



# Hampden Plc

## Annual Report and Financial Statements

*For the year ended*

*31 December 2015*

TUESDAY



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**HAMPDEN PLC**  
**FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2015**

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# HAMPDEN PLC

## OFFICERS AND PROFESSIONAL ADVISERS

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**The board of directors**

T P C Oliver  
C G Camroux-Oliver  
F W Johnston  
S J Harris  
H S Russell  
N Langley

**Company secretary**

Hampden Legal Plc

**Registered office**

Hampden House  
Great Hampden  
Great Missenden  
Buckinghamshire  
England  
HP16 9RD

**Registered number**

02918089 (England and Wales)

**Registered auditor**

Carter Backer Winter LLP  
Chartered Accountants  
& Statutory Auditor  
66 Prescott Street  
London  
E1 8NN

**HAMPDEN PLC**  
**STRATEGIC REPORT**  
**YEAR ENDED 31 DECEMBER 2015**

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The directors present their strategic report for the year ended 31 December 2015.

The purpose of this report is to inform the members of the company and help them to assess how the directors have performed their duties under s172 of the Companies Act 2006, in promoting the success of the company.

**REVIEW OF THE BUSINESS**

The company has taken on new run-off management work in 2015. The directors consider the company to be in a good position to take advantage of future opportunities.

**PRINCIPAL RISKS AND UNCERTAINTIES**


**Financial risk management objectives and policies**

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

**Financial key performance indicators**

The directors regard fee income generated (as shown in note 4) and capital gains from its insurance run-off subsidiaries, subject to an acceptable gross profit margin, as the key performance indicators for the company's business.

Signed on behalf of the directors



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

Approved by the directors on 22 April 2016

**HAMPDEN PLC**  
**DIRECTORS REPORT**  
**YEAR ENDED 31 DECEMBER 2015**

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The directors present their report and the financial statements of the company for the year ended 31 December 2015.

**DIRECTORS**

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

T P C Oliver  
C G Camroux-Oliver  
F W Johnston  
S J Harris  
H S Russell  
N Langley

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

**RESULTS AND DIVIDENDS**

The profit for the year, after taxation, amounted to £1,084,555. Particulars of recommended dividends are detailed in note 14 to the financial statements.

**FUTURE DEVELOPMENTS**

Details of future developments are disclosed within the strategic report on page 2 of the financial statements.

**FINANCIAL INSTRUMENTS**

Details in relation to the financial risk management objectives and policies are disclosed within the principal risks and uncertainties heading on the strategic report on page 2 of the financial statements.

**DIRECTORS RESPONSIBILITIES STATEMENT**

The directors are responsible for preparing the strategic report, 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). 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.

**HAMPDEN PLC**  
**DIRECTORS REPORT** *(continued)*  
**YEAR ENDED 31 DECEMBER 2015**

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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.

**PROVISION OF INFORMATION TO THE AUDITOR**

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

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

**DONATIONS**

During the year the company made the following contributions:

	2015	2014
	£	£
Charitable	-	1,200
	<u>          </u>	<u>          </u>

**AUDITOR**

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

Signed on behalf of the directors



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

Approved by the directors on 22 April 2016

# **HAMPDEN PLC**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HAMPDEN PLC**

### **YEAR ENDED 31 DECEMBER 2015**

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We have audited the financial statements of Hampden Plc for the year ended 31 December 2015 which comprise the statement of income and retained earnings, statement of financial position, statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102.

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.

#### **RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR**

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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

#### **SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **OPINION ON FINANCIAL STATEMENTS**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

# HAMPDEN PLC

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HAMPDEN PLC

*(continued)*

**YEAR ENDED 31 DECEMBER 2015**

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### **OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006**

In our opinion the information given in the Strategic Report and the Directors' Report for the financial Year for which the financial statements are prepared is consistent with the financial statements.

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

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you 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.

*Carter Backer Winter LLP*

PAUL SMETHURST BA FCA (Senior Statutory Auditor)

For and on behalf of

CARTER BACKER WINTER LLP

Chartered Accountants & Statutory Auditor

66 Prescott Street

London

E1 8NN

22 April 2016



**HAMPDEN PLC**  
**STATEMENT OF INCOME AND RETAINED EARNINGS**  
**YEAR ENDED 31 DECEMBER 2015**

	Note	2015 £	2014 £
<b>TURNOVER</b>	<b>4</b>	<b>1,515,322</b>	<b>2,317,816</b>
<b>GROSS PROFIT</b>		<b>1,515,322</b>	<b>2,317,816</b>
Administrative expenses		(1,451,983)	(1,513,583)
Other operating income		9,262	—
<b>OPERATING PROFIT</b>	<b>5</b>	<b>72,601</b>	<b>804,233</b>
Income from shares in group undertakings	<b>9</b>	<b>1,000,000</b>	400,948
Income from other fixed asset investments		—	89,096
Other interest receivable and similar income	<b>10</b>	<b>4,195</b>	306
Write back of loan to group company	<b>11</b>	—	(70,266)
Interest payable and similar charges	<b>12</b>	<b>(17,041)</b>	(10,587)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>1,059,755</b>	<b>1,213,730</b>
Tax on profit on ordinary activities	<b>13</b>	<b>24,800</b>	—
<b>PROFIT FOR THE FINANCIAL YEAR AND TOTAL COMPREHENSIVE INCOME</b>		<b>1,084,555</b>	<b>1,213,730</b>
Dividends paid and payable	<b>14</b>	<b>(3,000,000)</b>	—
<b>RETAINED EARNINGS AT THE START OF THE YEAR</b>		<b>2,272,460</b>	<b>1,058,730</b>
<b>RETAINED EARNINGS AT THE END OF THE YEAR</b>		<b>357,015</b>	<b>2,272,460</b>

All the activities of the company are from continuing operations.

The notes on pages 10 to 21 form part of these financial statements.

**HAMPDEN PLC**  
**STATEMENT OF FINANCIAL POSITION**  
**31 DECEMBER 2015**

		2015		2014	
	Note	£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	15		19,980		29,170
Investments	16		<u>1</u>		<u>1</u>
			19,981		29,171
<b>CURRENT ASSETS</b>					
Debtors	17	2,476,747		5,005,961	
Cash at bank and in hand		<u>420,294</u>		<u>557,599</u>	
		2,897,041		5,563,560	
<b>CREDITORS: Amounts falling due within one year</b>	18	<u>(75,855)</u>		<u>(836,119)</u>	
<b>NET CURRENT ASSETS</b>			<u>2,821,186</u>		<u>4,727,441</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>2,841,167</u>		<u>4,756,612</u>
<b>NET ASSETS</b>			<u>2,841,167</u>		<u>4,756,612</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	20		2,484,152		2,484,152
Profit and loss account	21		<u>357,015</u>		<u>2,272,460</u>
<b>SHAREHOLDERS FUNDS</b>			<u>2,841,167</u>		<u>4,756,612</u>

These financial statements were approved by the board of directors and authorised for issue on 22 April 2016, and are signed on behalf of the board by:

  
F W Johnstone  
Director

Company registration number: 02918089

The notes on pages 10 to 21 form part of these financial statements.

**HAMPDEN PLC**  
**STATEMENT OF CASH FLOWS**  
**YEAR ENDED 31 DECEMBER 2015**

	2015 £	2014 £
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit for the financial year	1,084,555	1,213,730
<i>Adjustments for:</i>		
Depreciation of tangible assets	14,130	12,544
Write back of loan to group company	–	70,266
Income from shares in group undertakings	(1,000,000)	(400,948)
Other interest receivable and similar income	(4,195)	(306)
Interest payable and similar charges	17,041	10,587
Tax on profit on ordinary activities	(24,800)	–
Release of discretionary pension provision	–	(89,096)
<i>Changes in:</i>		
Trade and other debtors	26,014	(25,943)
Trade and other creditors	(7,022)	(150,567)
Cash generated from operations	<u>105,723</u>	<u>640,267</u>
Interest paid	(17,041)	(10,587)
Interest received	<u>4,195</u>	<u>306</u>
Net cash from operating activities	<u><u>92,877</u></u>	<u><u>629,986</u></u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of tangible assets	(4,940)	(1,000)
Dividends received	<u>1,000,000</u>	<u>490,044</u>
Net cash from investing activities	<u><u>995,060</u></u>	<u><u>489,044</u></u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayments of loans from group undertakings	–	(70,266)
Dividends paid	(3,000,000)	–
Increase/(decrease) in loans from group companies	(753,242)	496,874
(Increase)/decrease in loans to group companies	<u>2,528,000</u>	<u>(1,282,820)</u>
Net cash used in financing activities	<u><u>(1,225,242)</u></u>	<u><u>(856,212)</u></u>
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	<u><u>(137,305)</u></u>	<u><u>262,818</u></u>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<u><u>557,599</u></u>	<u><u>294,781</u></u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<u><u>420,294</u></u>	<u><u>557,599</u></u>

The notes on pages 10 to 21 form part of these financial statements.

**HAMPDEN PLC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2015**

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**1. GENERAL INFORMATION**

Hampden Plc is a public limited 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 was that of an insurance management services provider.

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**

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain fixed assets, liabilities and investment properties measured at fair value through profit or loss.

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.

**Transition to FRS 102**

The entity transitioned from previous UK GAAP to FRS 102 as at 1 January 2014. Details of how FRS 102 has affected the reported financial position and financial performance is given in note 24.

**Preparation of consolidated financial statements**

The financial statements contain information about Hampden Plc 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.

**Revenue recognition**

Turnover represents the aggregate amount (excluding Value Added Tax) of management services.

# HAMPDEN PLC

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

### YEAR ENDED 31 DECEMBER 2015

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

##### **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.

##### **Tangible assets**

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

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

##### **Depreciation**

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

Furniture, fixtures and equipment	-	Straight line - 15% to 33%
Computer equipment and programs	-	Straight line - 25% to 33%

**HAMPDEN PLC**  
**NOTES TO THE FINANCIAL STATEMENTS** *(continued)*  
**YEAR ENDED 31 DECEMBER 2015**

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

**Investments**

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

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

**Provisions**

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

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

**Defined contribution plans**

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

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

**HAMPDEN PLC**  
**NOTES TO THE FINANCIAL STATEMENTS** *(continued)*  
**YEAR ENDED 31 DECEMBER 2015**

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

**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 agreement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

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

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

**Impairment of financial assets**

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

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

**Foreign currency presentation currency**

The financial statements are presented in the currency of the primary economic environment in which the entity operates (its functional currency), as such, the results and statement of financial position are presented in Sterling (£).

**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.

# HAMPDEN PLC

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

### YEAR ENDED 31 DECEMBER 2015

#### 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 only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

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

#### 4. TURNOVER

The turnover and profit before tax are attributable to the one principal activity of the company.

An analysis of turnover is given below:

	2015 £	2014 £
United Kingdom	<u>1,515,322</u>	<u>2,317,816</u>

All turnover relates to management fees charged to external clients and group companies.

#### 5. OPERATING PROFIT

Operating profit is stated after charging:

	2015 £	2014 £
Depreciation of tangible assets	14,130	12,544
Pension expense	69,131	68,724
Fees payable for the audit of the financial statements	10,000	9,750
Operating lease costs: - Other	<u>35,000</u>	<u>35,000</u>

#### 6. STAFF COSTS

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

	2015 No	2014 No
Administrative staff	1	2
Management staff	5	4
Technical staff	14	15
	<u>20</u>	<u>21</u>



# HAMPDEN PLC

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

### YEAR ENDED 31 DECEMBER 2015

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

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

	2015	2014
	£	£
Wages and salaries	751,424	781,615
Social security costs	94,965	103,865
Other pension costs	69,131	68,724
	<u>915,520</u>	<u>954,204</u>

#### 7. DIRECTORS REMUNERATION

The directors aggregate remuneration in respect of qualifying services was:

	2015	2014
	£	£
Remuneration	148,533	58,790
Company contributions to defined contribution pension plans	32,011	7,668
	<u>180,544</u>	<u>66,458</u>

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

	2015	2014
	No	No
Defined contribution plans	<u>2</u>	<u>2</u>

#### 8. REMUNERATION OF KEY MANAGEMENT PERSONNEL

Only the directors of the company are considered to be key management personnel, their remuneration is disclosed within note 7.

#### 9. INCOME FROM SHARES IN GROUP UNDERTAKINGS

	2015	2014
	£	£
Dividend income	<u>1,000,000</u>	<u>400,948</u>

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

	2015	2014
	£	£
Interest on cash and cash equivalents	<u>4,195</u>	<u>306</u>

#### 11. WRITE BACK OF LOAN TO GROUP COMPANY

	2015	2014
	£	£
Write back of loan to group company	<u>-</u>	<u>(70,266)</u>

**HAMPDEN PLC**  
**NOTES TO THE FINANCIAL STATEMENTS** *(continued)*  
**YEAR ENDED 31 DECEMBER 2015**

**12. INTEREST PAYABLE AND SIMILAR CHARGES**

	2015 £	2014 £
Other interest payable and similar charges	<u>17,041</u>	<u>10,587</u>

**13. TAX ON PROFIT ON ORDINARY ACTIVITIES**

**Major components of tax income**

	2015 £	2014 £
<b>Deferred tax:</b>		
Origination and reversal of timing differences	<u>(24,800)</u>	–
<b>Tax on profit on ordinary activities</b>	<u>(24,800)</u>	<u>–</u>

**Reconciliation of tax credit**

The tax assessed on the profit on ordinary activities for the year is lower than (2014: lower than) the standard rate of corporation tax in the UK of 20.25% (2014: 21.50%).

	2015 £	2014 £
Profit on ordinary activities before taxation	<u>1,059,755</u>	<u>1,213,730</u>
Profit on ordinary activities by rate of tax	213,788	260,952
Effect of expenses not deductible for tax purposes	(202,075)	(246,343)
Effect of capital allowances and depreciation	802	2,482
Group relief	(12,515)	(17,091)
Changes in deferred tax liability / (asset) at future tax rate of 20% (2014: 21%)	<u>(24,800)</u>	–
<b>Tax on profit on ordinary activities</b>	<u>(24,800)</u>	<u>–</u>

**HAMPDEN PLC**  
**NOTES TO THE FINANCIAL STATEMENTS** *(continued)*  
**YEAR ENDED 31 DECEMBER 2015**

**13. TAX ON PROFIT ON ORDINARY ACTIVITIES** *(continued)*

**Factors that may affect future tax credit**

A deferred tax asset has been recognised in respect of unrelieved tax losses and accelerated capital allowances to the extent that management expect to make taxable profits for the foreseeable future. This has been provided for and details can be found within note 17.

A deferred tax asset has not been recognised in respect of the remaining unrelieved tax losses. The amount that has not been recognised at 31 December 2015 when calculated at the large companies rate of corporation tax in the UK of 20% is £303,199 (2014: £356,545).

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 2013 to 31 March 2014	23%
From 1 April 2014 to 31 March 2015	21%
From 1 April 2015 to 31 March 2016	20%

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. As a result of the change, the relevant deferred tax balances have been measured using the effective rate of 20% that will apply in the UK.

**14. DIVIDENDS**

	2015 £	2014 £
Dividends paid during the year on equity shares	<u>3,000,000</u>	<u>—</u>

**15. TANGIBLE ASSETS**

	Fixtures and fittings £	Computer equipment and programs £	Total £
<b>COST</b>			
At 1 January 2015	8,253	44,809	53,062
Additions	—	4,940	4,940
<b>At 31 December 2015</b>	<u>8,253</u>	<u>49,749</u>	<u>58,002</u>
<b>DEPRECIATION</b>			
At 1 January 2015	2,214	21,678	23,892
Charge for the year	2,063	12,067	14,130
<b>At 31 December 2015</b>	<u>4,277</u>	<u>33,745</u>	<u>38,022</u>
<b>NET BOOK VALUE</b>			
<b>At 31 December 2015</b>	<u>3,976</u>	<u>16,004</u>	<u>19,980</u>
At 31 December 2014	<u>6,039</u>	<u>23,131</u>	<u>29,170</u>

**HAMPDEN PLC**  
**NOTES TO THE FINANCIAL STATEMENTS** *(continued)*  
**YEAR ENDED 31 DECEMBER 2015**

**16. INVESTMENTS**

	Shares in group undertakings £
<b>COST</b>	
At 1 Jan 2015 and 31 Dec 2015	1
<b>IMPAIRMENT</b>	
At 1 Jan 2015 and 31 Dec 2015	—
<b>NET BOOK VALUE</b>	
At 31 December 2015	1

**Subsidiaries, associates and other investments**

At 31 December 2015 the company had the following subsidiary undertakings. Unless otherwise stated the company or a direct subsidiary holds 100% of the equity share capital of the companies listed.

<b>Name of investment</b>	<b>Country of incorporation</b>	<b>Principal activity</b>
Hampden Insurance Group Limited	England and Wales	Investment Company
Hampden Insurance Group BV	The Netherlands	Administrative Services
Community Reinsurance Corporation Limited	England and Wales	Reinsurance Company
The Fenton Insurance Company Limited	England and Wales	Insurance Company
Hampden Insurance N.V.	The Netherlands	Insurance Company
Lakewood Insurance Company Limited	England and Wales	Dormant
NV Schadeverzekeringsmaatschappij Maas Lloyd	The Netherlands	Insurance Company
Hampden Group Management Limited	England and Wales	Dormant
Hampden Underwriting Services Limited	England and Wales	Dormant
Kingaby Simmons Limited	England and Wales	Dormant
Marlow Underwriting S.A.	Switzerland	Underwriting Managers
BVF (Underwriting Management) Limited	England and Wales	Underwriting Managers
NV De Ark	The Netherlands	Reinsurance Company
NameCo (No.1042) Limited	England and Wales	Investment Company
NameCo (No.308) Limited	England and Wales	Investment Company
NameCo (No.982) Limited	England and Wales	Investment Company

# HAMPDEN PLC

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

### YEAR ENDED 31 DECEMBER 2015

#### 17. DEBTORS

	2015	2014
	£	£
Amounts owed by group undertakings	2,409,486	4,937,485
Deferred tax asset	24,800	–
Prepayments and accrued income	27,624	28,597
Corporation tax repayable	566	–
Other debtors	14,271	39,879
	<u>2,476,747</u>	<u>5,005,961</u>

The debtors above include the following amounts falling due after more than one year:

	2015	2014
	£	£
Deferred tax asset	12,400	–
	<u>12,400</u>	<u>–</u>

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

	2015	2014
	£	£
Trade creditors	1,891	4,488
Amounts owed to group undertakings	9,858	763,100
Accruals and deferred income	23,808	30,177
Social security and other taxes	31,298	38,354
Sundry creditors	9,000	–
	<u>75,855</u>	<u>836,119</u>

#### 19. DEFERRED TAX

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

	2015	2014
	£	£
Included in debtors (note 17)	24,800	–

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

	2015	2014
	£	£
Decelerated capital allowances	5,269	–
Unused tax losses	19,531	–
	<u>24,800</u>	<u>–</u>

During the year ended 31 December 2016, a balance of £12,400 is expected to reverse following the utilisation of brought forward tax losses when using the future main rate of corporation tax of 20%.

**HAMPDEN PLC**  
**NOTES TO THE FINANCIAL STATEMENTS** *(continued)*  
**YEAR ENDED 31 DECEMBER 2015**

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**20. CALLED UP SHARE CAPITAL**

Issued, called up and fully paid

	2015		2014	
	No	£	No	£
Ordinary shares of £0.40 each	<u>6,210,381</u>	<u>2,484,152</u>	<u>6,210,381</u>	<u>2,484,152</u>

**21. 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.

**22. 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.

During the year the company made sales to non-wholly owned members of the group totalling £4,800 (2014: £nil). During the year the company also made purchases from non-wholly owned members of the group totalling £39,965 (2014: £nil).

During the year the company charged non-wholly owned members of the group £nil (2014: £816,999) in respect of the utilisation of tax losses, these amounts had been settled before the respective year end dates.

During the year the company paid expenses of £2,436 (2014: £2,263) on behalf of C. Manson, a shareholder of Hampden Holdings Limited the ultimate parent company. At the year ended 31 December 2015 £nil (2014: £2,263) was owed to the company in respect of this transaction.

# HAMPDEN PLC

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

### YEAR ENDED 31 DECEMBER 2015

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#### 23. ULTIMATE PARENT COMPANY

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

The company's information is consolidated in the financial statements of Hampden Holdings Limited. Their consolidated financial statements are being prepared to 31 December 2015. The principal place of business for the company 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 below address:

Hampden House  
Great Hampden  
Great Missenden  
Buckinghamshire  
HP16 9RD

#### 24. TRANSITION TO FRS 102

These are the first financial statements that comply with FRS 102. The company transitioned to FRS 102 on 1 January 2014.

No transitional adjustments were required in equity or profit or loss for the year.