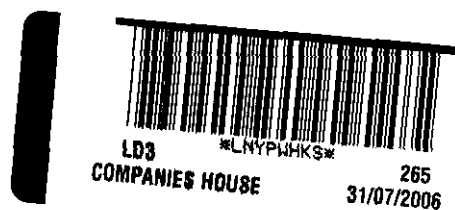


## Hampden Insurance Management Limited

Report and Financial Statements  
Year ended 31 December 2005



Company No: 2372780

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**COMPANY INFORMATION**

Directors	T.P.C. Oliver S.J. Harris N.P. Wentworth-Stanley	Chairman
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Secretary	Hampden Legal Plc
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Registered office	Hampden House Great Hampden Great Missenden Bucks HP16 9RD
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Registered number	2372780
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Auditors	Seymour Taylor Chartered Accountants Registered Auditors 57 London Road High Wycombe Bucks HP11 1BS
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## REPORT OF THE DIRECTORS

The directors present their report and financial statements for the year ended 31 December 2005.

### Principal activities

The company did not trade actively during the year..

### Business review and future developments

The directors consider the company to be in a satisfactory position.

### Results and dividends

The results of the company for the year ended 31 December 2005 are set out in the financial statements on pages 5 to 13.

The directors do not recommend the payment of a dividend (2004 - £Nil).

The loss for the year after taxation and dividends has been transferred to reserves.

### Financial risk management objectives and policies.

The company does not accept new business and has no significant operations. The directors have reviewed the risk profile of the company and are of the opinion that due to the limited nature of the company's operations, it is not exposed to significant price, liquidity or interest rate cash flow risks and that credit risks are limited to the recoverability of debtor balances. The directors have reviewed the recoverability of debtor balances and are satisfied that, due to the nature of the balances, credit risk is minimal.

### Directors

The directors set out below have held office during the whole of the period from 1 January 2005 to the date of this report unless otherwise stated.

T.P.C. Oliver  
S. J. Harris  
N.P Wentworth-Stanley

All directors are also directors of Hampden Holdings Limited.

As permitted by statutory instrument, the Register of Directors' Shareholdings maintained by the company does not include details of any shareholding of directors who are also directors of the company's ultimate parent company, Hampden Holdings Limited. T.P.C. Oliver's interests in the shares of the holding company are disclosed in the annual report of that company, none of the other directors hold any shares in Hampden Holdings Limited.

**REPORT OF THE DIRECTORS**  
(continued)

**Auditors**

The auditors, Seymour Taylor, have indicated their willingness to continue in office and a resolution to confirm this re-appointment will be proposed at the annual general meeting.

**Statement of directors' responsibilities for the financial statements**

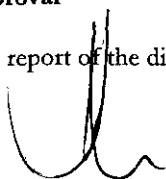
Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the group and hence for taking steps for the prevention and detection of fraud and other irregularities.

**Approval**

The report of the directors was approved by the Board on 24 July 2006 and signed on its behalf by:



**Hampden Legal Plc**  
Secretary



## INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDER OF HAMPDEN INSURANCE MANAGEMENT LIMITED

We have audited the financial statements of Hampden Insurance Management Limited, for the year ended 31 December 2005, which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement and the related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

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

### Respective responsibilities of the directors and the auditors

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

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

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the group is not disclosed.

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

### Basis of opinion

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

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

### Opinion

In our opinion:

the financial statements give a fair and true view, in accordance with United Kingdom Generally Accepted Accounting Practice of the state of the company's affairs as at 31 December 2005 and of its loss for the year then ended;

and the financial statements have been properly prepared in accordance with the Companies Act 1985.

Seymour Taylor  
Chartered Accountants  
Registered Auditors  
57 London Road  
High Wycombe  
Buckinghamshire  
HP11 1BS  
24 July 2006



**PROFIT AND LOSS ACCOUNT**  
**For the year ended 31 December 2005**

	Note	2005 £	2004 £
<b>Turnover from continuing operations</b>	2	-	-
Administrative expenses		3,050	2,960
<b>Operating loss from continuing operations</b>		<u>(3,050)</u>	<u>(2,960)</u>
Dividend receivable		<u>-</u>	<u>-</u>
<b>Loss on ordinary activities before taxation</b>	3	(3,050)	(2,960)
Tax on loss on ordinary activities	5	<u>-</u>	<u>-</u>
<b>Loss on ordinary activities after taxation</b>		<u>(3,050)</u>	<u>(2,960)</u>
<b>Retained loss for the financial year</b>		£ <u><u>(3,050)</u></u>	£ <u><u>(2,960)</u></u>

The group has no recognised gains or losses other than the loss for the year and the prior year loss.

The loss for the year has been calculated on the historical cost basis.

The notes on pages 8 to 13 form part of these financial statements.


**BALANCE SHEET**  
**at 31 December 2005**

	Note	£	2005	£	£	2004	£
<b>Current assets</b>							
Debtors	6	513,096				516,086	
Cash at bank and in hand		<u>-</u>				<u>-</u>	
		513,096				516,086	
<b>Creditors:</b>							
Amounts falling due within one year	7	<u>3,020</u>				<u>2,960</u>	
<b>Net current assets</b>				<u>510,076</u>			<u>513,126</u>
<b>Net assets</b>				<u><u>510,076</u></u>			<u><u>513,126</u></u>
<b>Capital and reserves</b>							
Called up share capital	8			3,263,697			3,263,697
Profit and loss account				<u>(2,753,621)</u>			<u>(2,750,571)</u>
<b>Equity shareholders' funds</b>	9			<u><u>510,076</u></u>			<u><u>513,126</u></u>

The financial statements were approved by the board on 24 July 2006 signed on its behalf by:

**T.P.C. Oliver**  
Director

The notes on pages 8 to 13 form part of these financial statements.



**CASH FLOW STATEMENT**  
**for the year ended 31 December 2005**

	Note	£	2005	£	£	2004	£
Net cash outflow from operating activities	10	-				-	
Returns on investment and servicing of finance							
Dividends paid		-				-	
Dividends received		-				-	
<b>Investing Activities</b>							
Transfer of subsidiary				-		-	
<b>Decrease in cash</b>				-		-	

The notes on pages 8 to 13 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS**  
**31 December 2005**

**1 ACCOUNTING POLICIES**

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

**Basis of accounting**

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

**Changes in accounting policies**

In preparing the financial statements for the current year, the company has adopted the following Financial Reporting Standards:

FRS 21 'Events after the Balance Sheet date (IAS 10)'; and

- the presentation requirements of 'FRS 25 'Financial Instruments: Disclosure and Presentation (IAS 32)''.

FRS 21 'Events after the Balance Sheet date (IAS 10)'

The adoption of FRS 21 has resulted in a change in accounting policy in respect of proposed equity dividends. If the company declares dividends to the holders of equity instruments after the balance sheet date, the company does not recognise those dividends as a liability at the balance sheet date. The aggregate amount of equity dividends proposed before the approval of the financial statements, which have not been shown as liabilities at the balance sheet date, are disclosed in the notes to the financial statements. Previously, proposed equity dividends were recorded as liabilities at the balance sheet date.

FRS 25 'Financial Instruments: Disclosure and Presentation (IAS 32)'

The adoption of FRS 25 has had no effect on any disclosures within these financial statements.

**Turnover**

Turnover represents the amounts (excluding Value Added Tax) derived from the provision of services to clients during the year.

**Operating lease agreements**

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.



**NOTES TO THE FINANCIAL STATEMENTS**  
**31 December 2005**

**1 ACCOUNTING POLICIES (continued)**

**Deferred Taxation**

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

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

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

**Financial Instruments**

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

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

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

**2 TURNOVER**

Turnover and profit before taxation are attributable to the principle activity of the company and are earned in the United Kingdom.

**NOTES TO THE FINANCIAL STATEMENTS**  
**31 December 2005**

	2005 £	2004 £
<b>3 LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		
This is stated after charging:		
Auditors remuneration for		
Audit services	2,500	2,450
Non audit services	<u>520</u>	<u>510</u>

**4 STAFF COSTS**

There were no staff costs and the directors received no remuneration for the year ended 31 December 2005 or the year ended 31 December 2004

**5 TAXATION ON LOSS ON ORDINARY ACTIVITIES**
**(a) Taxation**
**Current Tax:**

In respect of the year:

UK Corporation Tax based on the results for the year

At 30% (2004 - 30%)

Over/under provision in prior years

Deferred tax:

Decrease in deferred tax provision

Tax on loss on ordinary activities

-	-
-	-
-	-
-	-
<u>£ -</u>	<u>£ -</u>

**(b) Factors affecting current tax charge**

The tax assessed for the year is higher than the standard rate of Corporation Tax in the UK of 30% (2004-30%), applied to the profit on ordinary activities before taxation. The differences are explained below.

Loss on ordinary activities before taxation

<u>£ (3,050)</u>	<u>£ (2,960)</u>
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Loss on ordinary activities multiplied by the company's rate of corporation tax in the UK of 30% (2004 - 30%)

(915)	-
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Effects of:

Expenses disallowable for tax purposes

Capital allowances in excess of depreciation

Current year tax losses not utilised

Group relief surrender/(utilisation)

Adjustments in respect of previous periods

-	-
-	-
-	-
915	-
-	-

Total current tax (note 6 (a))

<u>£ -</u>	<u>£ -</u>
------------	------------

(c) A deferred tax asset has not been recognised in respect of excess capital allowances. The amount that has not been recognised at 31 December 2005, when calculated at large companies rate of corporation tax in the UK of 30% is £41,180 (2004 - £41,180).

The deferred tax asset would be recoverable to the extent that future taxable profits are generated enabling the allowances to be relieved.

**NOTES TO THE FINANCIAL STATEMENTS**  
**31 December 2005**

	2005 £	2004 £
<b>6 DEBTORS</b>		
Amounts owed by group undertakings	<u>513,096</u>	<u>516,086</u>
	£ <u>513,096</u>	£ <u>516,086</u>
<b>7 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>		
Accruals and deferred income	<u>3,020</u>	<u>2,960</u>
	£ <u>3,020</u>	£ <u>2,960</u>
<b>8 SHARE CAPITAL</b>		
Authorised - 5,000,000 ordinary shares of £1 each	£ <u>5,000,000</u>	£ <u>5,000,000</u>
Allotted, called up and fully paid 3,263,697 ordinary shares of £1 each	£ <u>3,263,697</u>	£ <u>3,263,697</u>



**NOTES TO THE FINANCIAL STATEMENTS**  
**31 December 2005**

	2005 £	2004 £
<b>9 RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDERS FUNDS</b>		
Opening shareholder's funds	513,126	516,086
Retained loss for the financial year	(3,050)	(2,960)
Closing shareholder's funds	<u>£ 510,076</u>	<u>£ 513,126</u>
<b>10 RECONCILIATION OF OPERATING LOSS TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES</b>		
Operating loss	(3,050)	(2,960)
Write-off of investments	-	-
Decrease in debtors	2,990	4,300
Increase/(Decrease) in creditors	<u>60</u>	<u>(1,340)</u>
Net cash outflow from operating activities	<u>£ -</u>	<u>£ -</u>
<b>11 ANALYSIS OF CHANGES IN CASH</b>		
Balance at 1 January	-	-
Net cash outflow	<u>-</u>	<u>-</u>
Balance at 31 December	<u>£ -</u>	<u>£ -</u>
<b>12 OTHER FINANCIAL COMMITMENTS</b>		
<b>Operating lease commitments</b>		
Payments which the company is committed to make at the end of the year were as follows:		
Land and buildings, leases expiring		
One to five years	-	-
Beyond five years	49,671	49,671
	<u>£ 49,671</u>	<u>£ 49,671</u>
<b>13 FRS 8 – RELATED PARTY TRANSACTIONS</b>		

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



**NOTES TO THE FINANCIAL STATEMENTS**  
**31 December 2005**

**14 ULTIMATE PARENT AND CONTROLLING COMPANY**

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

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

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

Hampden House  
Great Hampden  
Great Missenden  
Buckinghamshire  
HP16 9RD