
HOWDEN WORKPLACE CONSULTING LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2019



HOWDEN WORKPLACE CONSULTING LIMITED

COMPANY INFORMATION

DIRECTORS

R C Weston
G Thomas
S R Thieriet (resigned 16 January 2020)
O T Davies (appointed 10 June 2019)
A K Cameron (appointed 8 November 2019)

COMPANY SECRETARY

A J Moore

REGISTERED NUMBER

07927677

REGISTERED OFFICE

One Creechurch Place
London
United Kingdom
EC3A 5AF

INDEPENDENT AUDITOR

Deloitte LLP
1 New Street Square
London
United Kingdom
EC4A 3HQ

HOWDEN WORKPLACE CONSULTING LIMITED

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HOWDEN WORKPLACE CONSULTING LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2019

The Directors present their report and the audited financial statements for the year ended 30 September 2019.

PRINCIPAL ACTIVITY

The principal activity of Howden Workplace Consulting Limited during the year was providing advice to employers on Auto-enrolment, Director and Company Protection and Employee Benefit solutions.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £77,733 (2018 - £608,879).

The Company did not pay a dividend during the year (2018: £Nil). No dividends have been proposed after the financial year end (2018: £Nil).

DIRECTORS

The Directors who served during the year and to the date of the report were:

R C Weston
G Thomas
S R Thieriet (resigned 16 January 2020)
O T Davies (appointed 10 June 2019)

FUTURE DEVELOPMENTS

Following the United Kingdom referendum result to exit the EU, the Company has been proactively planning to minimise any potential disruption. Whilst it is still unclear what the outcome will be from negotiations between the UK and EU, the Company is preparing on the assumption that the UK will leave the EU without a trade deal and/or any transitional arrangements.

The Company has examined multiple options and strategies in a number of different EU countries. After consideration of the various regulatory environments, the Company has established relevant regulated entities in Luxembourg which will become our access points to all EEA Member States under EU Passporting/Freedom of Services.

QUALIFYING THIRD PARTY INDEMNITY PROVISIONS

The Company's Articles of Association provide, subject to the provisions of UK legislation, an indemnity for Directors and Officers of the Company in respect of liabilities they may incur in the discharge of their duties or in the exercise of their powers, including any liabilities relating to the defence of any proceedings brought against them which relate to anything done or omitted, or alleged to have been done or omitted, by them as officers or employees of the Company. Appropriate Directors' and Officers' liability cover is in place in respect of all the Company's Directors.

HOWDEN WORKPLACE CONSULTING LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2019

DISCLOSURE OF INFORMATION TO AUDITOR

Each of the persons who are Directors at the time when this Directors' Report is approved has confirmed that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information. This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

POST BALANCE SHEET EVENTS

During January 2020 a global pandemic crisis ("Covid 19") emerged in Asia before spreading across the world. This led to severe disruption with governments putting places measures such as temporary closure of sites of business activities and social distancing to limit the spread of Covid 19 across a number of countries. While the insurance broking industry generally proved resilient during the financial crisis of 2008-2010 and is expected to be less impacted than other industries such as retail in this crisis, there is uncertainty in terms of the duration of the pandemic and subsequent impacts on the wider economy. If clients were to undergo financial distress as a result, this could impact the future demand for the services as defined in the principal activities of the Company and as well as increase the credit risk arising over outstanding amounts due from clients. The social distancing restrictions has led to staff working from home. However, the investment in the IT infrastructure by the Hyperion Group over the recent years has facilitated this significant operational change and insurance policies are able to be placed remotely.

There were no other material events arising after balance sheet to the date of this report.

AUDITOR

The auditor, Deloitte LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

SMALL COMPANIES NOTE

In preparing this report, the Directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board and signed on its behalf by.



A K Cameron
Director

Date: 15 June 2020

HOWDEN WORKPLACE CONSULTING LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 30 SEPTEMBER 2019

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

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

In preparing these audited financial statements, the Directors are required to:

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

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to 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.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

HOWDEN WORKPLACE CONSULTING LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HOWDEN WORKPLACE CONSULTING LIMITED

Opinion

In our opinion the financial statements of Howden Workplace Consulting Limited (the 'Company'):

- give a true and fair view of the state of the Company's affairs as at 30 September 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the statement of financial position;
- the statement of changes in equity;
- the statement of accounting policies; and
- the related notes 1 to 24.

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).

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 Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Councils (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 are required by ISA's (UK) to report in respect of the following matters where:

- the Directors' use of the going concern basis of accounting in the 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 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.

We have nothing to report in respect of these matters.

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.

HOWDEN WORKPLACE CONSULTING LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HOWDEN WORKPLACE CONSULTING LIMITED

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.

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 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 intend to liquidate the 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 FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Directors' Report.

HOWDEN WORKPLACE CONSULTING LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HOWDEN WORKPLACE CONSULTING LIMITED

Matters on which we are required to report by exception


Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; and
- the Directors were not entitled to take advantage of the small companies' exemptions in preparing the Directors' Report and from the requirement to prepare a strategic report.

We have nothing to report in respect of these matters.

Use of the audit 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.

A handwritten signature in black ink, appearing to read 'Mark McIlquham', with a stylized flourish extending from the end.

Mark McIlquham ACA (Senior statutory auditor)

For and on behalf of Deloitte LLP

London, United Kingdom

Date: 15/06/2020

HOWDEN WORKPLACE CONSULTING LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

	Note	2019 £	2018 £
Turnover	4	1,108,126	1,770,834
GROSS PROFIT		1,108,126	1,770,834
Administrative expenses		(995,272)	(999,910)
OPERATING PROFIT	5	112,854	770,924
Interest receivable and similar income	9	1,509	1,420
Interest payable and expenses	10	(16,844)	(30,976)
PROFIT BEFORE TAX		97,519	741,368
Tax on profit	11	(19,786)	(132,489)
PROFIT FOR THE FINANCIAL YEAR		77,733	608,879

There were no recognised gains and losses for 2019 or 2018 other than those included in the statement of comprehensive income.

All results were derived from continuing operations.

There was no other comprehensive income for 2019 (2018: £NIL).

The notes on pages 10 to 23 form part of these financial statements.

HOWDEN WORKPLACE CONSULTING LIMITED
REGISTERED NUMBER: 07927677

STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2019

	Note	2019 £	2018 £
Tangible fixed assets	12	-	-
		-	-
CURRENT ASSETS			
Debtors: amounts falling due within one year	13	439,238	1,400,467
Cash at bank and in hand	14	283,210	377,261
		722,448	1,777,728
Creditors: amounts falling due within one year	15	(255,525)	(1,388,538)
NET CURRENT ASSETS		466,923	389,190
TOTAL ASSETS LESS CURRENT LIABILITIES		466,923	389,190
NET ASSETS		466,923	389,190
CAPITAL AND RESERVES			
Called up share capital	17	50,000	50,000
Share premium account	18	90,000	90,000
Profit and loss account	18	326,923	249,190
		466,923	389,190

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



G Thomas
Director



A K Cameron
Director

Date: 15 June 2020

The notes on pages 10 to 23 form part of these financial statements.

HOWDEN WORKPLACE CONSULTING LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2019

	Called up share capital	Share premium account	Retained earnings	Total equity
	£	£	£	£
At 1 October 2018	50,000	90,000	249,190	389,190
COMPREHENSIVE INCOME FOR THE YEAR				
Profit for the year	-	-	77,733	77,733
OTHER COMPREHENSIVE INCOME FOR THE YEAR	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	-	-	77,733	77,733
AT 30 SEPTEMBER 2019	50,000	90,000	326,923	466,923

The notes on pages 10 to 23 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2018

	Called up share capital	Share premium account	Retained earnings	Total equity
	£	£	£	£
At 1 October 2017	50,000	90,000	(359,689)	(219,689)
COMPREHENSIVE INCOME FOR THE YEAR				
Profit for the year	-	-	608,879	608,879
OTHER COMPREHENSIVE INCOME FOR THE YEAR	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	-	-	608,879	608,879
AT 30 SEPTEMBER 2018	50,000	90,000	249,190	389,190

The notes on pages 10 to 23 form part of these financial statements.

HOWDEN WORKPLACE CONSULTING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019

1. GENERAL INFORMATION

The Company is a private company limited by shares, incorporated in the United Kingdom and registered in England and Wales. The address of its registered office is One Creechurch Place, London, United Kingdom, EC3A 5AF. Company number 07927677.

The principal activity of Howden Workplace Consulting Limited during the year was providing advice to employers on Auto-enrolment, Director and Company Protection and Employee Benefit solutions.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The following accounting policies have been applied in dealing with items that are considered material in relation to the financial statements.

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

Monetary amounts in these financial statements are rounded to the nearest £1.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies.

2.2 FINANCIAL REPORTING STANDARD 102 - REDUCED DISCLOSURE EXEMPTIONS

The Company meets the definition of a qualifying entity and has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Hyperion Insurance Group Limited as at 30 September 2019 and these financial statements may be obtained from One Creechurch Place, London, EC3A 5AF.

HOWDEN WORKPLACE CONSULTING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019

2. ACCOUNTING POLICIES (CONTINUED)

2.3 GOING CONCERN

As at 30 September 2019, the Company has net current assets and net assets of £430,117.

The Company's immediate parent company, Howden Broking Group Limited, has undertaken to provide financial support to the Company to meet liabilities as they fall due for a period not less than 12 months after the approval of the financial statements.

Having considered the aforementioned, including the impact of Covid 19, and after making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue to operate for at least twelve months from the date of signing/approval of these financial statements. Accordingly, they adopt the going concern basis in preparing the annual report and financial statements.

In respect of the emergence of Covid 19, management has considered the impact on future cash flows and liquidity. This was done by stress testing the current forecast plan for a period at least to September 2021 by modelling a decrease of up to 15% on revenue, which varied across the forecast period. On completing this exercise, management considered current and forecast sensitised liquidity to be adequate for the forecast period. Mitigating actions to further increase liquidity could include reduction of discretionary spend such as bonuses and travel and entertainment.

2.4 REVENUE

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Revenue consists principally of brokerage, commissions and fees associated with the placement of insurance contracts, net of commissions payable to other directly involved parties. Revenue from brokerage, commission and fees are recognised on the inception date of the risk. Any adjustments to commissions arising from premium additions or reductions are recognised as and when they are notified by third parties.

Where contractual obligations exist for the performance of post placement activities, a relevant proportion of revenue received on placement is deferred and recognised over the period during which the activities are performed.

Profit commission is recognised when the amount can be estimated, with a reasonable degree of certainty, and is equivalent to the minimum value expected to be received.

HOWDEN WORKPLACE CONSULTING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019

2. ACCOUNTING POLICIES (CONTINUED)

2.5 INSURANCE INTERMEDIARY ASSETS AND LIABILITIES

Insurance intermediaries act as agents in placing the insurable risks of their clients with insurers and as such, generally, are not liable as principals for the amounts arising from such transactions. Accordingly, receivables arising from insurance broking transactions are not included as assets of the Company, other than the receivable for fees and commissions earned on the transaction, which is recognised within trade receivables. No recognition of the insurance transaction occurs until the Company receives cash in respect of premiums or claims, at which time a corresponding liability is established in favour of the insurer or the client and is recognised as an insurance payable.

Fiduciary cash arising from insurance broking transactions is included within insurance cash. The Company is entitled to retain the investment income on any cash flows arising from insurance related transactions.

2.6 DEBTORS

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value (including transaction costs), and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.7 CASH AND CASH EQUIVALENTS

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.8 CREDITORS

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value (including transaction costs), and are measured subsequently at amortised cost using the effective interest method.

HOWDEN WORKPLACE CONSULTING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019

2. ACCOUNTING POLICIES (CONTINUED)

2.9 FOREIGN CURRENCY TRANSLATION

Functional and presentation currency

The Company's functional and presentational currency is Pounds Sterling (£).

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Income Statement except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings are presented in the Income Statement within 'finance income or costs'.

2.10 FINANCE COSTS

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.11 EMPLOYEE BENEFITS

Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the Statement of Financial Position date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the Statement of Financial Position date.

Defined contribution scheme

The amount charged to the Income Statement in respect of pension and other post-retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments. The Company has no legal or constructive obligation to make any further payments to the plans other than the contributions due.

2.12 INTEREST INCOME

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

HOWDEN WORKPLACE CONSULTING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019

2. ACCOUNTING POLICIES (CONTINUED)

2.13 CURRENT AND DEFERRED TAXATION

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and

Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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.

Significant judgements

The following judgements have had the most significant effect on amounts recognised in the financial statements:

Revenue recognition

Revenue includes commission and fees receivable at the later of policy inception date or when the policy placement has been completed and confirmed. To the extent that the Company is contractually obliged to provide services after this date, a suitable proportion of income is deferred and recognised over the life of the relevant contracts to ensure that revenue appropriately reflects the fair value of fulfilment of these obligations. Profit commission and other contingent fee arrangements are recognised over the life of the relevant arrangement or when they can be measured with reasonable certainty.

Key sources of estimation uncertainty

No key sources of estimation uncertainty have been identified.

HOWDEN WORKPLACE CONSULTING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019

4. ANALYSIS OF REVENUE

An analysis of turnover by class of business is as follows:

	2019 £	2018 £
Brokerage, commissions and fees	1,108,126	1,770,834

All turnover arose within the United Kingdom.

5. OPERATING PROFIT

The operating profit is stated after charging:

	2019 £	2018 £
Depreciation of tangible fixed assets	-	2,513
Defined contribution pension costs	32,508	30,169

6. AUDITOR'S REMUNERATION

	2019 £	2018 £
Fees payable to the Company's auditor in respect of the audit of the Company's annual accounts	17,539	20,420

The Company has taken advantage of the exemption not to disclose amounts paid for non audit services as these are disclosed in the group accounts of the parent Company.

HOWDEN WORKPLACE CONSULTING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019

7. EMPLOYEES

Staff costs, including Directors' remuneration, were as follows:

	2019 £	2018 £
Wages and salaries	460,165	566,915
Social security costs	33,671	63,426
Cost of defined contribution scheme	32,508	30,169
	<u>526,344</u>	<u>660,510</u>

The average monthly number of employees, including the Directors, during the year was as follows:

	2019 No.	2018 No.
Management	1	1
Brokers	4	4
	<u>5</u>	<u>5</u>

8. DIRECTORS' REMUNERATION

	2019 £	2018 £
Directors' emoluments	145,566	279,152
Company contributions to defined contribution pension schemes	13,820	12,626
	<u>159,386</u>	<u>291,778</u>

During the year retirement benefits were accruing to 1 Directors (2018 - 1) in respect of defined contribution pension schemes.

The highest paid Director received remuneration of £145,566 (2018 - £279,152).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid Director amounted to £13,820 (2018 - £12,626).

HOWDEN WORKPLACE CONSULTING LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019

9. INTEREST RECEIVABLE

	2019 £	2018 £
Bank and other interest receivable	1,509	1,420

No amounts of interest were derived from group undertakings.

10. INTEREST PAYABLE AND SIMILAR EXPENSES

	2019 £	2018 £
Loans from group undertakings	16,844	30,976

11. TAXATION

	2019 £	2018 £
CORPORATION TAX		
Current tax on profits for the year	9,284	102,427
Adjustments in respect of previous periods	9,792	(353)
TOTAL CURRENT TAX	19,076	102,074
DEFERRED TAX		
Origination and reversal of timing differences	710	30,415
TOTAL DEFERRED TAX	710	30,415
TAXATION ON PROFIT	19,786	132,489

No tax was charged or credited to other comprehensive income in current or prior year.

HOWDEN WORKPLACE CONSULTING LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019

11. TAXATION (CONTINUED)

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is lower than (*2018 - lower than*) the standard rate of corporation tax in the UK of 19% (*2018 - 19%*). The differences are explained below:

	2019 £	2018 £
Profit before tax	97,519	741,368
Profit multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	18,529	140,860
EFFECTS OF:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	-	186
Adjustment in respect of prior years	-	(353)
Other differences leading to an increase (decrease) in the tax charge	1,257	(8,204)
TOTAL TAX CHARGE FOR THE YEAR	19,786	132,489

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

The Company's profits for the accounting period to 30 September 2019 were taxed at an effective rate of 19.5%.

Finance Bill 2016 enacted provisions to reduce the main rate of UK corporation tax to 17% from 1 April 2020. However, in the March 2020 Budget it was announced that the reduction in the UK rate to 17% will now not occur and the Corporation Tax Rate will be held at 19%. As substantive enactment is after the balance sheet date, deferred tax balances as at 30 September 2019 continue to be measured at a rate of 17%. If the amended tax rate had been used, the deferred tax asset would have been £84 higher.

HOWDEN WORKPLACE CONSULTING LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019

12. TANGIBLE FIXED ASSETS

	Fixtures and fittings £
COST OR VALUATION	
At 1 October 2018	26,900
At 30 September 2019	<u>26,900</u>
DEPRECIATION	
At 1 October 2018	26,900
At 30 September 2019	<u>26,900</u>
NET BOOK VALUE	
At 30 September 2019	<u>-</u>
At 30 September 2018	<u>-</u>

HOWDEN WORKPLACE CONSULTING LIMITED

NOTES TO THE FINANCIAL STATEMENTS
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13. DEBTORS

	2019 £	2018 £
Insurance debtors	180,680	164,110
Amounts owed by group undertakings	245,215	1,163,420
Prepayments and accrued income	5,183	69,783
Tax recoverable	5,716	-
Deferred taxation	2,444	3,154
	<u>439,238</u>	<u>1,400,467</u>

Amounts owed by group undertakings are unsecured, interest free and repayable on demand.

14. CASH AND CASH EQUIVALENTS

	2019 £	2018 £
Cash at bank and in hand	<u>283,210</u>	<u>377,261</u>

15. CREDITORS: Amounts falling due within one year

	2019 £	2018 £
Amounts owed to group undertakings	161,406	980,403
Corporation tax	-	58,433
Other taxation and social security	15,562	22,228
Other creditors	8,967	797
Accruals and deferred income	69,590	326,675
	<u>255,525</u>	<u>1,388,536</u>

Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

HOWDEN WORKPLACE CONSULTING LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019

16. DEFERRED TAXATION

	2019 £
At beginning of year	3,154
Charged to profit or loss	(710)
AT END OF YEAR	2,444

The deferred tax asset is made up as follows:

	2019 £	2018 £
Accelerated capital allowances	-	1,540
Tax losses carried forward	2,444	1,614
	2,444	3,154

Provisions are expected to be utilised within 5 years.

17. SHARE CAPITAL

	2019 £	2018 £
Allotted, called up and fully paid		
50,000 (2018 - 50,000) Ordinary shares of £1 each	50,000	50,000

The Company has one class of ordinary share which carry voting rights but no right to fixed income.

HOWDEN WORKPLACE CONSULTING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019

18. RESERVES

Share premium account

The Share premium account records the amount above the nominal value received for shares sold, less transaction costs.

Retained earnings

The Profit and loss account records the current and prior period retained profits and losses, less any dividends paid.

19. SHARE BASED PAYMENTS

The Company participates in a group share-based payment plan, whereby employees of the Company are issued with "D" or "E" shares of Hyperion Insurance Group Limited, the ultimate parent company. The "D" and "E" shares convert to "A" shares of Hyperion Insurance Group based on a number of conditions, which include continued employment after four or five years, performance of the relevant business unit and performance of the "A" share price of Hyperion Insurance Group Limited. The charge recognised in the Income Statement of £Nil in the year ended 30 September 2019 (2018: £Nil) is calculated on the fair value of the "D" and "E" shares issued to the employees of the Company.

20. CONTINGENT LIABILITIES

On 29 April 2015, the ultimate parent company Hyperion Insurance Group Limited along with the Company and fellow subsidiary Hyperion Refinance S.a.r.l., entered into a financing agreement with Morgan Stanley Senior Funding Inc., Royal Bank of Canada, HSBC Bank plc, Lloyds Bank plc, Royal Bank of Scotland and ING Capital LLC. Under the terms of this agreement, the Company together with a number of other subsidiaries have given guarantees in respect of Hyperion Refinance S.a.r.l.'s obligations under the terms of the agreement.

On 20 December 2017, the ultimate company Hyperion Insurance Group Limited along with fellow subsidiaries HIG Finance 2 Limited and Hyperion Refinance S.a.r.l entered into an amended and restated credit agreement with the Group's lenders in respect of the Group's main lending facilities. As part of the amended and restated credit agreement the Company is a guarantor in respect of obligations undertaken by Hyperion Insurance Group Limited, HIG Finance 2 Limited and Hyperion Refinance S.a.r.l.

21. COMMITMENTS

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £32,508 (2018: £30,168). Contributions totalling £Nil (2018: £Nil) were payable to the fund at the reporting date.

22. RELATED PARTY TRANSACTIONS

The Company has taken advantage of the exemption available under Section 33 of FRS 102 to not disclose related party transactions with subsidiaries that are wholly owned within the group.

HOWDEN WORKPLACE CONSULTING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019

23. POST BALANCE SHEET EVENTS

The emergence of Covid 19 during January 2020 is a non-adjusting post balance sheet event. Covid 19 could impact the future demand for the services as defined in the principal activities of the Company and recoverability of receivables and other assets. An estimate of the financial effect of Covid 19 cannot be made due to the pervasive nature of the Covid 19 and uncertainties over the duration of the pandemic and subsequent impacts on the wider economy. However, as at the date of the report Covid 19 has not had a material impact on the financials of the Company.

There are no other material post balance sheet events required to be disclosed.

24. CONTROLLING PARTY

The Company's immediate parent company is Howden Broking Group Limited, a company incorporated in the United Kingdom. Howden Broking Group Limited is the parent company of the smallest group of which the Company is a member.

The Company's ultimate holding and controlling undertaking is Hyperion Insurance Group Limited, an entity incorporated in the United Kingdom and registered in England and Wales. Hyperion Insurance Group Limited is the parent company of the largest group of which the Company is a member.

Copies of the financial statements of this Company can be obtained from the Group Finance Department at the registered office, One Creechurch Place, London, EC3A 5AF.
