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## Hampden Plc

### Report and Consolidated Financial Statements

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*Year ended 31 December 2004*

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Company No: 2918089



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COMPANY INFORMATION

Directors	T.P.C. Oliver C.G Camroux-Oliver M.W Gerard K.W Haddon T.A.E Kalmeborg C.J Ridgwell	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	02918089
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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 2004.

### Principal activities

The principal activity of the group is that of an insurance management services provider together with the provision of company secretarial administration and legal support services.

### Business review and future developments

Following a group re-organisation that took place on 1 August 2003, Hampden Plc held at the year end one subsidiary undertaking, *Hampden Legal Plc*.

On 1 January 2005 a further group reorganisation took place. The entire issued share capital of Hampden Legal Plc was transferred to Hampden Holdings Limited, and the Company acquired the entire issued share capital of Hampden Insurance Group Limited, Hampden Group Management Limited, and each of their respective subsidiary undertakings.

The directors consider the group to be in a good position to take advantage of future opportunities.

### Results and dividends

The results of the group for the year ended 31 December 2004 are set out in the financial statements on pages 6 to 22.

The directors do not recommend the payment of a dividend (2003 £Nil).

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

### Directors

The directors set out below have held office during the whole of the period from 1 January 2004 to the date of this report unless otherwise stated.

T.P.C. Oliver	
C.G. Camroux-Oliver	Appointed 7 May 2004
M.W. Gerard	Appointed 7 May 2004
T.A.E. Kalmeborg	Appointed 7 May 2004
K.W. Haddon	Appointed 19 April 2005
Hampden Legal Plc	Resigned 31 December 2004
C.J. Ridgwell	Appointed 19 April 2005

T.P.C. Oliver, C.G. Camroux-Oliver, M.W. Gerard and T.A.E. Kalmeborg are 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. The directors' interests in the shares of the ultimate holding company are disclosed in the annual report of that company.



## REPORT OF THE DIRECTORS (continued)

### Charitable Donations

During the year charitable donations of £Nil (2003 - £761) were made by the group.

### Auditors

The auditors, Seymour Taylor, have indicated their willingness to continue in office and a resolution to reappoint them 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 have general responsibilities for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

### Approval

The report of the directors was approved by the Board on 27 July 2005 and signed on its behalf by:

Hampden Legal Plc  
Secretary



## INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF HAMPDEN Plc

We have audited the financial statements of Hampden Plc, for the year ended 31 December 2004, which comprise the Consolidated Profit and Loss Account, the Consolidated Balance Sheet, the Company Balance Sheet, the Consolidated 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 shareholders 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 shareholders 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

### Respective responsibilities of the directors and the auditor

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.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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

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



**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF HAMPDEN PLC**

**Opinion**

In our opinion the financial statements give a true and fair view of the state of the company's and the group's affairs as at 31 December 2004 and of the group's profit for the year then ended, and 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

**Date 27 / 07 / 2005**



**CONSOLIDATED PROFIT AND LOSS ACCOUNT**  
for the year ended 31 December 2004

	Note	£	2004	£	£	2003	£
Turnover from operations	2			1,660,915			1,038,402
Administrative expenses				<u>900,867</u>			<u>1,084,105</u>
Operating profit /(loss) from operations				760,048			(45,703)
Interest receivable	3	2,665			8,227		
Interest payable and similar charges	4	<u>(38,200)</u>		<u>(35,535)</u>	<u>(45,795)</u>		<u>(37,568)</u>
Profit / (loss) on ordinary activities before taxation	5			724,513			(83,271)
Tax on profit / (loss) on ordinary activities	8			<u>(331)</u>			<u>70,572</u>
Retained profit / (loss) for the financial year			£	<u><u>724,182</u></u>		£	<u><u>(12,699)</u></u>

All the activities of the group are classed as continuing.

The group has no recognised gains or losses other than the results for the year as set out above.

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

The company has taken advantage of section 230 of the Companies Act 1985 not to publish its own Profit and Loss Account.


The notes on pages 10 to 22 form part of these financial statements.



**CONSOLIDATED BALANCE SHEET**  
as at 31 December 2004

	Note	£	2004	£	£	2003	£
<b>Fixed assets</b>							
Intangible assets - goodwill	9			(560)			(840)
Tangible assets	10a			<u>8,606</u>			<u>10,616</u>
				8,046			9,776
<b>Current assets</b>							
Debtors falling due within one year	12	8,837,676			8,148,161		
Cash at bank and in hand		<u>164,818</u>			<u>237,767</u>		
		9,002,494			8,385,928		
<b>Creditors:</b>							
Amounts falling due within one year	14	<u>7,767,210</u>			<u>7,876,556</u>		
<b>Net current assets</b>				<u>1,235,284</u>			<u>509,372</u>
<b>Total assets less current liabilities</b>				1,243,330			519,148
				-			-
<b>Net assets</b>			£	<u><u>1,243,330</u></u>		£	<u><u>519,148</u></u>
<b>Capital and reserves</b>							
Called up share capital	15			2,484,152			2,484,152
Profit and loss account	16			<u>(1,240,822)</u>			<u>(1,965,004)</u>
<b>Equity shareholders' funds</b>	17		£	<u><u>1,243,330</u></u>		£	<u><u>519,148</u></u>

The financial statements were approved by the board on 27 July 2005 and signed on its behalf by:

  
M.W. Gerard  
Director

The notes on pages 10 to 22 form part of these financial statements.



**COMPANY BALANCE SHEET**  
as at 31 December 2004

	Note	£	2004	£	£	2003	£
<b>Fixed assets</b>							
Tangible assets	10b		8,141			9,453	
Investments - subsidiary undertakings	11		101,119			101,119	
Investments - other investments			-			-	
			<u>109,260</u>			<u>110,572</u>	
<b>Current assets</b>							
Debtors falling due within one year	12	8,808,691		8,177,274			
Cash at bank and in hand		164,818		212,682			
		<u>8,973,509</u>		<u>8,389,956</u>			
<b>Creditors:</b>							
Amounts falling due within one year	14	<u>8,767,592</u>		<u>8,250,467</u>			
<b>Net current assets</b>			205,917			139,489	
<b>Net assets</b>			<u>£ 315,177</u>			<u>£ 250,061</u>	
<b>Capital and reserves</b>							
Called up share capital	15		2,484,152			2,484,152	
Profit and loss account	16		(2,168,975)			(2,234,091)	
<b>Equity shareholders' funds</b>	17		<u>£ 315,177</u>			<u>£ 250,061</u>	

The financial statements were approved by the board on 27 July 2005 and signed on its behalf by:

  
**M.W. Gerard**  
Director

The notes on pages 10 to 22 form part of these financial statements.



**CONSOLIDATED CASH FLOW STATEMENT**  
for the year ended 31 December 2004

	Note	£	2004	£	£	2003	£
<b>Net cash (outflow) from operating activities</b>	18			(30,379)			(1,246,382)
<b>Returns on investment and servicing of finance</b>							
Interest received		2,665			8,227		
Finance lease interest paid		-			(7,952)		
Bank interest paid		(10,749)			(12,102)		
Solvency guarantee commission		-			-		
Other interest paid		(27,451)			(25,741)		
				(35,535)			(37,568)
<b>Taxation</b>							
Recovered		-			1,383,310		
Paid		-			-		
				-			1,383,310
<b>Capital expenditure and financial investment</b>							
Sale of tangible fixed assets		-			-		
Purchase of tangible fixed assets		(7,571)			(4,165)		
				(7,571)			(4,165)
<b>Acquisitions and Disposals</b>							
(Purchase)/sale of investment		-			-		
(Purchase)/sale of subsidiaries		-			-		
Increase in capital of subsidiaries		-			-		
Disposal of businesses		-			-		
				-			-
<b>Equity dividends paid</b>				-			-
<b>Net cash outflow before financing</b>				(73,485)			95,195
<b>Financing</b>							
Finance lease inception		-			-		
Finance lease repayments		-			(1,774)		
				-			(1,774)
<b>(Decrease)/increase in cash</b>			£	<u>(73,485)</u>		£	<u>93,421</u>

The notes on pages 10 to 22 form part of these financial statements.



## NOTES TO THE FINANCIAL STATEMENTS

31 December 2004

### 1. ACCOUNTING POLICIES

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

#### **Basis of accounting**

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

#### **Basis of consolidation**

The consolidated financial statements incorporate the financial statement of the company and its subsidiary undertaking as at 31 December.

#### **Goodwill**

The assets and liabilities of business acquired by the group are included in the accounts at their fair value to the group. The differences between the consideration paid and the fair values of net assets acquired represents goodwill. Goodwill is amortised through the profit and loss account over a period of five years, which the directors consider to be the useful economic life.

#### **Turnover**

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

#### **Pension costs**

The group makes contributions to several defined contribution pension schemes. Contributions are charged to the profit and loss account in the period in which they are due.

#### **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 recognized 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.



## NOTES TO THE FINANCIAL STATEMENTS

31 December 2004

**Tangible fixed assets and depreciation**

Depreciation is provided evenly on the cost of tangible fixed assets, to write them down to their estimated residual values over their expected useful lives. Their principal annual rates are:

Computer equipment	33%
Motor vehicles	25%
Fixtures, fittings and equipment	15% to 25%

**Finance leases**

When assets are financed by leasing agreements that give rights approximating to ownership, the assets are treated as if they had been purchased outright. They are depreciated over their estimated useful lives. Future instalments net of interest are included in creditors. Interest is apportioned over the period of lease and charged to the profit and loss as it is incurred.

**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.

	2004 £	2003 £
<b>2. TURNOVER</b>		
Turnover is derived from the following areas:		
Continuing		
United Kingdom	1,641,004	849,746
European Community	19,911	188,656
Rest of the world	-	-
	<u>£ 1,660,915</u>	<u>£ 1,038,402</u>

**3. INTEREST RECEIVABLE****Ongoing operations**

Bank interest receivable	2,665	8,227
Other interest	-	-
	<u>£ 2,665</u>	<u>£ 8,227</u>



**NOTES TO THE FINANCIAL STATEMENTS**  
**31 December 2004**

**2004**  
**£**

**2003**  
**£**

**4. INTEREST PAYABLE AND SIMILAR CHARGES**

*Ongoing operations*

Inter-company loans	4,023	-
Interest on finance leases	-	7,952
Bank interest	10,749	12,102
Other interest	23,428	25,741

<b>£</b>	<b>38,200</b>	<b>£</b>	<b>45,795</b>
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**5. PROFIT / (LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION**

This is stated after charging/(crediting):

**Auditors remuneration for**

Audit services - the company	16,450	18,900
Audit services - the group		
Ongoing operations	18,150	20,500
Non audit services – the company	1,850	1,800
Non audit services – the group	2,100	3,100

<b>Amortisation of intangible fixed assets</b>	(280)	(280)
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**Depreciation of tangible fixed assets**

Owned	9,581	6,089
Leased	-	-

<b>(Profit)/loss on foreign exchange borrowing</b>	4,774	114,002
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<b>Write off inter company balances</b>	-	32,327
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<b>Staff costs (note 6)</b>	<u>645,798</u>	<u>633,407</u>
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## NOTES TO THE FINANCIAL STATEMENTS

31 December 2004

2004

2003

£

£

## 6. STAFF COSTS

Staff costs, including directors' remuneration (note 7), were:

Wages and salaries	468,688	514,344
Social security costs	58,216	61,163
Other pension costs	118,894	57,900
	<u>£ 645,798</u>	<u>£ 633,407</u>

The average weekly number of employees during the year was made up as follows:

	Number	Number
Sales	-	-
Administration	5	6
Technical	-	-
	<u>5</u>	<u>6</u>

## 7. DIRECTORS' REMUNERATION

Other emoluments	167,526	214,142
Pension contributions	12,425	8,572
	<u>£ 179,951</u>	<u>£ 222,714</u>

The emoluments of the Chairman and highest paid director, excluding pension contributions, were:

The Chairman	<u>£ Nil</u>	<u>£ Nil</u>
The highest paid director	<u>£ 83,954</u>	<u>£ 77,436</u>

Pension contributions of the highest paid director, made to a money purchase scheme on his behalf, were:

<u>£ 12,425</u>	<u>£ 8,572</u>
Number	Number

Retirement benefits are accruing to the following number of directors under:

Money purchase schemes	<u>1</u>	<u>1</u>
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**NOTES TO THE FINANCIAL STATEMENTS**  
**31 December 2004**

<b>8 TAXATION ON PROFIT / (LOSS) ON ORDINARY ACTIVITIES</b>	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
(a) Taxation		
Current Tax:		
In respect of the year:		
UK Corporation Tax based on the results for the year	-	-
At 30% (2003 - 30%)		
Over/under provision in prior years	-	(55,634)
Group relief	-	(13,125)
Total current year tax	-	(68,759)
Movement in deferred tax asset (note 13)	331	(1,813)
Tax on profit / (loss) on ordinary activities	<b>£ 331</b>	<b>£ (70,572)</b>

(b) Factors affecting current tax charge

The tax assessed for the year differs from the standard rate of Corporation Tax in the UK of 30% (2003-30%), applied to the profit on ordinary activities before taxation. The differences are explained below.

Profit / (loss) on ordinary activities before taxation	<b>£ 724,513</b>	<b>£ (83,271)</b>
Profit / (loss) on ordinary activities multiplied by the company's rate of corporation tax in the UK of 30% (2003 - 30%)	217,354	(24,981)
Effects of:		
Expenses disallowable for tax purposes	26,994	19,410
Capital allowances in excess of depreciation	(7,288)	(7,176)
Utilisation of own tax losses	-	(58,013)
Unrelieved tax losses	-	-
Loan waivers not taxable	-	-
Shares transferred at no gain or loss for tax purposes	-	-
Group relief - surrender / (utilisation) of losses	(237,060)	57,635
Adjustments in respect of previous periods	-	(55,634)
Total current tax (note 8 (a))	<b>£ -</b>	<b>£ (68,759)</b>

(c) Factors affecting future tax charge

A deferred tax asset has not been recognised in respect of unrelieved tax losses and accelerated capital allowances. The amount that has not been recognised at 31 December 2004 when calculated at the large companies rate of corporation tax in the UK of 30% is £612,109 (2003 - £416,389). The deferred tax asset would be recoverable to the extent that future taxable profits are generated enabling the tax losses to be relieved.



**NOTES TO THE FINANCIAL STATEMENTS**  
**31 December 2004**

**9. INTANGIBLE ASSETS**

Goodwill/(capital reserve) has arisen as a result of the acquisition of subsidiary undertakings and businesses

	<b>Subsidiary Negative Goodwill £</b>
<b>Cost</b>	
At 1 January 2004	(1,120)
Purchased during the year	-
Disposal	-
	<u>          </u>
At 31 December 2004	<u>          (1,120)</u>
<b>Amortisation</b>	
At 1 January 2004	(280)
Disposal	-
Charged in the year	(280)
	<u>          </u>
At 31 December 2004	<u>          (560)</u>
<b>Net book value</b>	
At 31 December 2004	<u>          (560)</u>
	<u>          </u>
At 31 December 2003	<u>          (840)</u>



**NOTES TO THE FINANCIAL STATEMENTS**  
**31 December 2004**

**10. TANGIBLE FIXED ASSETS**

	<b>Furniture and fixtures £</b>	<b>Computer equipment £</b>	<b>Motor vehicles £</b>	<b>Total £</b>
<b>(a) The group</b>				
<b>Cost</b>				
At 1 January 2004	270,151	26,678	42,500	339,329
Transfers	-	-	-	-
Additions	7,571	-	-	7,571
Disposals	-	-	-	-
At 31 December 2004	<u>277,722</u>	<u>26,678</u>	<u>42,500</u>	<u>346,900</u>
<b>Depreciation</b>				
At 1 January 2004	259,535	26,678	42,500	328,713
Transfers	-	-	-	-
Disposals	-	-	-	-
Charge for the year	9,581	-	-	9,581
At 31 December 2004	<u>269,116</u>	<u>26,678</u>	<u>42,500</u>	<u>338,294</u>
<b>Net book value</b>				
At 31 December 2004	£ <u>8,606</u>	£ -	£ -	£ <u>8,606</u>
At 31 December 2003	£ <u>10,616</u>	£ -	£ -	£ <u>10,616</u>
<b>(b) The company</b>				
<b>Cost</b>				
At 1 January 2004	265,498	-	42,500	307,998
Transfers	-	-	-	-
Additions	7,571	-	-	7,571
Disposals	-	-	-	-
At 31 December 2004	<u>273,069</u>	<u>-</u>	<u>42,500</u>	<u>315,569</u>
<b>Depreciation</b>				
At 1 January 2004	256,045	-	42,500	298,545
Transfers	-	-	-	-
Disposals	-	-	-	-
Charge for the year	8,883	-	-	8,883
At 31 December 2004	<u>264,928</u>	<u>-</u>	<u>42,500</u>	<u>307,428</u>
<b>Net book value</b>				
At 31 December 2004	£ <u>8,141</u>	£ -	£ -	£ <u>8,141</u>
At 31 December 2003	£ <u>9,453</u>	£ -	£ -	£ <u>9,453</u>



**NOTES TO THE FINANCIAL STATEMENTS**  
31 December 2004

**11. INVESTMENTS**

**The company**

	<b>Subsidiary undertakings £</b>
<b>Cost</b>	
At 1 January 2004	101,119
Additions	-
Write-off	-
	<u>          </u>
At 31 December 2004	<b>£ 101,119</b>

	<b>Group</b>		<b>Company</b>	
<b>12. DEBTORS</b>	<b>2004</b>	<b>2003</b>	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Amounts falling due within one year</b>				
Trade debtors	28,603	2,501	-	-
Amounts owed by group undertakings	8,654,302	8,056,628	8,655,402	8,090,055
Related undertakings	-	7,229	-	7,229
Deferred taxation (note 13)	1,482	1,813	-	-
Dividend receivable	-	-	-	-
Prepayments and accrued income	112,992	-	112,992	-
Other debtors	40,297	79,990	40,297	79,990
	<u>8,837,676</u>	<u>8,148,161</u>	<u>8,808,691</u>	<u>8,177,274</u>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>

**13. DEFERRED TAXATION**

The movement in the deferred taxation account during the year was:

Balance brought forward	1,813	-	-	-
Profit and Loss Account for the movement arising during the year	(331)	1,813	-	-
	<u>1,482</u>	<u>1,813</u>	<u>-</u>	<u>-</u>
Balance carried forward	<b>£ 1,482</b>	<b>£ 1,813</b>	<b>£ -</b>	<b>£ -</b>

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

Excess of taxation allowances over depreciation on fixed assets	£ 1,482	1,813	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>



**NOTES TO THE FINANCIAL STATEMENTS**  
**31 December 2004**

	<b>Group</b>		<b>Company</b>	
	<b>2004</b>	<b>2003</b>	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>14. CREDITORS</b>				
<b>Amounts falling due within one year</b>				
Bank loans and overdrafts	536	-	-	-
Trade creditors	57,220	16,269	56,985	16,269
Amounts owed to group undertakings	6,172,423	6,345,099	7,177,722	6,723,057
Related undertakings	9,704	-	9,704	-
Accruals and deferred income	167,732	176,501	165,782	174,601
Corporation tax	-	-	-	-
Other creditors including taxation and social security	859,595	838,687	857,399	836,540
Dividend proposed	500,000	500,000	500,000	500,000
	<b>£ 7,767,210</b>	<b>£ 7,876,556</b>	<b>£ 8,767,592</b>	<b>£ 8,250,467</b>

**15. SHARE CAPITAL**

Authorised, allotted, called up and fully paid  
 6,210,381 ordinary shares of 40p each

**£ 2,484,152    £ 2,484,152**

	<b>Group</b>		<b>Company</b>	
	<b>2004</b>	<b>2003</b>	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>16. RESERVES</b>				
<b>Profit and loss account</b>				
At 1 January	(1,965,004)	(1,952,305)	(2,234,091)	(1,736,358)
Exchange movements	-	-	-	-
Retained profit / (loss) for the financial year	724,182	(12,699)	65,116	(497,733)
	<b>£ (1,240,822)</b>	<b>£ (1,965,004)</b>	<b>£ (2,168,975)</b>	<b>£ (2,234,091)</b>



**NOTES TO THE FINANCIAL STATEMENTS**  
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17. RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDERS' FUNDS	Group		Company	
	2004 £	2003 £	2004 £	2003 £
Opening shareholders' funds	519,148	531,847	250,061	747,794
Exchange differences on retranslation of shareholders' funds	-	-	-	-
Movement in merger reserve acquired during the year	-	-	-	-
Retained profit / (loss) for financial year	724,182	(12,699)	65,116	(497,733)
Closing shareholders' funds	£ <u>1,243,330</u>	£ <u>519,148</u>	£ <u>315,177</u>	£ <u>250,061</u>
			2004 £	2003 £
18. RECONCILIATION OF OPERATING LOSS TO NET CASH INFLOW FROM OPERATING ACTIVITIES				
Operating profit/(loss)			760,048	(45,703)
Amortisation			(280)	(280)
Depreciation			9,581	6,089
Write-off of IIP balance			-	837
(Increase) / decrease in debtors			(689,846)	685,471
Increase / (decrease) in creditors			(109,882)	(1,892,796)
Net cash (outflow)/inflow from operating activities			£ <u>(30,379)</u>	£ <u>(1,246,382)</u>
			2004	2003
19. ANALYSIS OF CHANGES IN CASH				
Balance at 1 January			237,767	144,346
Acquired on purchase of subsidiary			-	-
Overdraft in subsidiary on disposal			-	-
Net cash (outflow)/inflow			(73,485)	93,421
Balance at 31 December			£ <u>164,282</u>	£ <u>237,767</u>



**NOTES TO THE FINANCIAL STATEMENTS**  
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	At 1 January 2004 £	Cash flow £	At 31 December 2004 £
<b>20. ANALYSIS OF NET DEBT</b>			
Cash at bank and in hand	237,767	(72,949)	164,818
Overdrafts	-	(536)	(536)
	<u>237,767</u>	<u>(73,485)</u>	<u>164,282</u>
Finance leases	-	-	-
	<u>£ 237,767</u>	<u>£ (73,485)</u>	<u>£ 164,282</u>

	Group		Company	
	2004 £	2003 £	2004 £	2003 £
<b>21. OTHER FINANCIAL COMMITMENTS</b>				
<b>Operating lease commitments</b>				
At the end of the year, the group and company had annual commitments under non-cancellable operating leases as follows:				
Land and buildings, leases expiring				
Beyond five years	<u>539,444</u>	<u>474,020</u>	<u>539,444</u>	<u>474,020</u>
	<u>£ 539,444</u>	<u>£ 474,020</u>	<u>£ 539,444</u>	<u>£ 474,020</u>

**22. PENSION COMMITMENTS**

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 £118,894 (2003 - £57,900). Contributions totalling £Nil (2003 - £Nil) were outstanding at the year end and are included in creditors.



NOTES TO THE FINANCIAL STATEMENTS  
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23. FRS 8 – RELATED PARTY TRANSACTIONS

As the company is a wholly owned subsidiary of Hampden Holdings Limited it has taken advantage of the exemption contained in Financial Reporting Standard 8 and has therefore not disclosed separately transactions or balances with entities which form part of the Hampden Holdings Group, where more than 90% of the voting rights of the entity are controlled within the group.

Mr T.P.C. Oliver and Mr C.G Camroux-Oliver are directors of this company and Azuran Plc, whose subsidiaries include Hampden Agencies Limited and Nomina Plc, all of whom bought services from Hampden Legal Plc for a fee agreed by the directors on a commercial basis.

The following amounts have been charged by Hampden Legal Plc during the year.

- Nomina Plc £310,498 (2003 £300,250) for company secretarial services. Balances outstanding at 31 December 2004 £26,400 (2003 £298).
- Azuran Plc £126,996 (2003-£63,498) for company secretarial services. Balances outstanding at 31 December 2004 £Nil (2003 - £Nil).
- Hampden Agencies Limited £174,996 (2003 - £137,498) for the provision of legal services. Balances outstanding at 31 December 2004 £Nil (2003 - £Nil).

Included within Other Debtors (note 12) is an amount owed by C G Camroux-Oliver, a director of Hampden PLC. The maximum amount owed, and balance at 31 December 2004, is £1,320.

24. CONTINGENCIES

The Royal Bank of Scotland have a third party charge of debt on Hampden PLC in respect of all monies and liabilities due or to become due from Hampden Insurance Holdings Limited.

There is a legal charge, registered on 13 July 2004, in respect of all monies due or to become due from Hampden PLC relating to rent payable under a lease dated 30 June 2004 in respect of a property in London.

25. PROFIT AND LOSS ACCOUNT

As permitted by section 230 of the Companies Act 1985, the group accounts do not include a separate profit and loss account for Hampden Plc. The amount of group pre-tax profit attributable to Hampden Plc dealt with in the group accounts is £65,116 (2003 – loss of £566,494)



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**26. ULTIMATE PARENT AND CONTROLLING COMPANY**

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

Copies of the 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

**27. SUBSIDIARY UNDERTAKINGS**

The following company is the only subsidiary undertaking. The company holds 100% of its equity share capital .

<b>Name</b>	<b>Country of incorporation</b>	<b>Principal activity</b>
Hampden Legal Plc	England & Wales	Company Secretarial & Legal