affairs.

A subsidiary is part of the Lloyd's Community Programme involving the placing of pre-university students in work placements for 10 weeks. It is also involved in student mentoring, assisting in inner city schools and other community projects. Many members of staff take part in this work.

Another subsidiary is actively involved in supporting local schools by providing work experience opportunities.

*Signed on behalf of the directors*



C G Camroux-Oliver  
Director

Approved by the directors on 28 November 2019



# **HAMPDEN HOLDINGS LIMITED**

## **DIRECTORS REPORT**

### **YEAR ENDED 31 DECEMBER 2018**

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The directors present their report and the consolidated financial statements of the group for the year ended 31 December 2018.

#### **DIRECTORS**

The directors who served the company during the year were as follows:

T P C Oliver  
C G Camroux-Oliver  
S J Harris  
J R C Oliver

#### **DIVIDENDS**

The loss for the year, after taxation, amounted to £4,663,816. Particulars of recommended dividends are detailed in note 17 to the consolidated financial statements.

#### **FUTURE DEVELOPMENTS**

Details of future developments are disclosed within the strategic report on pages 5 to 6 of the financial statements.

#### **EMPLOYMENT POLICY AND EMPLOYEE INVOLVEMENT**

Details in respect of the group employment policy and employee involvement schemes can be found in the strategic report on pages 5 to 6 of the financial statements.

#### **FINANCIAL INSTRUMENTS**

Details in relation to the financial risk management objectives and policies are disclosed within the strategic report on pages 5 to 6 of the financial statements.

# HAMPDEN HOLDINGS LIMITED

## DIRECTORS REPORT *(continued)*

### YEAR ENDED 31 DECEMBER 2018

#### DONATIONS

During the year the group made the following contributions:

	2018 £	2017 £
Charitable	60,708	47,323
Charitable donations over £2,000	2018 £	2017 £
CAF	—	4,800
Cornwall Red Squirrel Project	—	2,000
M S Society	—	2,500
Imperial College	—	6,000
Anthony Nolan	—	5,240
Lords Mayor's Charity	3,100	—
GVA	10,000	—
British Heart Foundation	2,500	—
Canine Partners	2,500	—
St Christopher's Hospice	2,500	—
Red Cross	3,000	—
Great Hampden Parochial Church Council	6,000	—
Other charitable donations	31,108	26,783

#### DIRECTORS' QUALIFYING THIRD PARTY INDEMNITY PROVISIONS

The company has purchased insurance to indemnify all of the company's directors against liability in respect of proceedings brought by third parties, against them in their capacity as a director, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity provision remained in force as at the date of signing the directors' report.

#### MARKET VALUE OF THE PROPERTY

The company's headquarters, Hampden House and adjoining woodland was revalued on the basis of an open market valuation subject to vacant possession on 28 January 2019 by Savills, Chartered Surveyors, at £14,625,000 and is included within the financial statements at this value.

#### CLOSE COMPANY

In the opinion of the directors the company is a close company within the meaning of Section 439, Corporation Tax Act 2010.

#### DIRECTORS RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the strategic report, directors report and the consolidated financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare consolidated financial statements for each financial year. Under that law the directors have elected to prepare the consolidated 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 consolidated financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and the company and the profit or loss of the group for that period.

# HAMPDEN HOLDINGS LIMITED

## DIRECTORS REPORT *(continued)*

**YEAR ENDED 31 DECEMBER 2018**

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### DIRECTORS RESPONSIBILITIES STATEMENT *(continued)*

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

- select suitable accounting policies 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 consolidated financial statements;
- prepare the consolidated 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 consolidated 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.

### PROVISION OF INFORMATION TO THE AUDITOR

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the group and the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the group and the company's auditor is aware of that information.

### AUDITOR

Carter Backer Winter LLP is deemed to be re-appointed under section 487(2) of the Companies Act 2006.

*Signed on behalf of the directors*



C G Camroux-Oliver  
Director

Approved by the directors on 28 November 2019

**HAMPDEN HOLDINGS LIMITED**  
**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HAMPDEN**  
**HOLDINGS LIMITED**

**YEAR ENDED 31 DECEMBER 2018**

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**OPINION**

We have audited the financial statements of Hampden Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2018, which comprise the consolidated statement of comprehensive income technical account, the consolidated statement of comprehensive income non-technical account, the consolidated statement of financial position, the company statement of financial position, the consolidated statement of changes in equity, the company statement of changes in equity, the consolidated statement of cash flows and notes to the consolidated financial statements, including a summary of significant accounting policies. 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).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 2018 and of the group's loss 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.

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

**CONCLUSIONS RELATING TO GOING CONCERN**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

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

# **HAMPDEN HOLDINGS LIMITED**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HAMPDEN HOLDINGS LIMITED *(continued)***

**YEAR ENDED 31 DECEMBER 2018**

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### **OTHER INFORMATION**

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

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

### **OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006**

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

- the information given in the Strategic Report and the Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Director's Report have been prepared in accordance with applicable legal requirements.

### **MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Director's Report.

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

# HAMPDEN HOLDINGS LIMITED

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HAMPDEN HOLDINGS LIMITED *(continued)*

YEAR ENDED 31 DECEMBER 2018

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### 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 groups and parent 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 group or the parent company or to cease operations, or have no realistic alternative but to do so.*

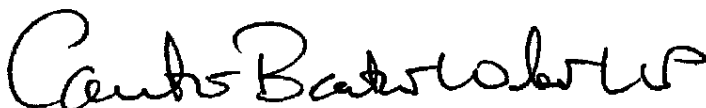
### AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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 Financial Reporting Council's website at: <https://frc.org.uk/auditorresponsibilities>. This description forms part of our auditor's report.

### 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.



Peter Winter BA FCA (Senior Statutory Auditor)  
For and on behalf of  
CARTER BACKER WINTER LLP  
Statutory Auditor

66 Prescott Street  
London  
E1 8NN

28 November 2019

**HAMPDEN HOLDINGS LIMITED**  
**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**TECHNICAL ACCOUNT**

**YEAR ENDED 31 DECEMBER 2018**

	Note	2018 £	£	2017 £	£
<b>General Business</b>					
Gross premiums written		40,575,126		10,273	
Outwards reinsurance premiums		<u>(1,453,082)</u>		<u>(5,461)</u>	
Net premiums written			39,122,044		4,812
<b>Change in the provision for unearned premiums</b>					
Gross provision		(17,147,969)		—	
Reinsurers share		<u>11,623</u>		<u>—</u>	
Net change in the provision for unearned premiums			(17,136,346)		—
Other technical income			—		—
Allocated investment return transferred from the non-technical account			71,355		—
<b>Total technical income</b>			<u>22,057,053</u>		<u>4,812</u>
<b>Claims paid</b>					
- gross amount		7,619,307		6,333,041	
- reinsurers share		<u>(1,507,871)</u>		<u>(1,589,896)</u>	
- net of reinsurance	4		6,111,436		4,743,145
<b>Change in provision for claims</b>					
- gross amount		(1,006,351)		(4,752,535)	
- reinsurers share		2,811,698		<u>1,316,638</u>	
- net of reinsurance			<u>1,805,347</u>		<u>(3,435,897)</u>
Claims incurred net of reinsurance			7,916,783		1,307,248

The notes on pages 26 to 67 form part of these consolidated financial statements.

**HAMPDEN HOLDINGS LIMITED**  
**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**TECHNICAL ACCOUNT** *(continued)*

**YEAR ENDED 31 DECEMBER 2018**

	Note	2018 £	2017 £
Claims incurred net of reinsurance		7,916,783	1,307,248
Net operating expenses		11,230,696	–
Other technical charges		1,059,708	311,141
Other operating income		(77,820)	(257,758)
Changes in other technical provisions, net of reinsurance		1,022	–
<b>Total charges</b>		<b>20,130,389</b>	<b>1,360,631</b>
<b>Balance on the technical account</b>		<b>(1,926,664)</b>	<b>(1,355,819)</b>

All the insurance business is classed as continuing.

The notes on pages 26 to 67 form part of these consolidated financial statements.



**HAMPDEN HOLDINGS LIMITED**  
**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**YEAR ENDED 31 DECEMBER 2018**

	Note	2018 £	2017 £
Commercial activities		28,706,320	25,543,985
Insurance companies' technical account		1,926,664	(1,355,819)
<b>GROUP TURNOVER</b>	<b>6</b>	<b>30,632,984</b>	<b>24,188,166</b>
Cost of sales		(4,360,153)	(1,194,057)
<b>GROSS PROFIT</b>		<b>26,272,831</b>	<b>22,994,109</b>
Administrative expenses		(30,175,170)	(28,799,527)
Other operating income		2,798,644	4,344,008
Revaluation of investment property		(952,446)	—
<b>OPERATING LOSS</b>	<b>7</b>	<b>(2,056,141)</b>	<b>(1,461,410)</b>
Income from interests in associates	11	237,764	138,483
Income from other fixed asset investments	12	299,728	921,356
Other interest receivable and similar income	13	462,496	164,185
Impairment of intangible assets		(1,250,000)	—
Impairment of goodwill		(2,640,000)	—
Interest payable and similar charges	14	(660,719)	(826,849)
<b>LOSS BEFORE TAXATION</b>		<b>(5,606,872)</b>	<b>(1,064,235)</b>
Tax on loss	15	943,056	203,338
<b>LOSS FOR THE FINANCIAL YEAR</b>		<b>(4,663,816)</b>	<b>(860,897)</b>
Foreign currency retranslation		33,548	1,002,050
Deferred tax movement on investment property		—	55,918
Fair value gain on valuation of subsidiary share options		43,211	13,530
Tax relating to components of other comprehensive income		45,707	—
Loss on fair value of fixed asset investment		(540,142)	—
Fair value revaluation of tangible fixed asset		341,297	—
Revaluation of intangible assets		759,080	—
<b>OTHER COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>682,701</b>	<b>1,071,498</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>(3,981,115)</b>	<b>210,601</b>
Loss for the financial year attributable to:			
The owners of the parent company		(5,393,378)	(1,903,165)
Non-controlling interests		729,562	1,042,268
		<b>(4,663,816)</b>	<b>(860,897)</b>
Total comprehensive income for the year attributable to:			
The owners of the parent company		(4,700,801)	(777,568)
Non-controlling interests		719,686	988,169
		<b>(3,981,115)</b>	<b>210,601</b>

All the activities of the group are from continuing operations

The company has taken advantage of section 408 of the Companies Act 2006  
not to publish its own statement of comprehensive income.

The notes on pages 26 to 67 form part of these consolidated financial statements.

**HAMPDEN HOLDINGS LIMITED**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**31 DECEMBER 2018**

	Note	2018 £	2017 £
<b>FIXED ASSETS</b>			
Intangible assets	18	675,870	1,012,408
Tangible assets	19	25,137,569	25,756,062
Investments	20	48,333,915	47,869,607
		<u>74,147,354</u>	<u>74,638,077</u>
<b>CURRENT ASSETS</b>			
Stock	21	123,340	15,586
Debtors: due within one year	22	47,687,991	20,908,230
Debtors: due after more than one year	22	24,397,932	2,654,066
Investments	23	20,610,864	23,489,290
Cash at bank and in hand	24	18,045,771	14,943,240
		<u>110,865,898</u>	<u>62,010,412</u>
<b>CREDITORS: Amounts falling due within one year</b>	26	<u>(34,403,662)</u>	<u>(18,653,766)</u>
<b>NET CURRENT ASSETS</b>		<u>76,462,236</u>	<u>43,356,646</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>150,609,590</u>	<u>117,994,723</u>
<b>CREDITORS: Amounts falling due after more than one year</b>	27	(8,029,162)	(13,501,059)
<b>PROVISIONS</b>			
Other provisions	31	<u>(75,280,542)</u>	<u>(32,063,358)</u>
<b>NET ASSETS</b>		<u>67,299,886</u>	<u>72,430,306</u>

The notes on pages 26 to 67 form part of these consolidated financial statements.

# HAMPDEN HOLDINGS LIMITED

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(continued)*

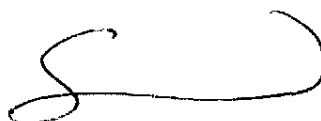
**31 DECEMBER 2018**

	Note	2018 £	2017 £
<b>CAPITAL AND RESERVES</b>			
Called up share capital	34	1,800,893	1,800,893
Revaluation reserve	35	7,916,958	7,838,864
Capital redemption reserve	35	346,613	346,613
Profit and loss account	35	51,577,512	56,720,070
Fair value reserve	35	341,297	—
<b>EQUITY ATTRIBUTABLE TO THE OWNERS OF THE PARENT COMPANY</b>		<b>61,983,273</b>	<b>66,706,440</b>
<b>NON-CONTROLLING INTERESTS</b>		<b>5,316,613</b>	<b>5,723,866</b>
		<b>67,299,886</b>	<b>72,430,306</b>

These consolidated financial statements were approved by the board of directors and authorised for issue on 28 November 2019, and are signed on behalf of the board by:



C G Camroux-Oliver  
Director



S J Harris  
Director

Company registration number: 03079558

The notes on pages 26 to 67 form part of these consolidated financial statements.

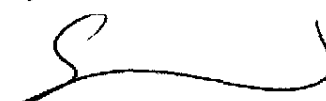
**HAMPDEN HOLDINGS LIMITED**  
**COMPANY STATEMENT OF FINANCIAL POSITION**  
**31 DECEMBER 2018**

	Note	2018 £	2017 £
<b>FIXED ASSETS</b>			
Tangible assets	19	—	256,755
Investments	20	21,957,191	21,920,682
		<u>21,957,191</u>	<u>22,177,437</u>
<b>CURRENT ASSETS</b>			
Debtors: due within one year	22	6,219,562	10,826,784
Debtors: due after more than one year	22	8,544,912	4,507,347
Cash at bank and in hand	24	1,685,841	259,432
		<u>16,450,315</u>	<u>15,593,563</u>
<b>CREDITORS: Amounts falling due within one year</b>	26	<u>(4,945,339)</u>	<u>(6,786,673)</u>
<b>NET CURRENT ASSETS</b>		<u>11,504,976</u>	<u>8,806,890</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>33,462,167</u>	<u>30,984,327</u>
<b>PROVISIONS</b>			
Other provisions	31	(3,724,599)	(3,380,029)
<b>NET ASSETS</b>		<u>29,737,568</u>	<u>27,604,298</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	34	1,800,893	1,800,893
Capital redemption reserve	35	346,613	346,613
Other reserves	35	(1,559,296)	(1,286,164)
Profit and loss account	35	29,149,358	26,742,956
<b>SHAREHOLDERS FUNDS</b>		<u>29,737,568</u>	<u>27,604,298</u>

These consolidated financial statements were approved by the board of directors and authorised for issue 28 November 2019, and are signed on behalf of the board by:



C G Camroux-Oliver  
Director



S J Harris  
Director

Company registration number: 03079558

The notes on pages 26 to 67 form part of these consolidated financial statements.

**HAMPDEN HOLDINGS LIMITED**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**YEAR ENDED 31 DECEMBER 2018**

	Called up share capital £	Revaluation reserve £	Capital redemption reserve £	Profit and loss account £	Equity attributable to the owners of the parent company £
<b>AT 1 JANUARY 2017</b>	1,800,893	7,783,684	346,613	57,945,196	67,876,386
(Loss)/profit for the year	–	–	–	(1,903,165)	(1,903,165)
Other comprehensive income for the year:					
Foreign currency retranslation	–	–	–	1,070,417	1,070,417
Tax on revaluation of investment property	–	55,180	–	–	55,180
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	–	55,180	–	(832,748)	(777,568)
Dividends paid and payable	–	–	–	(142,652)	(142,652)
Acquisition of subsidiary with non-controlling interest	–	–	–	(249,726)	(249,726)
<b>TOTAL INVESTMENTS BY AND DISTRIBUTIONS TO OWNERS</b>	–	–	–	(392,378)	(392,378)
<b>AT 31 DECEMBER 2017</b>	1,800,893	7,838,864	346,613	56,720,070	66,706,440

*The notes on pages 26 to 67 form part of these consolidated financial statements.*

**HAMPDEN HOLDINGS LIMITED**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY** *(continued)*  
**YEAR ENDED 31 DECEMBER 2018**

	Equity attributable to the owners of the parent company £	Non-controlling interests £	Total £
<b>AT 1 JANUARY 2017</b>	67,876,386	6,273,071	74,149,457
(Loss)/profit for the year	(1,903,165)	1,042,268	(860,897)
Other comprehensive income for the year:			
Foreign currency retranslation	1,070,417	(68,367)	1,002,050
Fair value gain/(loss) on valuation of subsidiary share options	..	13,530	13,530
Tax on revaluation of investment property	55,180	738	55,918
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	(777,568)	988,169	210,601
Dividends paid and Payable	(142,652)	(1,457,182)	(1,599,834)
Acquisition of subsidiary with non-controlling interest	(249,726)	(80,192)	(329,918)
<b>TOTAL INVESTMENTS BY AND DISTRIBUTIONS TO OWNERS</b>	(392,378)	(1,537,374)	(1,929,752)
<b>AT 31 DECEMBER 2017</b>	<u>66,706,440</u>	<u>5,723,866</u>	<u>72,430,306</u>

The notes on pages 26 to 67 form part of these consolidated financial statements.

**HAMPDEN HOLDINGS LIMITED**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY** *(continued)*  
**YEAR ENDED 31 DECEMBER 2018**

	Called up share capital £	Revaluation reserve £	Capital redemption reserve £	Profit and loss account £	Fair value reserve £	Equity attributable to the owners of the parent company £
<b>AT 1 JANUARY 2018</b>						
Balance brought forward	1,800,893	7,838,864	346,613	56,720,070	—	66,706,440
Loss for the year	—	—	—	(5,393,378)	—	(5,393,378)
Other comprehensive income for the year:						
Foreign currency retranslation	—	—	—	27,246	—	27,246
Tax relating to components of other comprehensive income	—	(472,446)	—	508,723	—	36,277
Fair value revaluation of tangible fixed asset	—	—	—	—	341,297	341,297
Revaluation of intangible assets	—	759,080	—	—	—	759,080
Loss on fair value of fixed asset investment	—	(217,926)	—	(253,397)	—	(471,323)
Transfer between reserves	—	9,386	—	(9,386)	—	—
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	—	78,094	—	(5,120,192)	341,297	(4,700,801)
Acquisition of subsidiary with non- controlling interest	—	—	—	(22,366)	—	(22,366)
<b>TOTAL INVESTMENTS BY AND DISTRIBUTIONS TO OWNERS</b>	—	—	—	(22,366)	—	(22,366)
<b>AT 31 DECEMBER 2018</b>	<b>1,800,893</b>	<b>7,916,958</b>	<b>346,613</b>	<b>51,577,512</b>	<b>341,297</b>	<b>61,983,273</b>

*The notes on pages 26 to 67 form part of these consolidated financial statements.*

**HAMPDEN HOLDINGS LIMITED**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY** *(continued)*  
**YEAR ENDED 31 DECEMBER 2018**

	Equity attributable to the owners of the parent company £	Non-controlling interests £	Total £
<b>AT 1 JANUARY 2018</b>			
Balance brought forward	66,706,440	5,723,866	72,430,306
Loss for the year	(5,393,378)	729,562	(4,663,816)
Other comprehensive income for the year:			
Foreign currency retranslation	27,246	6,302	33,548
Tax relating to components of other comprehensive income	36,277	9,430	45,707
Fair value gain on valuation of subsidiary share options	—	43,211	43,211
Fair value revaluation of tangible fixed asset	341,297	—	341,297
Revaluation of intangible assets	759,080	—	759,080
Loss on fair value of fixed asset investment	(471,323)	(68,819)	(540,142)
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	(4,700,801)	719,686	(3,981,115)
Dividends paid and Payable	—	(1,107,543)	(1,107,543)
Acquisition of subsidiary with non-controlling interest	(22,366)	(19,396)	(41,762)
<b>TOTAL INVESTMENTS BY AND DISTRIBUTIONS TO OWNERS</b>	(22,366)	(1,126,939)	(1,149,305)
<b>AT 31 DECEMBER 2018</b>	<b><u>61,983,273</u></b>	<b><u>5,316,613</u></b>	<b><u>67,299,886</u></b>

The notes on pages 26 to 67 form part of these consolidated financial statements.



**HAMPDEN HOLDINGS LIMITED**  
**COMPANY STATEMENT OF CHANGES IN EQUITY**  
**YEAR ENDED 31 DECEMBER 2018**

	Called up share capital £	Capital redemption reserve £	Other reserves £	Profit and loss account £	Total £
<b>AT 1 JANUARY 2017</b>	1,800,893	346,613	(2,257,601)	23,164,998	23,054,903
Profit for the year	—	—	—	3,720,610	3,720,610
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	—	—	—	3,720,610	3,720,610
Dividends paid and payable	—	—	—	(142,652)	(142,652)
Loss on discounting of group loan	—	—	971,437	—	971,437
<b>TOTAL INVESTMENTS BY AND DISTRIBUTIONS TO OWNERS</b>	—	—	971,437	(142,652)	828,785
<b>AT 31 DECEMBER 2017</b>	1,800,893	346,613	(1,286,164)	26,742,956	27,604,298
Profit for the year	—	—	—	2,406,402	2,406,402
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	—	—	—	2,406,402	2,406,402
Loss on discounting of group loan	—	—	(273,132)	—	(273,132)
<b>TOTAL INVESTMENTS BY AND DISTRIBUTIONS TO OWNERS</b>	—	—	(273,132)	—	(273,132)
<b>AT 31 DECEMBER 2018</b>	1,800,893	346,613	(1,559,296)	29,149,358	29,737,568

The notes on pages 26 to 67 form part of these consolidated financial statements.

**HAMPDEN HOLDINGS LIMITED**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**YEAR ENDED 31 DECEMBER 2018**

	2018 £	2017 £
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss for the financial year	(4,663,816)	(860,897)
<i>Adjustments for:</i>		
Depreciation of tangible assets	633,527	635,435
Amortisation of intangible assets	1,519,528	519,733
Impairment of investments	598,875	-
Impairment of intangible assets	1,250,000	-
Impairment of goodwill	2,640,000	-
Impairment of tangible assets	274,634	-
Share of income from interests in associates	(237,764)	(138,483)
Income from fixed asset investments	(299,728)	(921,356)
Other interest receivable and similar income	(462,496)	(164,185)
Interest payable and similar charges	660,719	826,849
(Gains)/loss on disposal of tangible assets	(57,078)	761
Revaluation of investment property	952,446	-
Loss on fair value of fixed asset investment	(540,142)	-
Revaluation and foreign exchange differences	(266,303)	122,729
Tax on loss	(943,056)	(203,338)
<i>Changes in:</i>		
Stock	(107,754)	(2,309)
Trade and other debtors	(45,488,923)	3,344,921
Investments	3,046,170	(2,568,250)
Trade and other creditors	6,830,009	1,769,553
Provisions and employee benefits	41,846,881	(3,927,130)
Cash generated from/(used in) operations	7,185,729	(1,565,967)
Share of profit from interests in associates	237,764	138,483
Income from other fixed asset investments	299,728	921,356
Interest paid	(660,719)	(826,849)
Interest received	513,758	164,185
Tax paid	468,320	(1,325,777)
Net cash from/(used in) operating activities	8,044,580	(2,494,569)

The notes on pages 26 to 67 form part of these consolidated financial statements.

**HAMPDEN HOLDINGS LIMITED**  
**CONSOLIDATED STATEMENT OF CASH FLOWS** *(continued)*  
**YEAR ENDED 31 DECEMBER 2018**

	Note	2018 £	2017 £
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of tangible assets		(867,304)	(2,232,016)
Proceeds from sale of tangible assets		13,121	10,850
Purchase of intangible assets		(4,313,909)	(203,968)
Net cash acquired on acquisition		80,560	—
Proceeds from sale of investments		8,314,357	17,458,694
Purchases of other investments		(7,772,278)	(12,347,882)
Net cash (used in)/from investing activities		<u>(4,545,453)</u>	<u>2,685,678</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds for borrowings		507,819	—
Repayments of mortgages/borrowings		203,128	(421,872)
Dividends paid		(1,107,543)	(1,577,574)
Net cash used in financing activities		<u>(396,596)</u>	<u>(1,999,446)</u>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>3,102,531</b>	<b>(1,808,337)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>		<b>14,943,240</b>	<b>16,751,577</b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>24</b>	<b><u>18,045,771</u></b>	<b><u>14,943,240</u></b>

The notes on pages 26 to 67 form part of these consolidated financial statements.

**HAMPDEN HOLDINGS LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2018**

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**1. GENERAL INFORMATION**

Hampden Holdings Limited is a limited company incorporated in England. The address of its registered office and principal place of business is disclosed on page 1, the officers and professional advisors page.

The principal activities of the Hampden Holdings group are providing insurance services, insurance run-off services and ownership, Lloyd's members' agency services and audit, accounting and taxation advice.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £ unless otherwise stated.

**2. ACCOUNTING POLICIES**

**Basis of preparation**

The financial statements have been prepared on the historical cost basis.

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 and 103 (in respect of insurance transactions) - 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102 and 103'), and with the Companies Act 2006.

These consolidated and separate financial statements have been prepared on a going concern basis, under the historical cost convention, as modified by the recognition of certain financial assets and liabilities measured at fair value.

Amounts reported in the general business technical account relate to movements in the period in respect of all relevant years of account of the Syndicates on which the Company participates.

The preparation of financial statements requires the use of certain accounting estimates. It also requires management to exercise its judgement in the process of applying the Group and Company accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

The Company has taken advantage of the exemption in section 408 of the Companies Act from disclosing its individual statement of comprehensive income.

**Going concern**

The Group mainly derives its income from financial services provided to long-standing clients, this provides a relatively stable income base. The management closely manage the ordinary costs of the business to keep them within this income base and ensure continuation of the core activities. The directors do not consider that the group has any issues with regard to being able to continue to trade as a going concern and therefore continues to prepare the financial statements on a going concern basis.

**Consolidation**

The consolidated financial statements incorporate the financial statements of the company and its subsidiary undertakings as at 31 December. The results of subsidiaries acquired or disposed of during the year are included from, or up to, the date of acquisition or disposal.

Acquisitions have been included in the group financial statements using the purchase method of accounting. The purchase consideration has been allocated to the assets and liabilities on the basis of fair value at the date of acquisition.

# HAMPDEN HOLDINGS LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 DECEMBER 2018

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### 2. ACCOUNTING POLICIES *(continued)*

#### **Consolidation *(continued)***

The profits and losses of subsidiary undertakings that are trading are consolidated from the date of acquisition to the date of disposal. Subsidiaries that have not traded in the period are not consolidated. Uniform accounting policies are used for all Group companies. Profits and losses on intra-group transactions are eliminated on consolidation.

#### **Non-controlling interests**

Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling interest's share of changes in equity since the date of the combination.

The proportions of profit or loss and changes in equity allocated to the owners of the parent and to the non-controlling interests are determined on the basis of existing ownership interests and do not reflect the possible exercise or conversion of options or convertible instruments.

#### **Revenue recognition**

Turnover represents the aggregate amount (excluding Value Added Tax) of brokerage and fees receivable for financial and management services and rent receivable.

Revenue that has been credited in the books of the subsidiary, but not yet recognised as income in accordance with the policies described above, is credited to deferred income under creditors in the statement of financial position.

#### **Taxation**

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

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 statement of financial position date.

# HAMPDEN HOLDINGS LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 DECEMBER 2018

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### 2. ACCOUNTING POLICIES *(continued)*

#### Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the statement of financial position date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

#### Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

#### Goodwill

Goodwill arises on business acquisitions and represents the excess of the cost of the acquisition over the company's interest in the net amount of the identifiable assets, liabilities and contingent liabilities of the acquired business.

Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. It is amortised on a straight-line basis over its useful life. Where a reliable estimate of the useful life of goodwill or intangible assets cannot be made, the life is presumed not to exceed five years.

#### Intangible assets

Intangible assets are initially recorded at cost, and are subsequently stated at cost less any accumulated amortisation and impairment losses. Any intangible assets carried at revalued amounts, are recorded at the fair value at the date of revaluation, as determined by reference to an active market, less any subsequent accumulated amortisation and subsequent accumulated impairment losses.

Intangible assets acquired as part of a business combination are recorded at the fair value at the acquisition date.

#### Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful life of that asset as follows:

Positive goodwill	-	10% to 20% straight line
Negative goodwill	-	10% straight line
Purchase Syndicate	-	20% straight line
Intellectual Property Rights	-	20% straight line
Development Costs	-	20% straight line

If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

# HAMPDEN HOLDINGS LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

### YEAR ENDED 31 DECEMBER 2018

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#### 2. ACCOUNTING POLICIES *(continued)*

##### **Tangible assets**

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

##### **Depreciation**

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Leasehold improvements	-	over period of the lease
Computer equipment & programs	-	33.33% straight line
Fixtures, fittings and equipment	-	15% to 25% straight line
Motor vehicles	-	25% straight line

##### **Cash at bank**

Cash at bank and in hand are basic financial assets and include cash in hand and deposits held at call with banks.

##### **Investment property**

Investment property is initially recorded at cost, which includes purchase price and any directly attributable expenditure.

Investment property is revalued to its fair value at each reporting date and any changes in fair value are recognised in profit or loss.

If a reliable measure of fair value is no longer available without undue cost or effort for an item of investment property, it shall be transferred to tangible assets and treated as such until it is expected that fair value will be reliably measurable on an on-going basis.

##### **Investments**

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

Listed investments are measured at fair value with changes in fair value being recognised in profit or loss.

##### **Investments in associates**

Investments in associates are accounted for using the equity method of accounting, whereby the investment is initially recognised at the transaction price and subsequently adjusted to reflect the group's share of the profit or loss, other comprehensive income and equity of the associate.

# HAMPDEN HOLDINGS LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 DECEMBER 2018

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### 2. ACCOUNTING POLICIES *(continued)*

#### Investments in joint ventures

Investments in joint ventures are accounted for using the equity method of accounting, whereby the investment is initially recognised at the transaction price and subsequently adjusted to reflect the group's share of the profit or loss, other comprehensive income and equity of the joint venture.

#### Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

#### Impairment of non-financial and financial assets

At each period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

#### Impairment of non-financial and financial assets *(continued)*

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount is reduced to its recoverable amount, with the impairment recognised immediately in the statement of income and retained earnings.

#### Hire purchase and leasing commitments

Assets acquired and held under finance lease or hire purchase contracts are capitalised in the statement of financial position. Those held under finance leases are depreciated over the shorter of the lease term and the estimated useful life of the asset. Those held under hire purchase contracts are depreciated over the estimated useful life of the asset.

Minimum lease payments are apportioned between the finance charge and the reduction and the outstanding lease liability using effective interest method. The related obligation, exclusive of finance charges allocated to future periods, is recognised as a liability with the finance element charged to the profit and loss account over the relevant period.

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.



# HAMPDEN HOLDINGS LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 DECEMBER 2018

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### 2. ACCOUNTING POLICIES *(continued)*

#### **Financial instruments**

The group has applied the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' of FRS 102 to all of its' financial statements.

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 statement of financial position. Finance costs and gains or losses relating to financial liabilities are included in the statement of income and retained earnings. 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 distributions relating to equity instruments are debited direct to equity.

#### **Stocks**

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

#### **Provisions and contingencies**

Provisions and contingencies are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions and contingencies are recognised as a liability in the statement of financial position and the amount is included as an expense.

Provisions and contingencies are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision or a contingency is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

#### **Defined contribution plans**

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

# HAMPDEN HOLDINGS LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 DECEMBER 2018

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### 2. ACCOUNTING POLICIES *(continued)*

#### **Underwriting debtors and creditors**

BVF (Underwriting Management) Limited (BVF), a subsidiary company, acts as an underwriting agent and manager for a group of international insurance companies who accepted business in the name of BVF Excess Loss Pool. BVF is not liable as principal for premiums due to pool members or claims due to cedants. BVF has not therefore included in its statement of financial position cash, debtors and creditors arising from insurance transactions with the exception of the amounts owed by or to pool members.

#### **Premiums**

Premiums written comprise the total premiums receivable in respect of business inception during the year, together with any differences between booked premiums for prior years and those previously accrued, and include estimates of premiums due but not yet receivable or notified to the syndicates on which the Company participates, less an allowance for cancellations. All premiums are shown gross of commission payable to intermediaries and exclude taxes and duties levied on them.

Managing agents enter into reinsurance contracts on behalf of syndicates, in the normal course of business, in order to limit the potential losses arising from certain exposures. Reinsurance premium costs are allocated by the managing agent of each syndicate to reflect the protection arranged in respect of the business written and earned.

#### **Unearned premiums**

Written premium is earned according to the risk profile of the policy. Unearned premiums represent the proportion of premiums written in the year that relate to unexpired terms of policies in force at the Balance Sheet date, calculated on a time apportionment basis having regard where appropriate, to the incidence of risk. The specific basis adopted by each syndicate is determined by the relevant managing agent.

#### **Claims**

Claims incurred comprise claims and settlement expenses (both internal and external) occurring in the year and changes in the provisions for outstanding claims, including provisions for claims incurred but not reported and settlement expenses, together with any other adjustments to claims from previous years. Where applicable, deductions are made for salvage and other recoveries.

### 3. CRITICAL ACCOUNTING POLICIES AND JUDGEMENTS

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The areas for which estimation has been applied are considered to be in calculating depreciation and the useful economic life of assets although the same rates and economic life are applied across all companies within the group, bad debt provision, IBNR, claims handling expenses and impairment of investments.

# HAMPDEN HOLDINGS LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

### YEAR ENDED 31 DECEMBER 2018

#### 3. CRITICAL ACCOUNTING POLICIES AND JUDGEMENTS *(continued)*

The critical area where an assumption is required to be made is the estimate of underwriting profits of Syndicates supported by Lloyd's Members for whom a subsidiary company acts, and the profit commission that will be earned from such profits. A 10% variation in the estimated profit of the 2015 underwriting account would have the net impact shown below on the company's results. The 10% variation is a reasonable expected variation in view of the uncertainty of the assumptions.

The measurement of the provision for claims outstanding involves estimation uncertainty regarding the amounts recognised in these financial statements in relation to underwriting by the syndicates and this is disclosed further in note 39.

With regard to valuations for investment property the directors have used the services of a professional firm of Chartered Surveyors, more details can be found in note 19.

Although each of these areas are subject to judgement, they are not considered to be subject to significant estimation.

#### 4. CLAIMS INCURRED NET OF REINSURANCE

##### Gross claims reserved

	2018 £	2017 £
Outstanding claims brought forward	(52,843,216)	(58,204,739)
Acquisitions	(20,355)	(311,500)
Claims paid	7,619,307	6,333,041
Currency translation difference	(4,187,440)	920,488
Outstanding claims carried forward (Note 5)	56,044,660	52,843,216
Gross incurred claims	<u>6,612,956</u>	<u>1,580,506</u>

##### Reinsurers' share

	2018 £	2017 £
Outstanding claims brought forward	21,674,157	24,410,485
Claims paid	(1,507,871)	(1,589,896)
Currency translation difference	(2,526,964)	(1,419,690)
Outstanding claims carried forward (Note 5)	(16,335,495)	(21,674,157)
Reinsurers' share	<u>1,303,827</u>	<u>(273,258)</u>

##### Net claims

	2018 £	2017 £
Outstanding claims brought forward	(31,169,059)	(33,794,254)
Acquisitions	(20,355)	(311,500)
Claims paid	6,111,436	4,743,145
Currency translation difference	(6,714,404)	(499,202)
Outstanding claims carried forward (Note 5)	39,709,165	31,169,059
Claims incurred	<u>7,916,783</u>	<u>1,307,248</u>

# HAMPDEN HOLDINGS LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

**YEAR ENDED 31 DECEMBER 2018**

### 5. TECHNICAL PROVISION

<b>2018</b>	<b>Gross £</b>	<b>Reinsurance £</b>	<b>Net £</b>
<b>Claims</b>			
<b>Annual business</b>			
Notified outstanding claims	48,043,352	9,460,495	38,582,857
Provision for claims incurred but not reported	4,842,308	4,207,000	635,308
	<u>52,885,660</u>	<u>13,667,495</u>	<u>39,218,165</u>
Claims handling expenses	3,159,000	2,668,000	491,000
	<u>56,044,660</u>	<u>16,335,495</u>	<u>39,709,165</u>
Unearned premiums	19,235,882	451,786	18,784,096
<b>Total Technical Reserves</b>	<u>75,280,542</u>	<u>16,787,281</u>	<u>58,493,261</u>
 <b>2017</b>	 <b>Gross £</b>	 <b>Reinsurance £</b>	 <b>Net £</b>
<b>Claims</b>			
<b>Annual business</b>			
Notified outstanding claims	42,219,216	12,137,157	30,082,059
Provision for claims incurred but not reported	7,295,000	6,725,000	570,000
	<u>49,514,216</u>	<u>18,862,157</u>	<u>30,652,059</u>
Claims handling expenses	3,329,000	2,812,000	517,000
	<u>52,843,216</u>	<u>21,674,157</u>	<u>31,169,059</u>
<b>Funded business</b>			
Open year funds	—	—	—
<b>Total Technical Reserves</b>	<u>52,843,216</u>	<u>21,674,157</u>	<u>31,169,059</u>

# HAMPDEN HOLDINGS LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 DECEMBER 2018

### 6. TURNOVER

Turnover arises from:

	2018 £	2017 £
Financial and management services	28,252,114	25,026,355
Insurance technical account	1,926,664	(1,355,819)
Other services	454,206	517,630
	<u>30,632,984</u>	<u>24,188,166</u>

Turnover is derived from the following areas:

	2018 £	2017 £
United Kingdom	27,070,221	24,305,494
European Union	1,906,388	(876,971)
Rest of the world	1,656,375	759,643
	<u>30,632,984</u>	<u>24,188,166</u>

### 7. OPERATING LOSS

Operating loss is stated after charging:

	2018 £	2017 £
Amortisation of intangible assets	1,519,528	519,733
Depreciation of tangible assets	633,527	635,435
(Gains)/loss on disposal of tangible assets	(57,078)	761
Foreign exchange differences	(48,027)	64,493
Defined contribution plans expense	911,227	915,497
Operating lease costs – property	932,162	904,576
Operating lease costs – plant	205,098	109,348
Auditor's remuneration – audit of consolidated financial statements	57,500	60,000
Auditor's remuneration – other fees	<u>511,033</u>	<u>539,186</u>

### 8. STAFF COSTS

The average number of persons employed by the group during the year, including the directors, amounted to:

	2018 No	2017 No
Administrative staff	224	131
Management staff	4	4
Technical staff	67	71
	<u>295</u>	<u>206</u>

# HAMPDEN HOLDINGS LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

### YEAR ENDED 31 DECEMBER 2018

#### 8. STAFF COSTS *(continued)*

The aggregate payroll costs incurred during the year, relating to the above, were:

	2018	2017
	£	£
Wages and salaries	16,605,451	14,491,965
Social security costs	1,447,719	1,866,931
Other pension costs	911,227	915,505
	<u>18,964,397</u>	<u>17,274,401</u>

#### 9. DIRECTORS REMUNERATION

The directors aggregate remuneration in respect of qualifying services was:

	2018	2017
	£	£
Remuneration	2,341,877	1,234,036
Group contributions to defined contribution pension plans	7,500	21,537
	<u>2,349,377</u>	<u>1,255,573</u>

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

	2018	2017
	No	No
Defined contribution plans	<u>1</u>	<u>2</u>

Remuneration of the highest paid director in respect of qualifying services:

	2018	2017
	£	£
Aggregate remuneration	1,422,042	484,990
Group contributions to defined contribution pension plans	–	9,999
	<u>1,422,042</u>	<u>494,989</u>

#### 10. REMUNERATION OF KEY MANAGEMENT PERSONNEL

Only the directors of the company are considered to be key management personnel, their remuneration is disclosed within note 9.

# HAMPDEN HOLDINGS LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

### YEAR ENDED 31 DECEMBER 2018

#### 11. INCOME FROM INTERESTS IN ASSOCIATES

	2018	2017
	£	£
Investment income - share of associated company results	<u>237,764</u>	<u>138,483</u>

#### 12. INCOME FROM OTHER FIXED ASSET INVESTMENTS

	2018	2017
	£	£
Investment income - bonds	24,780	222,250
Investment income - equities	(50,445)	120,750
Income from other fixed asset investments	<u>325,393</u>	<u>578,356</u>
	<u>299,728</u>	<u>921,356</u>

#### 13. OTHER INTEREST RECEIVABLE AND SIMILAR INCOME

	2018	2017
	£	£
Interest on loans and receivables	387,862	101,700
Corporation tax interest	2,544	—
Interest on cash and cash equivalents	<u>72,090</u>	<u>62,485</u>
	<u>462,496</u>	<u>164,185</u>

#### 14. INTEREST PAYABLE AND SIMILAR CHARGES

	2018	2017
	£	£
Interest on banks loans and overdrafts	98,585	34,720
Other interest payable and similar charges	336,964	265,987
Loss on financial instruments	81,305	369,009
Allocated investment return transferred to non-life insurance	<u>143,865</u>	<u>157,133</u>
	<u>660,719</u>	<u>826,849</u>

# HAMPDEN HOLDINGS LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

### YEAR ENDED 31 DECEMBER 2018

#### 15. TAX ON LOSS

##### Major components of tax expense

	2018 £	2017 £
<b>Current tax:</b>		
UK current tax expense	(337,441)	(236,407)
Adjustments in respect of prior periods	67,630	24,690
Total UK current tax	(269,811)	(211,717)
Foreign current tax expense	89,306	(174,493)
Total current tax	(180,505)	(386,210)
<b>Deferred tax:</b>		
Origination and reversal of timing differences	(762,551)	182,872
<b>Tax on loss</b>	<b>(943,056)</b>	<b>(203,338)</b>

##### Tax recognised as other comprehensive income or equity

The aggregate current and deferred tax relating to items recognised as other comprehensive income or equity for the year was £nil (2017: £55,918).

##### Reconciliation of tax expense

The tax assessed on the loss on for the year is higher than (2017: higher than) the standard rate of corporation tax in the UK of 19% (2017: 19.25%).

	2018 £	2017 £
Loss before taxation	(5,606,872)	(1,064,235)
Loss by rate of tax	(1,065,306)	(204,864)
Effect of expenses not deductible for tax purposes	1,524,292	1,420,646
Effect of capital allowances and depreciation	23,560	14,095
Effect of revenue exempt from tax	(828,939)	(1,042,496)
Adjustments to tax charge in respect of previous periods	74,385	(294,335)
Other timing differences	2,197	(104,763)
Foreign tax	89,306	(174,493)
Changes in deferred tax at future rate of 19% (2017: 19%)	(762,551)	182,872
<b>Tax on loss</b>	<b>(943,056)</b>	<b>(203,338)</b>



# HAMPDEN HOLDINGS LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

### YEAR ENDED 31 DECEMBER 2018

#### 15. TAX ON LOSS *(continued)*

##### Factors that may affect future tax charge

The decrease in the standard rate of corporation tax is caused by the impact of the reductions in the UK tax rate as follows:

From 1 April 2015 to 31 March 2017	20%
From 1 April 2017 to 31 March 2020	19%

Finance Act 2016 reduced the main rate of corporation tax to 17% with effect from 1 April 2020. As a result of the change, the relevant deferred tax balances have been measured using the effective rate of 19% that will apply in the UK.

#### 16. PROFIT FOR THE YEAR OF THE PARENT COMPANY

The profit for the financial year of the parent company was £2,406,402 (2017: £3,720,610).

#### 17. DIVIDENDS

	2018 £	2017 £
Dividends paid during the year on equity shares	—	142,652

#### 18. INTANGIBLE ASSETS

Group	Positive Goodwill £	Negative Goodwill £	Other (see below)	Total £
<b>COST</b>				
At 1 Jan 2018	17,975,444	(12,126,375)	—	5,849,069
Additions	73,895	—	929,860	1,003,755
Acquisition on subsidiary undertakings	3,300,000	—	10,154	3,310,154
Reclassification	(1,238,744)	—	1,238,744	—
Disposals	(26,709)	—	(1,377)	(28,086)
Revaluations	—	—	759,080	759,080
<b>At 31 Dec 2018</b>	<b>20,083,886</b>	<b>(12,126,375)</b>	<b>2,936,461</b>	<b>10,893,972</b>
<b>AMORTISATION</b>				
At 1 Jan 2018	16,963,036	(12,126,375)	—	4,836,661
Reclassification	(788,247)	—	788,247	—
Charge for the year	1,050,943	—	468,585	1,519,528
Disposals	(26,710)	—	(1,377)	(28,087)
<b>At 31 Dec 2018</b>	<b>17,199,022</b>	<b>(12,126,375)</b>	<b>1,255,455</b>	<b>6,328,102</b>
<b>IMPAIRMENT</b>				
At 1 Jan 2018	—	—	—	—
Charge for the year	2,640,000	—	1,250,000	3,890,000
<b>At 31 Dec 2018</b>	<b>2,640,000</b>	<b>—</b>	<b>1,250,000</b>	<b>3,890,000</b>
<b>NET BOOK VALUE</b>				
At 31 Dec 2018	244,864	—	431,006	675,870
At 31 Dec 2017	1,012,408	—	—	1,012,408

# HAMPDEN HOLDINGS LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

### YEAR ENDED 31 DECEMBER 2018

#### 18. INTANGIBLE ASSETS *(continued)*

Group	Purchased Syndicate Capacity	Development expenditure £	Intellectual property rights £	Total £
<b>COST</b>				
At 1 Jan 2018	—	—	—	—
Additions	196,808	242,132	490,920	929,860
Acquisition on subsidiary undertakings	10,154	—	—	10,154
Reclassification	—	1,238,744	—	1,238,744
Disposals	(1,377)	—	—	(1,377)
Revaluations	—	—	759,080	759,080
<b>At 31 Dec 2018</b>	<b>205,585</b>	<b>1,480,876</b>	<b>1,250,000</b>	<b>2,936,461</b>
<b>AMORTISATION</b>				
At 1 Jan 2018	—	—	—	—
Reclassification	—	788,247	—	788,247
Charge for the year	170,732	297,853	—	468,585
Disposals	(1,377)	—	—	(1,377)
<b>At 31 Dec 2018</b>	<b>169,355</b>	<b>1,086,100</b>	<b>—</b>	<b>1,255,455</b>
<b>IMPAIRMENT</b>				
At 1 Jan 2018	—	—	—	—
Charge for the year	—	—	1,250,000	1,250,000
<b>At 31 Dec 2018</b>	<b>—</b>	<b>—</b>	<b>1,250,000</b>	<b>1,250,000</b>
<b>NET BOOK VALUE</b>				
<b>At 31 Dec 2018</b>	<b>36,230</b>	<b>394,776</b>	<b>—</b>	<b>431,006</b>
At 31 Dec 2017	—	—	—	—

On 18 December 2018 Metis Partners Limited undertook a desktop valuation of the group's intellectual property.

#### Company

The company has no intangible assets.

# HAMPDEN HOLDINGS LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

### YEAR ENDED 31 DECEMBER 2018

#### 19. TANGIBLE ASSETS

<i>Group</i>	Leasehold land & buildings £	Investment property £	Other (see below) £	Total £
<b>COST</b>				
At 1 Jan 2018	1,392,580	23,754,510	5,053,609	30,200,699
Additions	3,932	209,165	654,207	867,304
Disposals	–	(274,634)	(96,434)	(371,068)
Exchange differences	–	–	7,781	7,781
Revaluations	–	(903,855)	341,297	(562,558)
<b>At 31 Dec 2018</b>	<b>1,396,512</b>	<b>22,785,186</b>	<b>5,960,460</b>	<b>30,142,158</b>
<b>DEPRECIATION</b>				
At 1 Jan 2018	851,561	–	3,593,076	4,444,637
Charge for the year	111,622	–	521,905	633,527
Disposals	–	–	(80,893)	(80,893)
Exchange differences	–	–	7,318	7,318
<b>At 31 Dec 2018</b>	<b>963,183</b>	<b>–</b>	<b>4,041,406</b>	<b>5,004,589</b>
<b>IMPAIRMENT</b>				
At 1 Jan 2018	–	–	–	–
Charge for the year	–	274,634	–	274,634
Disposals	–	(274,634)	–	(274,634)
<b>At 31 Dec 2018</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>At 31 Dec 2018</b>	<b>433,329</b>	<b>22,785,186</b>	<b>1,919,054</b>	<b>25,137,569</b>
At 31 Dec 2017	541,019	23,754,510	1,460,533	25,756,062

# HAMPDEN HOLDINGS LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

### YEAR ENDED 31 DECEMBER 2018

#### 19. TANGIBLE ASSETS *(continued)*

Group	Artwork £	Computer equipment & programs £	Furniture, fixtures & equipment £	Motor vehicles £	Total £
<b>COST</b>					
At 1 Jan 2018	234,217	3,016,296	1,521,565	281,531	5,053,609
Additions	6,425	159,461	475,628	12,693	654,207
Disposals	–	(10,043)	(51,787)	(34,604)	(96,434)
Exchange differences	–	2,456	3,444	1,881	7,781
Revaluations	–	–	341,297	–	341,297
<b>At 31 Dec 2018</b>	<b>240,642</b>	<b>3,168,170</b>	<b>2,290,147</b>	<b>261,501</b>	<b>5,960,460</b>
<b>DEPRECIATION</b>					
At 1 Jan 2018	–	2,432,451	964,911	195,714	3,593,076
Charge for the year	–	196,238	282,241	43,426	521,905
Disposals	–	(9,543)	(51,606)	(19,744)	(80,893)
Exchange differences	–	2,150	3,407	1,761	7,318
<b>At 31 Dec 2018</b>	<b>–</b>	<b>2,621,296</b>	<b>1,198,953</b>	<b>221,157</b>	<b>4,041,406</b>
<b>NET BOOK VALUE</b>					
<b>At 31 Dec 2018</b>	<b>240,642</b>	<b>546,874</b>	<b>1,091,194</b>	<b>40,344</b>	<b>1,919,054</b>
At 31 Dec 2017	234,217	583,845	556,654	85,817	1,460,533

# HAMPDEN HOLDINGS LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

### YEAR ENDED 31 DECEMBER 2018

#### 19. TANGIBLE ASSETS *(continued)*

##### Company

	Investment property £	Total £
<b>COST</b>		
At 1 Jan 2018	256,755	256,755
Additions	17,879	17,879
Disposals	(274,634)	(274,634)
<b>At 31 Dec 2018</b>	<u>—</u>	<u>—</u>
<b>IMPAIRMENT</b>		
At 1 Jan 2018	—	—
Impairment	274,634	274,634
Eliminated on disposals	(274,634)	(274,634)
<b>At 31 Dec 2018</b>	<u>—</u>	<u>—</u>
<b>NET BOOK VALUE</b>		
At 31 Dec 2018	<u>—</u>	<u>—</u>
At 31 Dec 2017	<u>256,755</u>	<u>256,755</u>

Included within the above is investment property as follows:

	Group £	Company £
At 1 Jan 2018	23,754,510	256,755
Additions	209,165	17,879
Disposals	(274,634)	(274,634)
Exchange differences	48,591	—
Revaluations	(952,446)	—
Impairment	(274,634)	(274,634)
Eliminated on disposal	274,634	274,634
<b>At 31 Dec 2018</b>	<u>22,785,186</u>	<u>—</u>

If investment property had not been revalued they would have been included at the following historical cost:

	Group		Company	
	2018 £	2017 £	2018 £	2017 £
Cost	<u>14,012,339</u>	<u>13,994,460</u>	<u>—</u>	<u>—</u>

# HAMPDEN HOLDINGS LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

### YEAR ENDED 31 DECEMBER 2018

#### 20. FIXED ASSET INVESTMENTS

Group	Loans £	Associated companies £	Bonds with credit institutions £	Equity and other investments £	Total £
<b>SHARE OF NET ASSETS/COST</b>					
At 1 Jan 2018	2,505,737	1,148,791	26,222,917	17,992,162	47,869,607
Additions	67,034	53,084	6,114,833	1,206,849	7,441,800
Acquisition of subsidiary undertaking	—	—	—	330,478	330,478
Reclassification	2,002,810	193,965	(5,052,460)	2,855,685	—
Disposals	(453,660)	(1,160,951)	(2,127,625)	(1,418,840)	(5,161,076)
Revaluations	(51)	(7,236)	(107,057)	(1,433,675)	(1,548,019)
<b>At 31 Dec 2018</b>	<b>4,121,870</b>	<b>227,653</b>	<b>25,050,608</b>	<b>19,532,659</b>	<b>48,932,790</b>
<b>IMPAIRMENT</b>					
At 1 Jan 2018	—	—	—	—	—
Additions	(598,875)	—	—	—	(598,875)
<b>At 31 Dec 2018</b>	<b>(598,875)</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>(598,875)</b>
<b>NET BOOK VALUE</b>					
<b>At 31 Dec 2018</b>	<b>3,522,995</b>	<b>227,653</b>	<b>25,050,608</b>	<b>19,532,659</b>	<b>48,333,915</b>
At 31 Dec 2017	2,505,737	1,148,791	26,222,917	17,992,162	47,869,607

#### Listed investments

Listed investments held by the group had a market value of £32,389,872 (2017 - £31,207,935) and are included within equity and other investments and bonds with credit institutions above.

Company	Loans £	Shares in group undertakings £	Bonds with credit institutions £	Equity and other investments £	Total £
<b>COST</b>					
At 1 Jan 2018	195,000	16,678,038	4,945,735	101,909	21,920,682
Additions	—	41,764	98,869	90,876	231,509
Disposals	(195,000)	—	—	—	(195,000)
<b>At 31 Dec 2018</b>	<b>—</b>	<b>16,719,802</b>	<b>5,044,604</b>	<b>192,785</b>	<b>21,957,191</b>
<b>IMPAIRMENT</b>					
At 1 Jan 2018 and 31 Dec 2018	—	—	—	—	—
<b>NET BOOK VALUE</b>					
<b>At 31 Dec 2018</b>	<b>—</b>	<b>16,719,802</b>	<b>5,044,604</b>	<b>192,785</b>	<b>21,957,191</b>
At 31 Dec 2017	195,000	16,678,038	4,945,735	101,909	21,920,682

#### Subsidiaries, associates and other investments

Details in respect of group undertakings can be found within note 48 of the accounts.

# HAMPDEN HOLDINGS LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

### YEAR ENDED 31 DECEMBER 2018

#### 21. STOCK

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Raw materials and consumables	<u>123,340</u>	<u>15,586</u>	<u>-</u>	<u>-</u>

The amount of stock recognised as an expense in cost of sales during the year is as follows:

	2018	2017
	£	£
Carrying amounts of stock sold	<u>1,650,007</u>	<u>62,127</u>

#### 22. DEBTORS

Debtors falling due within one year are as follows:

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Trade debtors	2,985,517	875,987	-	-
Insurance debtors	25,871,148	2,083,069	-	-
Amounts owed by group undertakings	-	-	5,481,971	9,611,849
Amounts owed by undertakings in which the company has a participating interest	534,797	508,507	-	-
Prepayments and accrued income	12,016,802	12,921,815	353	-
Directors loan accounts	37,004	543,072	4,428	527,039
Amounts recoverable on contracts	1,106,721	112,019	-	-
Corporation tax recoverable	104,340	170,185	103,696	169,548
Deferred tax asset	386,353	-	-	-
Other debtors	4,645,309	3,693,576	629,114	518,348
	<u>47,687,991</u>	<u>20,908,230</u>	<u>6,219,562</u>	<u>10,826,784</u>

Debtors falling due after one year are as follows:

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Amounts owed by group undertakings	-	-	6,323,956	4,507,347
Prepayments and accrued income	40,000	238,488	-	-
Other debtors	7,570,651	2,415,578	2,220,956	-
Insurance debtors	16,787,281	-	-	-
	<u>24,397,932</u>	<u>2,654,066</u>	<u>8,544,912</u>	<u>4,507,347</u>

# HAMPDEN HOLDINGS LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 DECEMBER 2018

### 23. CURRENT ASSET INVESTMENTS

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Cash deposits	<u>20,610,864</u>	<u>23,489,290</u>	<u>-</u>	<u>-</u>

### 24. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise the following:

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Cash at bank and in hand	<u>18,045,771</u>	<u>14,943,240</u>	<u>1,685,841</u>	<u>259,432</u>

### 25. FINANCIAL INSTRUMENTS

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
<b>Carrying amount of financial assets</b>				
Debt instruments measured at amortised cost	<u>35,053,074</u>	<u>6,648,075</u>	<u>2,180,214</u>	<u>518,348</u>
<b>Carrying amount of financial liabilities</b>				
Measured at amortised cost	<u>28,267,161</u>	<u>21,077,416</u>	<u>449,546</u>	<u>1,393,698</u>

### 26. CREDITORS: Amounts falling due within one year

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Bank loans and overdrafts	6,942,363	420,000	-	-
Trade creditors	1,026,924	1,017,381	755	24,368
Insurance creditors	9,274,823	3,451,323	-	-
Amounts owed to group undertakings	-	-	3,958,123	5,392,975
Accruals and deferred income	7,249,428	10,474,326	149,635	1,369,034
Corporation tax	1,445,627	190,242	534,340	-
Social security and other taxes	1,324,673	802,752	3,330	-
Other creditors	7,139,824	2,297,742	299,156	296
	<u>34,403,662</u>	<u>18,653,766</u>	<u>4,945,339</u>	<u>6,786,673</u>

The following liabilities disclosed under creditors falling due within one year are secured by the group:

	2018	2017	2018	2017
	£	£	£	£
Bank loans and overdrafts	<u>420,000</u>	<u>420,000</u>	<u>-</u>	<u>-</u>



# HAMPDEN HOLDINGS LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

### YEAR ENDED 31 DECEMBER 2018

#### 27. CREDITORS: Amounts falling due after more than one year

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Bank loans and overdrafts	600,000	7,336,416	–	–
Other loans	25,000	–	–	–
Other creditors (note 28)	3,828,000	2,328,000	–	–
Accruals and deferred income	3,576,162	3,836,643	–	–
	<u>8,029,162</u>	<u>13,501,059</u>	<u>–</u>	<u>–</u>

Within a subsidiary company, ArchOver SPV 10 Limited, the company entered into an arrangement with a funder to borrow £3,828,000 and lend the funds over the ArchOver platform. Under the legal agreement executed, the funder has agreed that the group will not be liable for any default by the borrowers over the platform, which total £3,900,000. Due to the legal substance of the agreement, the amounts are presented in the group accounts as a gross debtor and creditor to represent the underlying nature of the transaction.

The interest rate applicable to the mortgage is 2.25% above LIBOR rate which is repayable over 18 years.

There is no interest payable on trade creditors. Trade creditors will have been paid within 12 months of the year end.

Other loans are chargeable to interest at a rate of 4% per annum.

There is no interest payable on accruals. Accruals and deferred income are payable over 3 years.

#### 28. SECURED DEBTS

The following secured debts are included within creditors:

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Bank loans and overdrafts (note 26)	607,819	7,336,416	–	–
Other creditors (note 27)	3,828,000	2,328,000	–	–
Hire purchase contracts (note 29)	22,787	–	–	–
	<u>4,458,606</u>	<u>9,664,416</u>	<u>–</u>	<u>–</u>

A debenture amounting to £3,828,000 has been secured by a fixed and floating charge over the assets of ArchOver SPV 10 Limited. Additional security has been provided by ArchOver Limited by the way of a fixed charge over its 100% holding in ArchOver SPV 10 Limited.

# HAMPDEN HOLDINGS LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

### YEAR ENDED 31 DECEMBER 2018

#### 29. OBLIGATIONS UNDER FINANCE LEASES

	2018 £	2017 £
Expiring within one year	22,787	9,504
Expiring within one and five years	—	—
	<u>22,787</u>	<u>9,504</u>

Finance leases relate to leases in respect of plant and machinery equipment

#### 30. DEFERRED TAX

The deferred tax included in the statement of financial position is as follows:

	Group		Company	
	2018 £	2017 £	2018 £	2017 £
Included in provisions (note 31)	—	(817,539)	—	—
Included in debtors (note 22)	<u>386,353</u>	<u>—</u>	<u>—</u>	<u>—</u>

The deferred tax account consists of the tax effect of timing differences in respect of:

	Group		Company	
	2018 £	2017 £	2018 £	2017 £
Accelerated capital allowances	20,521	10,916	—	—
Other timing differences	129,529	(54,537)	—	—
Unused tax losses	1,409,574	1,038,208	—	—
Deferred tax on investment property	<u>(1,173,271)</u>	<u>(1,812,126)</u>	<u>—</u>	<u>—</u>
	<u>386,353</u>	<u>(817,539)</u>	<u>—</u>	<u>—</u>

#### 31. PROVISIONS

Group	Provision for		Insurance technical provision £	Total £
	Deferred tax £	run-off costs £		
At 1 January 2018	817,539	593,760	30,652,059	32,063,358
Reclassification of insurance debtors	—	—	21,809,372	21,809,372
Additions	—	—	2,111,254	2,111,254
Movement for the year	(1,203,892)	—	25,216,385	24,012,493
Transferred to debtors	386,353	—	—	386,353
Claims paid	—	—	(284,326)	(284,326)
Currency translation differences	—	—	484,728	484,728
Claims incurred	—	—	(5,302,690)	(5,302,690)
At 31 December 2018	<u>—</u>	<u>593,760</u>	<u>74,686,782</u>	<u>75,280,542</u>
Company	Provision		Total £	Total £
	against inter- company balances £	£		
At 1 January 2018	3,380,029	3,380,029		
Additions	344,570	344,570		
At 31 December 2018	<u>3,724,599</u>	<u>3,724,599</u>		

# HAMPDEN HOLDINGS LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

### YEAR ENDED 31 DECEMBER 2018

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#### 32. CONTINGENCIES

Disputes arise from time to time between the company and individual Members of Lloyd's and their advisers, in the ordinary course of business. Disputes have arisen this year but no material costs to the company have resulted and, therefore, the directors believe that no provision in respect of such matters is required in the financial statements for the year ended 31 December 2018.

Unitbirwelco Limited, Unit Engineers & Constructors Limited, and Unit Superheater Engineering Limited have entered into an agreement in which each participating company has guaranteed a loan of £4,799,000 made to Unitbirwelco (Group) Limited. As detailed in note 48, Unitbirwelco (Group) Limited is a subsidiary held for sale, and therefore excluded from the consolidation.

#### 33. EMPLOYEE BENEFITS

##### Defined contribution plans

The group makes contributions to several defined contribution pension schemes. The assets of these schemes are held separately from those of the company in independently administered funds. The pension cost charge represents contributions payable by the group to the funds and amounted to £911,227 (2017 - £915,497), there were no contributions outstanding at the year end in either the current or prior year.

#### 34. CALLED UP SHARE CAPITAL

##### Authorised share capital

	2018		2017	
	No	£	No	£
Ordinary shares of £1 each	<u>10,000,000</u>	<u>10,000,000</u>	<u>10,000,000</u>	<u>10,000,000</u>

##### Issued, called up and fully paid

	2018		2017	
	No	£	No	£
Ordinary shares of £1 each	<u>1,800,893</u>	<u>1,800,893</u>	<u>1,800,893</u>	<u>1,800,893</u>

#### 35. RESERVES

Called-up share capital – This represents the nominal value of shares that have been issued.

Revaluation reserve – This reserve records the value of asset revaluations movements on assets recognised in other comprehensive income.

Capital redemption reserve – This reserve records the nominal value of shares repurchased by the company.

Profit and loss account – This distributable reserve records retained earnings and accumulated losses.

Fair value reserve – This reserve records the fair value movements on assets recognised in other comprehensive income.

Other reserves – This reserve records the discounting on group loans provided to subsidiary undertakings

# HAMPDEN HOLDINGS LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

### YEAR ENDED 31 DECEMBER 2018

#### 36. CAPITAL MANAGEMENT REQUIREMENTS

The objective of the insurance companies of the group regarding capital management is to maintain a capital base that is structured and sufficiently diverse to hedge against the various risks facing the insurance companies within the group. Funds are held in accordance with the provisions of the local regulatory authorities.

The capital structure of the insurance companies within the group consists of equity attributable to the shareholders and is composed of issued share capital, revaluation reserve and retained earnings as presented in the Group's statement of financial position.

#### 37. FINANCIAL RISK MANAGEMENT REQUIREMENTS

The fundamental financial risks which affect the Group on an on-going basis include liquidity risk, market risk which is inherent in the economy in which the Group operates (for example interest rate risk and foreign exchange risk) and credit risk.

##### (a) Fair value

The following table presents the fair values and carrying amounts of financial assets and liabilities:

	2018	2018	2017	2017
	Fair value	Carrying	Fair value	Carrying
	£	value	£	value
		£		£
<b>Financial assets measured at cost or amortised cost</b>				
Intangible assets	36,230	36,230	35,921	35,921
Investments	29,814,264	29,814,264	27,365,688	27,365,688
Deposits	8,575,399	8,575,399	4,085,443	4,085,443
Cash and cash equivalents	18,945,641	18,945,641	22,000,892	22,000,892
Amounts due from group undertakings	3,022,290	3,022,290	3,015,266	3,015,266
Insurance debtors	26,321,915	26,321,915	3,494,894	3,494,894
Other debtors	9,447,341	9,447,341	3,100,344	3,100,344
	<u>96,163,080</u>	<u>96,163,080</u>	<u>63,098,448</u>	<u>63,098,448</u>
<b>Financial liabilities measured at cost or amortised cost</b>				
Technical reserves	58,820,504	58,820,504	33,710,340	33,710,340
Insurance creditors	4,981,526	4,981,526	3,822,141	3,822,141
Amounts due to credit institutions	4,296,714	4,296,714	6,500	6,500
Other creditors	2,333,983	2,333,983	1,906,639	1,906,639
	<u>70,432,727</u>	<u>70,432,727</u>	<u>39,445,620</u>	<u>39,445,620</u>

##### Fair value hierarchy

The Company analyses financial instruments carried at fair value by valuation method. The different levels have been defined as follows:

- Level 1: assets and liabilities quoted in active markets where a fair value is readily available
- Level 2: derivatives where the fair value is determined based on techniques for which all significant inputs are observable, either directly or indirectly.
- Level 3: inputs for the asset or liability that are not based on observable market data, for example financial guarantee contracts.

# HAMPDEN HOLDINGS LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

### YEAR ENDED 31 DECEMBER 2018

#### 37. FINANCIAL RISK MANAGEMENT REQUIREMENTS *(continued)*

The fair value of financial assets and financial liabilities (not carried at fair value) equates the carrying amount as reflected in the statement of financial position and notes thereto. The fair values of these financial assets and liabilities are determined as follows:

- The fair value of financial assets and financial liabilities with standard terms and conditions traded on active liquid markets are determined with reference to quoted market prices.
- The fair value of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market conditions.

#### (b) Liquidity risk

The Members have ultimate responsibility for liquidity risk management in maintaining adequate reserves. They do this by continually monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The following table details the remaining contractual maturities at the end of the reporting date. Amounts are based on undiscounted cash flows and the earliest date the insurance companies within the group can be required to pay:

	2018				
	Carrying amount £	Within 1 year or on demand £	More than 1 year but less than 2 years £	More than 2 years but less than 5 years £	More than 5 years £
<b>Assets</b>					
Intangible assets	36,230	—	—	—	36,230
Investments	29,814,264	5,864,251	3,736,416	8,218,542	11,995,055
Deposits	8,575,399	8,575,399	—	—	—
Cash and cash equivalents	18,945,641	18,945,641	—	—	—
Insurance debtors	26,321,915	26,204,518	—	—	117,397
Amounts owed by group undertakings	3,022,290	3,022,290	—	—	—
Other debtors	9,447,341	9,447,341	—	—	—
	<u>96,163,080</u>	<u>72,059,440</u>	<u>3,736,416</u>	<u>8,218,542</u>	<u>12,148,682</u>
<b>Liabilities</b>					
Insurance creditors	4,981,526	4,981,526	—	—	—
Amounts owed to credit institutions	4,296,714	4,296,714	—	—	—
Other creditors	2,333,983	2,333,983	—	—	—
	<u>11,612,223</u>	<u>11,612,223</u>	<u>—</u>	<u>—</u>	<u>—</u>
<b>Technical provisions</b>					
Claims provision	58,820,504	8,017,902	10,581,451	18,049,146	22,172,005
	<u>70,432,727</u>	<u>19,630,125</u>	<u>10,581,451</u>	<u>18,049,146</u>	<u>22,172,005</u>

# HAMPDEN HOLDINGS LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 DECEMBER 2018

### 37. FINANCIAL RISK MANAGEMENT REQUIREMENTS *(continued)*

	2017				
	Carrying amount £	Within 1 year or on demand £	More than 1 year but less than 2 years £	More than 2 years but less than 5 years £	More than 2 years but less than 5 years £
<b>Assets</b>					
Intangible assets	35,921	—	—	—	35,921
Investments	27,365,688	5,267,909	1,007,533	6,578,600	14,511,646
Deposits	4,085,443	2,752,398	1,333,045	—	—
Cash and cash equivalents	22,000,892	22,000,892	—	—	—
Insurance debtors	3,494,894	3,367,918	—	—	126,976
Amounts owed by group undertakings	3,015,266	3,015,266	—	—	—
Other debtors	3,100,344	3,100,344	—	—	—
	<u>63,098,448</u>	<u>39,504,727</u>	<u>2,340,578</u>	<u>6,578,600</u>	<u>14,674,543</u>
<b>Liabilities</b>					
Insurance creditors	3,822,141	3,822,141	—	—	—
Amounts owed to credit institutions	6,500	6,500	—	—	—
Other creditors	1,906,639	1,096,639	—	—	—
	<u>5,735,280</u>	<u>5,735,280</u>	<u>—</u>	<u>—</u>	<u>—</u>
<b>Technical provisions</b>					
Claims provision	33,710,340	2,826,858	2,428,415	6,670,125	21,784,942
	<u>39,445,620</u>	<u>8,562,138</u>	<u>2,428,415</u>	<u>6,670,125</u>	<u>21,784,942</u>

#### (c) Market risk

Market risk is the risk resulting from the fluctuation in the values of assets and liabilities attributable to the movement in market factors such as foreign exchange rates and interest rates. The insurance companies within the group attempt to mitigate these risks by holding a diverse portfolio of cash and cash equivalents in a range of current and deposit accounts in line with their risk appetite.

# HAMPDEN HOLDINGS LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 DECEMBER 2018

### 37. FINANCIAL RISK MANAGEMENT REQUIREMENTS *(continued)*

The Board has overall responsibility for the establishment and oversight of the insurance companies within the group's risk management framework.

The insurance companies within the group's risk management policies are established to identify and analyse the risks faced by them, to set appropriate risk limits and controls, and to monitor risks and adhere to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the activities of the insurance companies within the group.

#### i) Foreign exchange risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The exposure of the group of insurance companies to foreign exchange risk relates primarily to the undertaking of transactions and the holding of assets and liabilities in foreign currencies.

#### ii) Interest rate risk

Interest rate risk is the risk that future cash flows of a financial instrument will fluctuate due to changes in market interest rates.

The insurance companies within the group are exposed to interest rate risk as it is part of the capital management policy of the insurance companies within the group to hold funds in a variety of current and deposit accounts.

The Company does not use any derivative instruments to reduce its economic exposure to changes in interest rates.

#### iii) Sensitivity analysis

Details regarding the sensitivity of each market risk in isolation are summarised in the following table:

	2018			2017		
	Appreciation of Euro (+5%)	Appreciation of US Dollar (+5%)	Appreciation of Canadian Dollar (+5%)	Appreciation of Euro (+5%)	Appreciation of US Dollar (+5%)	Appreciation of Canadian Dollar (+5%)
<b>Impact on profit before tax (£)</b>						
Gross of reinsurance	1,051,609	477,420	17,128	984,747	814,459	16,187
Net of reinsurance	1,035,434	32,607	12,935	968,778	50,309	8,972
<b>Impact on shareholders' equity before tax (£)</b>						
Gross of reinsurance	1,051,609	477,420	17,128	984,747	814,459	16,187
Net of reinsurance	1,035,434	32,607	12,935	968,778	50,309	8,972

The sensitivity analysis above has been determined assuming that the change in exchange rates had occurred at the end of reporting date and had been applied to the exposure to the foreign exchange risk for financial instruments in existence at that date.

# HAMPDEN HOLDINGS LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

### YEAR ENDED 31 DECEMBER 2018

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#### 37. FINANCIAL RISK MANAGEMENT REQUIREMENTS *(continued)*

##### iv) Segmental analysis

The insurance companies within the group operate for the majority in one insured event, being casualty business, and in one geographical area, being the European Union. As a result, no segmental analysis has been presented.

##### (d) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument leading to a financial loss. The Company is exposed to credit risk from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

##### (e) Operational risk

Supervision and control of operational risks ensures robust business processes. Operational risk can lead to financial loss but also to non-financial loss in the form of lost data, idle time or personal impact. Effective operational risk management includes supporting general management with raising operational risk and loss transparency, improving early warning information, action-tracking and follow-up. This should improve the business processes, lower operational risk costs and ultimately also lowers economic capital which needs to be allocated to operational risk.

##### (f) Syndicate risk

The activities of the syndicates within the Namecos expose the Namecos and the group to a variety of financial and non-financial risks. The managing agent is responsible for managing the syndicate's exposure to these risks and, where possible, introducing controls and procedures that mitigate the effects of the exposure to risk. Each year, the managing agent prepares a Lloyd's Capital Return ("LCR") for the syndicate, the purpose of this being to agree capital requirements with Lloyd's based on an agreed assessment of the risks impacting the syndicate's business, and the measures in place to manage and mitigate those risks from a quantitative and qualitative perspective. The risks described are typically reflected in the LCR, and, often, the majority of the total assessed value of the risks concerned is attributable to insurance risk.

##### i) Insurance risk

The insurance risks faced by a syndicate includes the occurrence of catastrophic events, downward pressure on pricing of risks, reductions in business volumes and the risk of inadequate reserving. Reinsurance risks arise from the risk that a reinsurer fails to meet their share of a claim. The management of the syndicate's funds is exposed to risks of investment, liquidity, currency and interest rates leading to financial loss. The syndicate is also exposed to regulatory and operational risks including its ability to continue to trade. However, supervision by Lloyd's provides additional controls over the syndicate's management of risks.

The Group manages the risks faced by the syndicates on which it participates by monitoring the performance of the syndicates it supports. This commences in advance of committing to support a syndicate for the following year, with a review of the business plan prepared for each syndicate by its managing agent. In addition, quarterly reports and annual accounts together with any other information made available by the managing agent are monitored and if necessary enquired into. If the Company considers that the risks being run by the syndicate are excessive it will seek confirmation from the managing agent that adequate management of the risk is in place and, if considered appropriate will withdraw support from the next underwriting year. The Company relies on advice provided by the members' agent which acts for it, who are specialists in assessing the performance and risk profiles of syndicates. Each Nameco and the group as a whole mitigate its insurance risks by spreading and participating across several syndicates.

As part of this review process the group considers credit risk and more specifically the credit ratings, due dates and impairments to all syndicate assets emerging directly from insurance activities as follows:

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# HAMPDEN HOLDINGS LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

### YEAR ENDED 31 DECEMBER 2018

#### 37. FINANCIAL RISK MANAGEMENT REQUIREMENTS *(continued)*

2018	AAA	AA	A	BBB or lower	Not rated	Total
	£	£	£	£	£	£
Financial investments	304,338	357,426	1,620,203	154,336	188,414	2,624,717
Deposits with ceding undertakings	—	—	—	—	135	135
Reinsurers share of claims outstanding	32,511	137,781	1,643,155	499	68,275	1,882,221
Reinsurance debtors	775	5,053	29,918	—	11,699	47,445
Cash at bank and in hand	470	2,250	4,294,772	9,605	11,912	4,319,009
	338,094	502,510	7,588,048	164,440	280,435	8,873,527

2017	AAA	AA	A	BBB or lower	Not rated	Total
	£	£	£	£	£	£
Financial investments	267,539	366,966	385,766	156,627	196,639	1,373,537
Deposits with ceding undertakings	—	—	—	—	114	114
Reinsurers share of claims outstanding	1,294	164,951	424,453	16,547	62,472	669,717
Reinsurance debtors	5	3,803	18,675	385	4,983	27,851
Cash at bank and in hand	14,793	3,618	35,006	15,196	652	69,265
	283,631	539,338	863,900	188,755	264,860	2,140,484

2018	Neither past due nor impaired	Past due but not impaired			Impaired	Total
		Less than 6 months	Between 6 months and 1 year	Greater than 1 year		
	£	£	£	£	£	£
Financial investments	2,618,285	—	—	—	—	2,618,285
Deposits with ceding undertakings	125	—	—	—	—	125
Reinsurers share of claims outstanding	1,884,141	2,794	—	—	(151)	1,886,784
Reinsurance debtors	41,001	17,361	683	746	(10)	59,781
Cash at bank and in hand	4,316,322	—	—	—	—	4,316,322
Insurance and other debtors	26,594,341	33,820	5,701	7,616	(197)	26,641,281
	35,454,215	53,975	6,384	8,362	(358)	35,522,578

2017	Neither past due nor impaired	Past due but not impaired			Impaired	Total
		Less than 6 months	Between 6 months and 1 year	Greater than 1 year		
	£	£	£	£	£	£
Financial investments	1,373,537	—	—	—	—	1,373,537
Deposits with ceding undertakings	114	—	—	—	—	114
Reinsurers share of claims outstanding	669,717	3,618	—	—	(201)	673,134
Reinsurance debtors	27,851	11,189	1,082	927	(12)	41,037
Cash at bank and in hand	69,265	—	—	—	—	69,265
Insurance and other debtors	1,160,450	30,691	7,856	11,626	(200)	1,210,423
	3,300,934	45,498	8,938	12,553	(413)	3,367,510

Details in respect of assets and liabilities held on behalf of the syndicates are detailed in note 40.

# HAMPDEN HOLDINGS LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

### YEAR ENDED 31 DECEMBER 2018

#### 38. CLAIMS DEVELOPMENT MATRIX

The following matrix demonstrates how the development of claims, on a gross of reinsurance basis, has progressed over the past 10 years.

Year	Paid claim movement £'000	Cumulative paid claims £'000	Provision for claims at the year end £'000	Gross ultimate losses £'000
Brought forward	—	—	66,943	66,943
2007	1,567	1,567	61,959	63,526
2008	2,638	4,205	82,694	86,899
2009	1,205	5,410	76,595	82,005
2010	1,230	6,640	38,153	44,793
2011	1,193	7,833	37,740	45,573
2012	1,293	9,126	43,581	52,707
2013	4,127	13,253	51,069	64,322
2014	3,342	16,595	50,373	66,968
2015	4,794	21,389	59,954	81,343
2016	5,306	26,695	59,995	86,690
2017	7,106	33,801	53,970	87,771
2018	7,661	41,462	55,503	96,965

The following matrix demonstrates how the development of claims, on a net of reinsurance basis, has progressed over the past 10 years.

Year	Paid claim movement £'000	Cumulative paid claims £'000	Provision for claims at the year end £'000	Gross ultimate losses £'000
Brought forward	—	—	5,250	5,250
2007	300	300	4,900	5,200
2008	176	476	6,397	6,873
2009	176	652	5,662	6,314
2010	131	783	9,081	9,864
2011	453	1,236	8,716	9,952
2012	508	1,744	14,684	16,428
2013	2,313	4,057	21,614	25,671
2014	1,558	5,615	21,895	27,510
2015	3,298	8,913	36,260	45,173
2016	3,962	12,875	34,799	47,674
2017	5,111	17,986	31,276	49,262
2018	5,785	23,771	38,739	62,510

The figures in the tables are undiscounted and have been translated into Sterling using the rates of exchange ruling at the statement of financial position date.

Cumulative paid claims figures are included for the period from the start of the first year shown.

# HAMPDEN HOLDINGS LIMITED

## GROUP AND COMPANY - NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 DECEMBER 2018

### 39. CLASS OF BUSINESS

2018	Gross written premiums £	Gross premiums earned £	Gross claims incurred £	Net operating expenses £	Reinsurance balance £	Total £
<b>Direct insurance</b>						
Accident and health	71,439	67,161	(33,366)	(30,316)	(1,609)	1,870
Motor – third party liability	6,794	7,205	(3,873)	(2,551)	(658)	123
Motor – other classes	115,828	115,798	(50,806)	(38,544)	(24,331)	2,117
Marine, aviation and transport	192,336	190,672	(101,959)	(70,695)	(18,715)	(697)
Fire and other damage to property	495,312	496,685	(307,615)	(176,793)	(58,792)	(46,515)
Third party liability	526,254	481,842	(285,168)	(174,477)	(8,158)	14,039
Credit and suretyship	44,703	62,899	(23,290)	(25,645)	(3,359)	10,605
Legal expenses	2,784	2,287	(835)	(1,463)	11	0
Assistance	0	0	0	0	0	0
Miscellaneous	18,156	16,904	(8,059)	(6,051)	(1,959)	835
<b>Total direct</b>	<b>1,473,606</b>	<b>1,441,453</b>	<b>(814,971)</b>	<b>(526,535)</b>	<b>(117,570)</b>	<b>(17,623)</b>
<b>Reinsurance inwards</b>	<b>39,912,180</b>	<b>22,766,439</b>	<b>(16,256,270)</b>	<b>(10,957,950)</b>	<b>4,367,224</b>	<b>(80,557)</b>
<b>Total</b>	<b>41,385,786</b>	<b>24,207,892</b>	<b>(17,071,241)</b>	<b>(11,484,485)</b>	<b>4,249,654</b>	<b>(98,180)</b>

2017	Gross written premiums £	Gross premiums earned £	Gross claims incurred £	Net operating expenses £	Reinsurance balance £	Total £
<b>Direct insurance</b>						
Accident and health	65,303	66,014	(34,468)	(30,624)	(2,192)	(1,270)
Motor – third party liability	5,451	6,653	(5,167)	(2,219)	79	(654)
Motor – other classes	120,803	121,762	(99,113)	(36,456)	2,508	(11,299)
Marine, aviation and transport	183,426	175,904	(102,573)	(70,238)	(6,531)	(3,438)
Fire and other damage to property	442,004	441,344	(394,655)	(166,688)	39,004	(80,995)
Third party liability	458,741	423,266	(249,617)	(160,966)	(15,257)	(2,574)
Credit and suretyship	61,132	72,732	(32,380)	(36,308)	(2,272)	1,772
Legal expenses	1,779	1,794	(889)	(943)	(2)	(40)
Assistance	0	0	0	0	0	0
Miscellaneous	16,292	15,171	(8,952)	(6,155)	(1,306)	(1,242)
<b>Total direct</b>	<b>1,354,931</b>	<b>1,324,640</b>	<b>(927,814)</b>	<b>(510,597)</b>	<b>14,031</b>	<b>(99,740)</b>
<b>Reinsurance inwards</b>	<b>536,958</b>	<b>790,402</b>	<b>(789,950)</b>	<b>(220,543)</b>	<b>42,302</b>	<b>(177,789)</b>
<b>Total</b>	<b>1,891,889</b>	<b>2,115,042</b>	<b>(1,717,764)</b>	<b>(731,140)</b>	<b>56,333</b>	<b>(277,529)</b>

# HAMPDEN HOLDINGS LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

### YEAR ENDED 31 DECEMBER 2018

#### 40. GROUP-OWNED NET ASSETS

The Group statement of financial position includes the following assets and liabilities held by the Syndicates on which the Group participates. These assets are subject to trust deeds for the benefit of the relevant Syndicates' insurance creditors. The table below shows the split of the statement of financial position between Group and Syndicate assets and liabilities:

	31 December 2018		
	Group	Syndicate	Total
	£'000	£'000	£'000
<b>Assets</b>			
Intangible assets	676	—	676
Tangible assets	25,138	—	25,138
Stock	123	—	123
Investments	45,709	2,625	48,334
Insurance debtors	20,482	22,176	42,658
Other receivables, including insurance and reinsurance receivables	17,011	360	17,371
Prepayments and accrued income	5,615	6,442	12,057
Current asset investments	20,611	—	20,611
Cash and cash equivalents	13,727	4,319	18,046
<b>Total assets</b>	<b>149,092</b>	<b>35,922</b>	<b>185,014</b>
<b>Liabilities</b>			
Insurance creditors	3,382	5,893	9,275
Insurance provisions	40,944	34,337	75,281
Other payables, including insurance and reinsurance payables	22,059	272	22,331
Accruals and deferred income	10,714	112	10,826
<b>Total liabilities</b>	<b>77,099</b>	<b>40,614</b>	<b>117,713</b>
<b>Equity attributable to owners of the Parent</b>			
Share capital	1,801	—	1,801
Revaluation reserve	7,917	—	7,917
Fair value reserve	341	—	341
Capital redemption reserve	347	—	347
Retained earnings	56,270	(4,692)	51,578
<b>Total equity</b>	<b>66,676</b>	<b>(4,692)</b>	<b>61,984</b>
<b>Non-controlling interest</b>	<b>5,317</b>	<b>—</b>	<b>5,317</b>
<b>Total liabilities and equity</b>	<b>149,092</b>	<b>35,922</b>	<b>185,014</b>

# HAMPDEN HOLDINGS LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

### YEAR ENDED 31 DECEMBER 2018

#### 41. SHARE-BASED PAYMENT TRANSACTIONS

Within a subsidiary company, ArchOver Limited, share options are granted to directors and selected employees of the subsidiary company, the exercise price for each option is stated in the share option agreement. These equity-settled options have a term of five years from the grant date and vest in accordance with a schedule determined at the time the option is granted, some of which vest immediately and the remainder vesting over a period of three to five years.

The fair value of each option within the subsidiary company is estimated on the date of grant using the Black Scholes Option Pricing Model.

Share options outstanding at the end of the year for ArchOver Limited have the following exercise prices:

Grant date	Weighted average exercise price  £	Share options	
		2018 No	2017 No
22/01/2014	3.98	5,000	5,000
15/05/2014	3.99	37,807	37,807
	<u>3.99</u>	<u>42,807</u>	<u>42,807</u>

The weighted average remaining contractual life for the share options outstanding in ArchOver Limited as at 31 December 2018 is 2.33 years (2017: 1.33 years).

Out of the 42,807 (2017: 42,807) options within the subsidiary company, 5,000 (2017: 5,000) were exercisable. No options were exercised in 2018 for ArchOver Limited (2017: No options were exercised).

#### 42. OPERATING LEASES

##### As lessee

The total future minimum lease payments under non-cancellable operating leases are as follows:

	Group		Company	
	2018 £	2017 £	2018 £	2017 £
Not later than 1 year	1,248,518	891,203	—	—
Later than 1 year and not later than 5 years	4,724,333	3,504,680	—	—
Later than 5 years	3,709,132	2,012,675	—	—
	<u>9,681,983</u>	<u>6,408,558</u>	<u>—</u>	<u>—</u>

The lease payments recognised as an expense during the year total £1,137,260 (2017: £951,206).

# HAMPDEN HOLDINGS LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 DECEMBER 2018

### 42. OPERATING LEASES *(continued)*

#### As lessor

The total future minimum lease payments receivable under non-cancellable operating leases are as follows:

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Not later than 1 year	18,696	15,232	–	–
Later than 1 year and not later than 5 years	15,460	–	–	–
	<u>34,156</u>	<u>15,232</u>	<u>–</u>	<u>–</u>

The rents receivable recognised as income during the year total £286,505 (2017: £225,297).

### 43. EVENTS AFTER THE END OF THE REPORTING PERIOD

After the end of the reporting period, the company and one of its subsidiaries, Hampden Legal Plc, entered into a registration of a charge where by Hampden & Co Plc hold the first fixed charge on all of the companies present and future rights, title and interest in an account held with Hampden & Co Plc.

### 44. DIRECTORS ADVANCES, CREDITS AND GUARANTEES

At the year end a balance of £297,461 (2017: £3,683) included within creditors was payable to two directors. The group was owed £4,428 (2017: £322,003) by a director in respect of their director's current accounts. The maximum balance overdrawn during the year was £248,089 (2017: £280,419). No interest has been applied to these loans.

### 45. RELATED PARTY TRANSACTIONS

Related party transactions aren't disclosed where the subsidiary which is party to the transaction is wholly owned within the group in accordance with FRS 102 exemptions.

#### i) Entities over which the group has control

During the year, the following transactions took place between fellow group entities over which the group has control:

	2018	2017
	£	£
Company secretarial services	986,246	973,614
Administration services	2,605,581	2,210,751
Management services	120,000	171,996
Legal services	77,219	75,000
Disaster recovery	100,000	99,996
Utilisation of tax losses	746,299	844,211
Provision of accommodation	–	7,550
Accountancy and taxation services	15,349	18,887
Overseas property	53,084	52,595
Rent	371,846	426,850
Marketing services	120,000	–

# HAMPDEN HOLDINGS LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

### YEAR ENDED 31 DECEMBER 2018

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#### 45. RELATED PARTY TRANSACTIONS *(continued)*

##### ii) Other related parties

At the year end, within a subsidiary where the group doesn't have 100% control, £3,638,157 (2017: £4,174,540) was owed to a fellow group company, and £206,598 (2017: £nil) was owed by a fellow group company.

At the year end, within a subsidiary where the group doesn't have 100% control, £50,000 (2017: £50,000) was owed from an associated company.

During the year, a subsidiary company made a loan to The Formerly BV amounting to £nil (2017: £474,000). A non-executive director of The Formerly BV is also a director of Hampden Holdings Limited. The interest charged on the loan during the year amounted to £6,352 (2017: £7,220) and is considered to be at market rate. Purchases of £220,789 (2017: £97,515) were made in addition to the loan. At the year end £237,346 (2017: £279,207) was owed to the group.

#### 46. SUBSIDIARIES EXEMPT FROM AUDIT

Listed below are subsidiaries controlled and consolidated by the group, where the Directors have taken the exemption from having an audit of its financial statements for the year ended 31 December 2018. This exemption is taken in accordance with the UK Companies Act, S479A.

Name of subsidiary undertaking	Registered number
BVF Underwriting Management Limited	00838358
Hampden Insurance Group Limited	04745977
Hampden Private Office Limited	10221571
Hampden SPV No 1 Limited	08965347
42 CF Management Company Limited	06372002
Hampden Property Management Limited	06295639
Hampden Property Development Limited	06295636
ST Hampden Limited	06668740
Hampden Group Management Limited	01085256
ArchOver Intellectual Property Limited	03407299
ArchOver SPVs Limited	00789566
Hampden Private Capital Limited	04729659

#### 47. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is T P C Oliver.

# HAMPDEN HOLDINGS LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

### YEAR ENDED 31 DECEMBER 2018

#### 48. SUBSIDIARY AND ASSOCIATED UNDERTAKINGS

At 31 December 2018 the company had the following subsidiary undertakings. Unless otherwise stated the company or a direct subsidiary holds 100% of the equity share capital of the companies listed. All companies are incorporated in England and Wales unless otherwise stated. The registered office for all companies unless otherwise stated is Hampden House, Great Hampden, Great Missenden, Buckinghamshire, England, HP16 9RD.

Name of subsidiary undertaking		Principal activity
Hampden Legal Plc		Company secretarial & legal services
Hampden Private Office Limited	80%	Administrative services
Hampden Plc		Investment company
Hampden Property Development Limited	76%	Investment company
ST Hampden Limited		Financial services
Hampden Private Capital Limited		Holding company
Nomads Holdings Bv (The Netherlands) <sup>6</sup>	75%	Holding company
Media Catalyst International Bv (The Netherlands) <sup>6</sup>	75%	Media services
Nomads Bv (The Netherlands) <sup>6</sup>	75%	Media services
Shake Interactive Limited (Scotland) <sup>21 9</sup>	75%	Dormant
Shake Interactive SA (Pty) Limited (South Africa) <sup>18</sup>	75%	Website and internet services
Hampden Insurance Holdings Limited		Investment company
Hampden Reinsurance Company Limited (Republic of Ireland) <sup>17</sup>		Reinsurance company
Hampden Property Management Ltd		Property management
42 CF Management Company Limited		Management company
Hampden Insurance Group Limited		Investment company
Hampden Insurance Group BV (The Netherlands) <sup>3</sup>		Administrative services
Community Reinsurance Corporation Limited		Reinsurance company
Hampden Insurance N.V (The Netherlands) <sup>3</sup>		Investment insurance services
NV Schadeverzekeringsmaatschappij Maas Lloyd (The Netherlands) <sup>3</sup>		Insurance company
Hampden Group Management Limited		Investment company
Old Company 1 Limited <sup>7</sup>		Non-life insurance
Old Company 2 Limited <sup>7</sup>		Non-life insurance
Old Company 3 Limited <sup>7</sup>		Non-life insurance
Old Company 4 Limited <sup>7</sup>		Non-life insurance
Old Company 5 Limited <sup>7</sup>		Non-life insurance
Old Company 6 Limited <sup>7</sup>		Non-life insurance
Old Company 7 Limited <sup>7</sup>		Non-life insurance
Old Company 8 Limited <sup>7</sup>		Non-life insurance
Old Company 9 Limited <sup>7</sup>		Non-life insurance
Old Company 10 Limited <sup>7</sup>		Non-life insurance
Old Company 11 Limited <sup>8</sup>		Non-life insurance
Marlow Underwriting S.A. (Switzerland) <sup>4</sup>		Underwriting managers
BVF (Underwriting Management) Limited		Underwriting managers
NV De Ark (The Netherlands) <sup>3</sup>		Reinsurance services
Lakewood Insurance Company Limited		Dormant
Hampden Underwriting Services Limited		Dormant
Kingaby Simmons Limited		Dormant
NameCo (No.1042) Limited <sup>1</sup>		Investment company
NameCo (No.982) Limited <sup>1</sup>		Investment company
Hampden SPV (No.1) Limited		Investment company
Hampden & Co GP Limited <sup>1</sup>		Investment management company
Hampden & Co LP Limited <sup>1</sup>		Investment management company
Hampden Capital Plc <sup>1</sup>	79%	Holding company
Hampden Agencies Limited <sup>1</sup>	79%	Lloyd's Members' Agent



# HAMPDEN HOLDINGS LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 DECEMBER 2018

### 48. SUBSIDIARY AND ASSOCIATED UNDERTAKINGS *(continued)*

Nomina Services Limited <sup>1</sup>	79%	Administrative services
Nomina Designated Member No. 1. Limited <sup>1</sup>	79%	Investment company
Nomina Designated Member No. 2 Limited <sup>1</sup>	79%	Investment company
Nomina Representatives Limited <sup>1</sup>	79%	Investment company
Hampden Tax Consultants Limited <sup>1</sup>	79%	Tax consultancy
Hampden Insurance Partners Management (Cayman) Limited <sup>5</sup>	52%	Management company
Hampden Insurance GP Limited <sup>5</sup>	52%	Investment management company
Hampden Bermuda Holdings Limited (Bermuda) <sup>2</sup>	79%	Holding company
Hampden Bermuda Insurance Limited (Bermuda) <sup>2</sup>	79%	Insurance company
Hampden Syndicate Services Limited <sup>1</sup>	79%	Management services
Nameco (No. 1315) Limited <sup>1</sup>	79%	Investment company
Nameco (No. 1316) Limited <sup>1</sup>	79%	Investment company
Nameco (No. 214) Limited <sup>1</sup>	79%	Investment company
ArchOver Limited <sup>1</sup>	92%	Insured crowd lending
ArchOver SPV 10 Limited <sup>1</sup>	92%	Financial services
Unit Superheater Engineering Limited <sup>1</sup>		Manufacture of metal structures & fabricated metal products
Unit Engineers & Constructors Limited <sup>1</sup>		Manufacture of metal structures & fabricated metal products
Unitbirwelco Limited <sup>1 11</sup>		Holding company
Unitbirwelco (Group) Limited <sup>19 22</sup>	90%	Holding company (in liquidation)
Birwelco Limited <sup>20 22</sup>	90%	Industrial engineering design
ArchOver Holdings Limited <sup>1 10</sup>		Holding company
ArchOver Intellectual Property Limited <sup>1 11</sup>		Holding company
ArchOver P2P Limited <sup>1 11</sup>		Dormant
ArchOver SPVs Limited <sup>1 11</sup>		Holding company
ArchOver SPV 8 Limited <sup>1 12</sup>		Dormant
ArchOver SPV 12 Limited <sup>1 13</sup>		Dormant
ArchOver SPV 14 Limited <sup>1 13</sup>		Dormant
ArchOver SPV 15 Limited <sup>1 14</sup>		Dormant
ArchOver SPV 16 Limited <sup>1 14</sup>		Dormant
ArchOver SPV 17 Limited <sup>1 14</sup>		Dormant
ArchOver SPV 18 Limited <sup>1 14</sup>		Dormant
ArchOver SPV 19 Limited <sup>1 14</sup>		Dormant
ArchOver SPV 21 Limited <sup>1 14</sup>		Dormant
ArchOver SPV 22 Limited <sup>1 15</sup>		Dormant
ArchOver SPV 23 Limited <sup>1 15</sup>		Dormant
ArchOver SPV 24 Limited <sup>1 15</sup>		Dormant
ArchOver Unsecured Limited <sup>1 15</sup>		Dormant
Railway Viaduct Holdings Limited <sup>1 16</sup>		Holding company
Rail Signalling and Power Limited <sup>1</sup>		Railway Engineering
Procura Seguro B.V.		Dormant

<sup>1</sup> The registered office for these companies is 5<sup>th</sup> Floor, 40 Gracechurch Street, London, England, EC3V 0BT

<sup>2</sup> The registered office for this company is 141 Front Street, Hamilton, Bermuda

<sup>3</sup> The registered office for these companies is s-Gravenweg 431, 3065 SC Rotterdam, The Netherlands

<sup>4</sup> The registered office for this company is Pletschenstrasse 20, CH +3952, Susten

<sup>5</sup> The registered office for this company is c/o Mourant Ozannes Corporate Services (Cayman) Limited, 94 Solaris Avenue, Camana Bay, P.O Box 1348, Grand Cayman KY1-1108, Cayman Islands

<sup>5</sup> The registered office for these companies is Herengracht 182, 1016 BR, Amsterdam

<sup>7</sup> These companies were dissolved on 26 March 2019

<sup>8</sup> This company was dissolved on 21 May 2019

# HAMPDEN HOLDINGS LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

### YEAR ENDED 31 DECEMBER 2018

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#### 48. SUBSIDIARY AND ASSOCIATED UNDERTAKINGS *(continued)*

- <sup>9</sup> This company was dissolved on 18 June 2019  
<sup>10</sup> This company was incorporated on 26 June 2018  
<sup>11</sup> These companies were incorporated on 8 August 2018  
<sup>12</sup> This company was incorporated on 5 June 2018  
<sup>13</sup> These companies were incorporated on 6 June 2018  
<sup>14</sup> These companies were incorporated on 30 August 2018  
<sup>15</sup> These companies were incorporated on 18 December 2018  
<sup>16</sup> These companies were incorporated on 27 June 2018  
<sup>17</sup> The registered office for this company is Third Floor, The Metropolitan, James Joyce Street, Dublin 1  
<sup>18</sup> The registered office for this company is 64 Roeland Square, Roeland Street, Cape Town, 8001  
<sup>19</sup> The registered office for this company is Lameys, One Courtenay Park, Newton Abbot, Devon, TQ12 2HD  
<sup>20</sup> The registered office for this company is Unit House Elba Business Park, Crymlyn Burrows, Swansea, West Glamorgan, SA1 8QE  
<sup>21</sup> The registered office for this company is 16 Young Street, Edinburgh, Midlothian, Scotland, EH2 4JB  
<sup>22</sup> The results of these subsidiary undertakings have not been consolidated in accordance with FRS 102 section 9.9B, as they were held exclusively with a view to subsequent resale.

The following subsidiaries are dormant companies incorporated in England and Wales. The companies listed below are considered immaterial to be included within the consolidated figures

Gracechurch UTG Limited	Gracechurch UTG No 53 Limited
Gracechurch UTG No 1 Limited	Gracechurch UTG No 54 Limited
Gracechurch UTG No 2 Limited	Gracechurch UTG No 55 Limited
Gracechurch UTG No 3 Limited	Gracechurch UTG No 56 Limited
Gracechurch UTG No 4 Limited	Gracechurch UTG No 57 Limited
Gracechurch UTG No 5 Limited	Gracechurch UTG No 58 Limited
Gracechurch UTG No 6 Limited	Gracechurch UTG No 59 Limited
Gracechurch UTG No 7 Limited	Gracechurch UTG No 60 Limited
Gracechurch UTG No 8 Limited	Gracechurch UTG No 61 Limited
Gracechurch UTG No 9 Limited	Gracechurch UTG No 62 Limited
Gracechurch UTG No 10 Limited	Gracechurch UTG No 63 Limited
Gracechurch UTG No 11 Limited	Gracechurch UTG No 64 Limited
Gracechurch UTG No 12 Limited	Gracechurch UTG No 65 Limited
Gracechurch UTG No 13 Limited	Gracechurch UTG No 66 Limited
Gracechurch UTG No 14 Limited	Gracechurch UTG No 67 Limited
Gracechurch UTG No 15 Limited	Gracechurch UTG No 68 Limited
Gracechurch UTG No 16 Limited	Gracechurch UTG No 69 Limited
Gracechurch UTG No 17 Limited	Gracechurch UTG No 70 Limited
Gracechurch UTG No 18 Limited	Gracechurch UTG No 71 Limited
Gracechurch UTG No 19 Limited	Gracechurch UTG No 72 Limited
Gracechurch UTG No 20 Limited	Gracechurch UTG No 73 Limited
Gracechurch UTG No 21 Limited	Gracechurch UTG No 74 Limited
Gracechurch UTG No 22 Limited	Gracechurch UTG No 75 Limited
Gracechurch UTG No 23 Limited	Gracechurch UTG No 76 Limited
Gracechurch UTG No 24 Limited	Gracechurch UTG No 77 Limited
Gracechurch UTG No 25 Limited	Gracechurch UTG No 78 Limited
Gracechurch UTG No 26 Limited	Gracechurch UTG No 79 Limited
Gracechurch UTG No 27 Limited	Gracechurch UTG No 80 Limited
Gracechurch UTG No 28 Limited	Gracechurch UTG No 81 Limited
Gracechurch UTG No 29 Limited	Gracechurch UTG No 82 Limited
Gracechurch UTG No 30 Limited	Gracechurch UTG No 83 Limited
Gracechurch UTG No 31 Limited	Gracechurch UTG No 84 Limited
Gracechurch UTG No 32 Limited	Gracechurch UTG No 85 Limited

# HAMPDEN HOLDINGS LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 DECEMBER 2018

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### 48. SUBSIDIARY AND ASSOCIATED UNDERTAKINGS *(continued)*

The following subsidiaries are dormant companies incorporated in England and Wales.

Gracechurch UTG No 33 Limited	Gracechurch UTG No 86 Limited
Gracechurch UTG No 34 Limited	Gracechurch UTG No 87 Limited
Gracechurch UTG No 35 Limited	Gracechurch UTG No 88 Limited
Gracechurch UTG No 36 Limited	Gracechurch UTG No 89 Limited
Gracechurch UTG No 37 Limited	Gracechurch UTG No 90 Limited
Gracechurch UTG No 38 Limited	Gracechurch UTG No 91 Limited
Gracechurch UTG No 39 Limited	Gracechurch UTG No 92 Limited
Gracechurch UTG No 40 Limited	Gracechurch UTG No 93 Limited
Gracechurch UTG No 41 Limited	Gracechurch UTG No 94 Limited
Gracechurch UTG No 42 Limited	Gracechurch UTG No 95 Limited
Gracechurch UTG No 43 Limited	Gracechurch UTG No 96 Limited
Gracechurch UTG No 44 Limited	Gracechurch UTG No 97 Limited
Gracechurch UTG No 45 Limited	Gracechurch UTG No 98 Limited
Gracechurch UTG No 46 Limited	Gracechurch UTG No 99 Limited
Gracechurch UTG No 47 Limited	Gracechurch UTG No 100 Limited
Gracechurch UTG No 48 Limited	Gracechurch UTG No 101 Limited
Gracechurch UTG No 49 Limited	Gracechurch UTG No 102 Limited
Gracechurch UTG No 50 Limited	Gracechurch UTG No 103 Limited
Gracechurch UTG No 51 Limited	Gracechurch UTG No 104 Limited
Gracechurch UTG No 52 Limited	Gracechurch UTG No 105 Limited
Gracechurch UTG No 106 Limited	Gracechurch UTG No 169 Limited
Gracechurch UTG No 107 Limited	Gracechurch UTG No 170 Limited
Gracechurch UTG No 108 Limited	Gracechurch UTG No 171 Limited
Gracechurch UTG No 109 Limited	Gracechurch UTG No 172 Limited
Gracechurch UTG No 111 Limited	Gracechurch UTG No 173 Limited
Gracechurch UTG No 112 Limited	Gracechurch UTG No 174 Limited
Gracechurch UTG No 113 Limited	Gracechurch UTG No 175 Limited
Gracechurch UTG No 114 Limited	Gracechurch UTG No 176 Limited
Gracechurch UTG No 115 Limited	Gracechurch UTG No 177 Limited
Gracechurch UTG No 116 Limited	Gracechurch UTG No 178 Limited
Gracechurch UTG No 117 Limited	Gracechurch UTG No 179 Limited
Gracechurch UTG No 118 Limited	Gracechurch UTG No 180 Limited
Gracechurch UTG No 119 Limited	Gracechurch UTG No 181 Limited
Gracechurch UTG No 120 Limited	Gracechurch UTG No 182 Limited
Gracechurch UTG No 121 Limited	Gracechurch UTG No 183 Limited
Gracechurch UTG No 123 Limited	Gracechurch UTG No 200 Limited
Gracechurch UTG No 124 Limited	Gracechurch UTG No 201 Limited
Gracechurch UTG No 126 Limited	Gracechurch UTG No 202 Limited
Gracechurch UTG No 127 Limited	Gracechurch UTG No 203 Limited
Gracechurch UTG No 128 Limited	Gracechurch UTG No 204 Limited
Gracechurch UTG No 129 Limited	Gracechurch UTG No 205 Limited
Gracechurch UTG No 130 Limited	Gracechurch UTG No 206 Limited
Gracechurch UTG No 133 Limited	Gracechurch UTG No 207 Limited
Gracechurch UTG No 134 Limited	Gracechurch UTG No 208 Limited
Gracechurch UTG No 135 Limited	Gracechurch UTG No 209 Limited
Gracechurch UTG No 136 Limited	Gracechurch UTG No 210 Limited
Gracechurch UTG No 137 Limited	Gracechurch UTG No 211 Limited
Gracechurch UTG No 138 Limited	Gracechurch UTG No 212 Limited
Gracechurch UTG No 139 Limited	Gracechurch UTG No 213 Limited
Gracechurch UTG No 140 Limited	Gracechurch UTG No 214 Limited

# HAMPDEN HOLDINGS LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 DECEMBER 2018

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### 48. SUBSIDIARY AND ASSOCIATED UNDERTAKINGS *(continued)*

The following subsidiaries are dormant companies incorporated in England and Wales.

Gracechurch UTG No 141 Limited	Gracechurch UTG No 215 Limited
Gracechurch UTG No 142 Limited	Gracechurch UTG No 216 Limited
Gracechurch UTG No 143 Limited	Gracechurch UTG No 217 Limited
Gracechurch UTG No 144 Limited	Gracechurch UTG No 218 Limited
Gracechurch UTG No 145 Limited	Gracechurch UTG No 219 Limited
Gracechurch UTG No 146 Limited	Gracechurch UTG No 220 Limited
Gracechurch UTG No 147 Limited	Gracechurch UTG No 221 Limited
Gracechurch UTG No 148 Limited	Gracechurch UTG No 222 Limited
Gracechurch UTG No 149 Limited	Gracechurch UTG No 223 Limited
Gracechurch UTG No 150 Limited	Gracechurch UTG No 224 Limited
Gracechurch UTG No 151 Limited	Gracechurch UTG No 225 Limited
Gracechurch UTG No 152 Limited	Gracechurch UTG No 226 Limited
Gracechurch UTG No 153 Limited	Gracechurch UTG No 227 Limited
Gracechurch UTG No 154 Limited	Gracechurch UTG No 228 Limited
Gracechurch UTG No 155 Limited	Gracechurch UTG No 229 Limited
Gracechurch UTG No 156 Limited	Gracechurch UTG No 230 Limited
Gracechurch UTG No 157 Limited	Gracechurch UTG No 231 Limited
Gracechurch UTG No 158 Limited	Gracechurch UTG No 232 Limited
Gracechurch UTG No 159 Limited	Gracechurch UTG No 233 Limited
Gracechurch UTG No 160 Limited	Gracechurch UTG No 234 Limited
Gracechurch UTG No 161 Limited	Gracechurch UTG No 235 Limited
Gracechurch UTG No 162 Limited	Gracechurch UTG No 236 Limited
Gracechurch UTG No 163 Limited	Gracechurch UTG No 237 Limited
Gracechurch UTG No 164 Limited	Gracechurch UTG No 238 Limited
Gracechurch UTG No 165 Limited	Gracechurch UTG No 239 Limited
Gracechurch UTG No 166 Limited	Gracechurch UTG No 240 Limited
Gracechurch UTG No 167 Limited	Gracechurch UTG No 241 Limited
Gracechurch UTG No 168 Limited	Gracechurch UTG No 242 Limited
Gracechurch UTG No 243 Limited	Gracechurch UTG No 293 Limited
Gracechurch UTG No 244 Limited	Gracechurch UTG No 294 Limited
Gracechurch UTG No 245 Limited	Gracechurch UTG No 295 Limited
Gracechurch UTG No 246 Limited	Gracechurch UTG No 296 Limited
Gracechurch UTG No 247 Limited	Gracechurch UTG No 297 Limited
Gracechurch UTG No 248 Limited	Gracechurch UTG No 298 Limited
Gracechurch UTG No 249 Limited	Gracechurch UTG No 299 Limited
Gracechurch UTG No 250 Limited	Gracechurch UTG No 300 Limited
Gracechurch UTG No 251 Limited	Gracechurch UTG No 301 Limited
Gracechurch UTG No 252 Limited	Gracechurch UTG No 302 Limited
Gracechurch UTG No 253 Limited	Gracechurch UTG No 303 Limited
Gracechurch UTG No 254 Limited	Gracechurch UTG No 304 Limited
Gracechurch UTG No 255 Limited	Gracechurch UTG No 305 Limited
Gracechurch UTG No 256 Limited	Gracechurch UTG No 306 Limited
Gracechurch UTG No 257 Limited	Gracechurch UTG No 307 Limited
Gracechurch UTG No 258 Limited	Gracechurch UTG No 308 Limited
Gracechurch UTG No 259 Limited	Gracechurch UTG No 309 Limited
Gracechurch UTG No 260 Limited	Gracechurch UTG No 310 Limited
Gracechurch UTG No 261 Limited	Gracechurch UTG No 311 Limited
Gracechurch UTG No 262 Limited	Gracechurch UTG No 125 Limited
Gracechurch UTG No 263 Limited	Gracechurch UTG No 131 Limited
Gracechurch UTG No 264 Limited	Gracechurch UTG No 313 Limited
Gracechurch UTG No 265 Limited	Gracechurch UTG No 314 Limited
Gracechurch UTG No 266 Limited	Gracechurch UTG No 315 Limited

# HAMPDEN HOLDINGS LIMITED

## GROUP AND COMPANY - NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 DECEMBER 2018

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### 48. SUBSIDIARY AND ASSOCIATED UNDERTAKINGS *(continued)*

The following subsidiaries are dormant companies incorporated in England and Wales.

Gracechurch UTG No 267 Limited	Gracechurch UTG No 317 Limited
Gracechurch UTG No 268 Limited	Gracechurch UTG No 318 Limited
Gracechurch UTG No 269 Limited	Gracechurch UTG No 319 Limited
Gracechurch UTG No 270 Limited	Gracechurch UTG No 320 Limited
Gracechurch UTG No 271 Limited	Gracechurch UTG No 321 Limited
Gracechurch UTG No 272 Limited	Gracechurch UTG No 322 Limited
Gracechurch UTG No 273 Limited	Gracechurch UTG No 323 Limited
Gracechurch UTG No 274 Limited	Gracechurch UTG No 324 Limited
Gracechurch UTG No 275 Limited	Gracechurch UTG No 326 Limited
Gracechurch UTG No 276 Limited	Gracechurch UTG No 327 Limited
Gracechurch UTG No 277 Limited	Gracechurch UTG No 328 Limited
Gracechurch UTG No 278 Limited	Gracechurch UTG No 329 Limited
Gracechurch UTG No 279 Limited	Gracechurch UTG No 330 Limited
Gracechurch UTG No 280 Limited	Gracechurch UTG No 331 Limited
Gracechurch UTG No 281 Limited	Gracechurch UTG No 332 Limited
Gracechurch UTG No 282 Limited	Gracechurch UTG No 333 Limited
Gracechurch UTG No 283 Limited	Gracechurch UTG No 312 Limited
Gracechurch UTG No 284 Limited	Gracechurch UTG No 325 Limited
Gracechurch UTG No 285 Limited	Gracechurch UTG No 347 Limited
Gracechurch UTG No 286 Limited	Gracechurch UTG No 348 Limited
Gracechurch UTG No 287 Limited	Gracechurch UTG No 349 Limited
Gracechurch UTG No 288 Limited	Gracechurch UTG No 350 Limited
Gracechurch UTG No 289 Limited	Gracechurch UTG No 351 Limited
Gracechurch UTG No 290 Limited	Gracechurch UTG No 352 Limited
Gracechurch UTG No 291 Limited	Gracechurch UTG No 353 Limited
Gracechurch UTG No 292 Limited	Gracechurch UTG No 354 Limited
Gracechurch UTG No 110 Limited	Gracechurch UTG No 355 Limited
Gracechurch UTG No 132 Limited	Gracechurch UTG No 365 Limited
Gracechurch UTG No 316 Limited	North American London Underwriters Limited
Gracechurch UTG No 334 Limited	S J L Ltd
Gracechurch UTG No 335 Limited	Jubilee Motor Policies Limited
Gracechurch UTG No 336 Limited	Michael Griffith Underwriting Limited
Gracechurch UTG No 337 Limited	Cassidy Capital Life Limited
Gracechurch UTG No 338 Limited	Catlin (Five) Limited
Gracechurch UTG No 339 Limited	Catlin (Four) Limited
Gracechurch UTG No 340 Limited	Catlin (Three) Limited
Gracechurch UTG No 341 Limited	Catlin (Two) Limited
Gracechurch UTG No 342 Limited	Catlin Delta Limited
Gracechurch UTG No 343 Limited	Catlin Epsilon Limited
Gracechurch UTG No 344 Limited	Catlin Eta Limited
Gracechurch UTG No 345 Limited	Catlin Zeta Limited
Gracechurch UTG No 346 Limited	