

Company Registration Number: 04745977



Hampden Insurance Group Limited

Unaudited financial statements

For the year ended

31 December 2018

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HAMPDEN INSURANCE GROUP LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2018

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HAMPDEN INSURANCE GROUP LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

The board of directors	T P C Oliver S J Harris C G Camroux-Oliver
Company secretary	Hampden Legal Plc
Registered office	Hampden House Great Hampden Great Missenden Buckinghamshire England HP16 9RD
Registered number	04745977 (England & Wales)

HAMPDEN INSURANCE GROUP LIMITED

DIRECTORS REPORT

YEAR ENDED 31 DECEMBER 2018

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

DIRECTORS

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

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

During the year the company maintained liability insurance for its directors and officers.

DIRECTORS RESPONSIBILITIES STATEMENT

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 102 – ‘The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland’. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the profit or loss of the company for that period.

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

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

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

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

Signed on behalf of the directors and by the order of the board by:



S J Harris For and on behalf of Hampden Legal Plc
Company secretary

Approved by the directors on 16 July 2019

HAMPDEN INSURANCE GROUP LIMITED
STATEMENT OF INCOME AND RETAINED EARNINGS
YEAR ENDED 31 DECEMBER 2018

	Note	2018 £	2017 £
TURNOVER		—	—
Administrative expenses		(56,816)	(53,114)
OPERATING LOSS	4	(56,816)	(53,114)
Income from fixed asset investments	6	—	262,870
(LOSS)/PROFIT BEFORE TAXATION		(56,816)	209,756
Tax on (loss)/profit on ordinary activities	7	—	—
(LOSS)/PROFIT FOR THE FINANCIAL YEAR AND TOTAL COMPREHENSIVE INCOME		(56,816)	209,756
Dividends paid and payable	8	—	(900,000)
RETAINED EARNINGS AT THE START OF THE YEAR		1,114,780	1,805,024
RETAINED EARNINGS AT THE END OF THE YEAR		1,057,964	1,114,780

All the activities of the company are from continuing operations.

The notes on pages 6 to 11 form part of these financial statements.

HAMPDEN INSURANCE GROUP LIMITED

STATEMENT OF FINANCIAL POSITION

31 DECEMBER 2018

	Note	2018	2017
		£	£
FIXED ASSETS			
Investments	9	2,226,968	2,226,969
CREDITORS: Amounts falling due within one year	10	<u>(1,169,003)</u>	<u>(1,112,188)</u>
NET CURRENT LIABILITIES		<u>(1,169,003)</u>	<u>(1,112,188)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u><u>1,057,965</u></u>	<u><u>1,114,781</u></u>
CAPITAL AND RESERVES			
Called up share capital	12	1	1
Profit and loss account	13	1,057,964	1,114,780
SHAREHOLDERS FUNDS		<u><u>1,057,965</u></u>	<u><u>1,114,781</u></u>

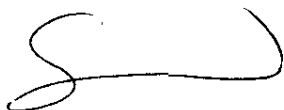
The company is entitled to exemption from audit under Section 479A of the Companies Act 2006 for the year ended 31 December 2018.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 December 2018 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

These financial statements were approved by the board of directors and authorised for issue on 16 July 2019, and are signed on behalf of the board by:



S J Harris
Director

Company registration number: 04745977

The notes on pages 6 to 11 form part of these financial statements.

HAMPDEN INSURANCE GROUP LIMITED

STATEMENT OF CASH FLOWS

YEAR ENDED 31 DECEMBER 2018

	2018 £	2017 £
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/profit for the financial year	(56,816)	209,756
<i>Adjustments for:</i>		
Income from fixed asset investments	—	(262,870)
Net cash used in operating activities	<u>(56,816)</u>	<u>(53,114)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of investment	<u>1</u>	<u>977,801</u>
Net cash from investing activities	<u>1</u>	<u>977,801</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	—	(900,000)
Increase/(decrease) in loans from group undertakings	<u>56,815</u>	<u>(24,687)</u>
Net cash from/(used in) financing activities	<u>56,815</u>	<u>(924,687)</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	<u>—</u>	<u>—</u>
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>—</u>	<u>—</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>—</u>	<u>—</u>

The notes on pages 6 to 11 form part of these financial statements.

HAMPDEN INSURANCE GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2018

1. GENERAL INFORMATION

Hampden Insurance Group Limited is a limited liability company incorporated in England. The address of the registered office and principal place of business is disclosed on the officers and professional advisors' page.

The principal activity of the company during the year was that of an intermediate holding company.

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

2. ACCOUNTING POLICIES

Basis of preparation

As shown in the statement of income and retained earnings, the company has reported an operating loss for the year. The company has net current liabilities of £1,169,003 and net assets of £1,057,695 at the year-end date.

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 - 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102'), and with the Companies Act 2006. The financial statements have been prepared on the historical cost basis except for the modification to a fair value basis for certain items as specified in the accounting policies below.

The financial statements have been prepared on the going concern basis due to the confirmed availability of support from the company's ultimate parent company Hampden Holdings Limited.

The company meets its day to day working capital requirements through intra-group support and therefore the directors consider that the company will continue to operate with in the current facility despite the net current liability position.

The directors have concluded that with the support of the parent company, the company has sufficient resources to continue in operational existence for the foreseeable future. For this reason the directors consider it appropriate to prepare the financial statements on the going concern basis and the financial statements do not include any adjustments which might become necessary if holding company support was not available.

Preparation of consolidated financial statements

The financial statements contain information about Hampden Insurance Group Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 400 of the Companies Act 2006 from the requirements to prepare consolidated financial statements as it and its subsidiary undertakings are included in the consolidated financial statements of its ultimate parent, Hampden Holdings Limited, a company registered in England and Wales.

Investments

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

HAMPDEN INSURANCE GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 DECEMBER 2018

2. ACCOUNTING POLICIES *(continued)*

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.

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 balance sheet date.

Financial instruments

The company 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 instruments.

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, 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.

HAMPDEN INSURANCE GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
YEAR ENDED 31 DECEMBER 2018

2. ACCOUNTING POLICIES *(continued)*

Impairment of financial assets

At each period end date, the company reviews the carrying amounts of its financial 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).

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

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet 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.

3. CRITICAL ACCOUNTING ESTIMATES 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 both current and future periods.

The areas for which estimation has been applied are considered to be in calculating impairments and provisions. Although these areas are subject to judgement, they are not considered to be subject to significant estimation.

4. OPERATING LOSS

Operating loss is stated after charging:

	2018	2017
	£	£
Defined contribution plans expense	<u>4,248</u>	<u>4,296</u>

5. STAFF COSTS

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

	2018	2017
	No	No
Management staff	<u>5</u>	<u>5</u>

HAMPDEN INSURANCE GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
YEAR ENDED 31 DECEMBER 2018

5. STAFF COSTS *(continued)*

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

	2018	2017
	£	£
Wages and salaries	42,492	42,912
Social security costs	5,844	5,412
Other pension costs	4,248	4,296
	<u>52,584</u>	<u>52,620</u>

Included within this total is £46,740 (2017: £47,208) relating to key management personnel compensation.

6. INCOME FROM FIXED ASSET INVESTMENTS

	2018	2017
	£	£
Income from fixed asset investments	—	262,870
	<u>—</u>	<u>262,870</u>

7. TAX ON (LOSS)/PROFIT

Reconciliation of tax charge

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

	2018	2017
	£	£
(Loss)/profit before taxation	(56,816)	209,756
(Loss)/profit by rate of tax	(10,795)	40,378
Effect of non taxable income	—	(50,603)
Group relief	10,795	10,225
Tax on (loss)/profit	<u>—</u>	<u>—</u>

Factors that may affect future tax

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 2018	19%

During 2015, the government announced legislation setting the corporation tax main rate at 19% with effect from 1 April 2017 and furthermore to 18% from 1 April 2020. Finance Act 2017, further 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.

HAMPDEN INSURANCE GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 DECEMBER 2018

8. DIVIDENDS

Dividends paid during the year:

	2018 £	2017 £
Equity dividends	—	900,000

9. INVESTMENTS

	Shares in group undertakings £
COST	
At 1 January 2018	2,226,969
Disposals	(1)
At 31 December 2018	2,226,968
IMPAIRMENTS	
At 1 Jan 2018 and 31 Dec 2018	(175,000)
NET BOOK VALUE	
At 31 December 2018	2,226,968
At 31 December 2017	2,226,969

During the year ended 31 December 2018, Fenton Insurance Company Limited was liquidated.

Subsidiaries, associates and other investments

At 31 December 2018 the company had interests in the following investments. Unless otherwise stated the company or a direct subsidiary holds 100% of the equity share capital of the companies listed.

Name of investment	Country of incorporation	Principal activity
Community Reinsurance Corporation Limited	England & Wales	Reinsurance Company
Hampden Insurance Group BV	The Netherlands	Administrative Services
Hampden Insurance N.V	The Netherlands	Investment Insurance Services
Lakewood Insurance Company Limited	England & Wales	Dormant
NameCo (No.982) Limited	England & Wales	Investment Company
NameCo (No.1042) Limited	England & Wales	Investment Company
NV De Ark	The Netherlands	Reinsurance Services
NV Schadeverzekeringsmaatschappij Maas Lloyd	The Netherlands	Insurance Company

10. CREDITORS: Amounts falling due within one year

	2018 £	2017 £
Amounts owed to group undertakings	1,169,003	1,112,188

HAMPDEN INSURANCE GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 DECEMBER 2018

11. EMPLOYEE BENEFITS

Defined contribution plans

The company makes contributions to two defined contribution schemes. The assets of the schemes are held separately from those of the company in independently administered funds. The pension cost charge represents contributions payable by the company to the funds and amounted to £4,248 (2017 - £4,296). There were no amounts outstanding at the end of this year (2017 - £nil).

12. CALLED UP SHARE CAPITAL

Issued, called up and fully paid

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

13. RESERVES

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

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

14. RELATED PARTY TRANSACTIONS

Disclosure of transactions with entities that are part of the group is not required as 100% of the voting rights of the company are controlled within the group. No other material related party transactions were undertaken during the year.

15. ULTIMATE PARENT COMPANY

The directors consider Hampden Plc to be the company's immediate parent company and Hampden Holdings Limited to be the company's ultimate parent company.

The largest and smallest group in which this company's information is consolidated is that of Hampden Holdings Limited which is incorporated in England and Wales and will be drawing up consolidated financial statements to 31 December 2018. The principal place of business for Hampden Holdings Limited is:

Hampden House
Great Hampden
Great Missenden
Buckinghamshire
HP16 9RD

Copies of the consolidated financial statements of Hampden Holdings Limited can be obtained from the above address.