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Company Registration Number: 03079558



Hampden Holdings Limited

Annual Report and Consolidated
Financial Statements

For the year ended

31 December 2019

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HAMPDEN HOLDINGS LIMITED
CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2019

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HAMPDEN HOLDINGS LIMITED
OFFICERS AND PROFESSIONAL ADVISERS

The board of directors	T P C Oliver - Chairman C G Camroux-Oliver J R Camroux-Oliver S J Harris G D Turner
Company secretary	Hampden Legal Plc
Registered office	Hampden House Great Hampden Great Missenden Buckinghamshire England HP16 9RD
Registered number	03079558 (England & Wales)
Registered auditor	CBW Audit Limited Chartered Accountants & Statutory Auditor 66 Prescott Street London E1 8NN

HAMPDEN HOLDINGS LIMITED

CHAIRMAN'S STATEMENT

YEAR ENDED 31 DECEMBER 2019

Once again I am very pleased to offer some comments on the activities and performance of the Hampden Group during 2019, and to give an overview of the information contained in these financial statements.

The results of the group overall have been in accordance with our expectations, and represent an improvement on performance from the previous year. It is good to reflect that our net assets remain well in excess of £67 million.

I am happy to confirm that our activities in the Lloyd's market have once again performed as well as market conditions would allow. It has been widely reported, however, that the Lloyd's market results for the 2017 underwriting year were loss making due to high level of catastrophe losses and that 2018 has been similarly impaired. What this means for Hampden is that our profit from this activity have remained at a lower level. Since the year end the market has seen considerable hardening as the impact of these losses has increased both insurance and reinsurance pricing. The rest of the Group's companies are performing well, and the Directors remain confident that this will have only a relatively short term impact.

I reproduce below, an extract from my report on the Hampden Capital Group, (in which our Lloyd's business operate) for 2019.

The group primarily comprises Hampden Capital Plc (the holding company), Hampden Agencies Ltd, Nomina Plc, Hampden Insurance Partners Management (Cayman) Ltd, Hampden Syndicate Services Ltd and Hampden Tax Consultants Ltd.

Hampden Agencies Ltd (HAL). HAL acts for 1,100 Members (2018: 1,119 Members) at Lloyd's, with underwriting capacity of £2,546 million (2018: £2,524 million), which is being actively utilised in the underwriting syndicates.

The results for 2019 Financial Year have been reasonable given the absence of profit commission. Due to the nature of the Lloyd's reporting cycle, the company's result for the year ended 31 December 2020 are expected to be similar due to significant losses in the market in the 2018 underwriting year.

Nomina Plc. Provides accounting, taxation and company secretarial support for both private and corporate clients who participate in Lloyd's via a limited liability vehicle. These are predominantly limited companies (Namecos) but also a significant number of limited liability partnerships. For 2019, the company acted for 1,564 Clients (2018: 1,529 Clients). The company had an excellent year in 2019, increasing the number of clients under management.

Hampden Insurance Partners Management (Cayman) Ltd. Provides management services and support to eight separate institutional funds which invest in underwriting vehicles at Lloyd's. For 2019 total fund commitments under management increased to over US\$300m.

Funds Under Management \$

Committed Capital	338,569,517
Capital Drawn to 31 December 2019	252,959,671
Uncalled capital	85,609,846

Hampden Syndicate Services (HSSL). HSSL is the service company that oversees the performance and management of Verto syndicate 2689. Verto was established in January 2017 to provide improved access to global underwriting opportunities for private capital. Under Verto, Private Capital has access to business predominantly via proportional reinsurance contracts. Underwriting is largely sourced via Class of Business reinsurance treaties for Lloyd's and Non-Lloyd's business partners. Business may also be sourced via Whole Account Quota Share of partner Lloyd's syndicates sourced by Hampden.

Hampden Tax Consultants Ltd. Provides taxation services to private clients, including participants in the Lloyd's market.

HAMPDEN HOLDINGS LIMITED**CHAIRMAN'S STATEMENT** *(continued)***YEAR ENDED 31 DECEMBER 2019**

The Directors and Staff of the Hampden Companies are content with this outcome, as it reflects well on those matters which are under the Group's control. The Group remains ever conscious of the need to look for new opportunities and products to enable our clients to optimise their investments.

Since its formation in 2001 Hampden Capital Plc has provided an increasing number of clients with a greater number of Lloyd's underwriting related services. The table below illustrates the growth in the numbers and financial capacity levels of clients for whom we provide services and indicative results of our Members for those years.

Underwriting year	Hampden Members % PIL	Indicative Result % FAL	Capacity (£m)	LLVs under management
2001	-12.4	-31.1		470
2002	13.7	34.3		495
2003	21.2	52.9		501
2004	10.5	26.2		528
2005	5.6	13.9	1,048	549
2006	26.2	65.5	1,859	553
2007	18.4	45.9	2,029	935
2008	10.1	22.3	1,529	944
2009	19.1	42.5	1,494	1,024
2010	3.1	6.9	1,836	1,072
2011	7.2	16.0	1,777	1,145
2012	12.4	24.8	1,800	1,171
2013	13.0	26.0	1,851	1,199
2014	14.4	28.9	2,006	1,403
2015	11.3	22.7	1,914	1,446
2016	5.5	10.9	2,048	1,486
2017	-7.5	-15.1	2,289	1,509
2018e	-4.7	-7.8	2,524	1,529
2019	TBC	TBC	2,546	1,564
2020	TBC	TBC	2,990	1,606
Simple avg. (2001 to 2018e)	9.3	21.4		

Above returns are percentage of capacity after personal expenses but before Member's Agent's charges.

All returns as at 36 months (excluding run-off movements)

HAL returns 2001 to 2015 are HAL Member aggregates at 36 months reviewed by auditors.

These exclude CBS prior to 2007.

HAL return for 2017 at 36 months is provision pending the auditor review.

2018 estimates are based on the 2019 Q4 mid-point Syndicate estimates

Funds at Lloyd's ("FAL") is the amount of capital lodged by a Member to support their Premium Income Limit ("PIL"). Indicative FAL have been used of 40% of Premium Limit in the years 2001 to 2007, 45% for 2008 to 2011, 50% for 2012 to 2017 and 60% for 2018.

HAMPDEN HOLDINGS LIMITED

CHAIRMAN'S STATEMENT *(continued)*

YEAR ENDED 31 DECEMBER 2019

With this considerable track record achieved by all stakeholders on record, it is my intention after many years of Chairing this company to step back from the that role with effect from the 2020 Annual General Meeting. I will remain as Chairman of the Hampden Holdings Group and look forward to being able to continue to input on the Group's overall strategy and success from that position. Over the past year or so the Hampden Capital Group has further developed its corporate governance structures and as a part of this process we undertook a review of the board. This was to ensure that that the business not only complies with best practice, but is also best equipped to adapt and prosper in the Lloyd's insurance market.

The Lloyd's market performance has again proven challenging in the 2019 year, with significant catastrophe losses and the currently unquantifiable effects of Coronavirus. That said, market conditions have significantly improved in 2020 across most classes of business, and looking forward to 2021, the Group sees real opportunity, both for our existing clients and new capital providers to the Lloyd's market.

It is good to report that other parts of the Group, and companies in which we have an interest, have continued to do well. These include

Hampden Insurance Group BV (Hampden's companies in the Netherlands), have had another good year, and continue to explore the opportunities which are available to them. During the year the business received regulatory permission to commence underwriting as an active insurer again and has been building various elements of its business in order to promote this activity.

ArchOver, the Group's crowd-lending business, is maturing and following a reallocation of management responsibilities is now progressing well, having now facilitated around £120 million worth of loans. During 2018 ArchOver, took control of Unitbirwelco, a business which had taken borrowing across the ArchOver platform. This was done to protect its platform lenders. Subsequent to this take over, the business has been restructured and placed under new management, with the intention of future disposal when the appropriate time arises.

Hampden Plc manages the group's UK based insurance legacy insurance company ownership and management services. During 2019 Maxfort Insurance Ltd, was acquired along with an uninsured loss portfolio to build on the assets under management and provide market opportunity for further portfolio acquisition.

Seymour Taylor, the Group's accountancy practice based in the Thames Valley, has continued to progress well, with steady growth both in terms of turnover and profitability. This business has also been the recipient of awards which recognise its excellent client service and staff development

Hampden Private Office Ltd, provides wealth management services largely to high net worth individuals on a bespoke basis and offers a further service line to both existing and new clients of the group.

Hampden FX Ltd, set up in 2019, the business provides a low cost foreign exchange service to those with significant personal or commercial foreign exchange needs, again complimenting Hampden's high net worth services provision.

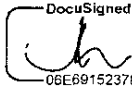
Hampden and Co, is a private bank which has now been trading for over five years. This is not part of the Group, despite bearing our name, but Hampden is one of several cornerstone investors. As one might expect with a bank, at this stage of its development, it is primarily interested in delivering steady, consistent and secure growth. It is currently performing to its business plan. Loans and advances to clients have increased by 54% in 2019 from £132.5m to £203.8m, deposits from clients have also increased by 53% to £409.4m from £267.5m.

HAMPDEN HOLDINGS LIMITED

CHAIRMAN'S STATEMENT *(continued)*

YEAR ENDED 31 DECEMBER 2019

On both my own and the board's behalf, I would also like to take this opportunity to thank all staff in the Hampden Group for their resilience and positive attitude during the Coronavirus pandemic. The Group's businesses have been able to maintain full service to all clients through this difficult period and, despite the necessities of remote working, they (the staff) have dealt with the challenges with good humour, and a practical and flexible approach.

DocuSigned by:

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T.P.C. Oliver

Chairman, Hampden Holdings Limited

30 June 2020

HAMPDEN HOLDINGS LIMITED

STRATEGIC REPORT

YEAR ENDED 31 DECEMBER 2019

The directors present their strategic report for the year ended 31 December 2019.

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

REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS

The principal activities of the group are providing insurance services, insurance run-off services and ownership, Lloyd's members' agency services and audit, accounting and taxation advice. The activity of the main trading subsidiaries are summarised below.

Our Lloyd's related trading businesses have each produced profits for this year despite the difficult environment of the market for the two previous Years of Account which has impacted profit commissions receivable. Our fee related income has again increased as the business further develops its client services and has been matched by a focus on costs and the value of these to the businesses. It is expected that this course will be maintained through 2020.

The Run-off businesses have made acquisitions in 2019 adding to the portfolios under management and broadening the scope of the work conducted within these businesses in what is a competitive sector. We have a number of potential acquisitions at various points of progress and expect to add additional portfolios during 2020.

The continued positive performance of our professional services businesses as noted in the Chairman's Statement is a product of the work of the staff and management of those businesses. Their provision of high quality services to new and returning clients has enabled them to organically grow their turnover.

Hampden continues to invest in other projects and companies as part of its business with a view to either to add to the core activities in the future or hold as investments. During 2019 we added Hampden FX to the Hampden group and have already benefitted from the service that this business can deliver to our own companies and our clients.

KEY PERFORMANCE INDICATORS

The directors consider the following to be the key performance indicators of the group:

	2019	2018
Number of Lloyd's Members for whom the company acts	1,100	1,119
Capacity of those Lloyd's Members (£m)	£2,546	£2,524
No. of corporate member clients at year end (Nomina Plc)	1,564	1,529
Lloyd's result for the closed year 2017:2016 (% of capacity)	(8%)	(2.9%)
Members underwriting through Hampden corresponding outperformance to Lloyd's result (% of capacity)	0.5%	8.4%

Although run-off business conducted in the UK and The Netherlands is one of the main activities of the group, due to the intrinsic difficulty in measuring the performance of the run-off activity in a statistical manner, no KPI's have been included.

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks to the company are limited to the value of its investments in its subsidiaries. The principal risks to its subsidiaries are detailed in those companies own financial statements. A list of subsidiaries can be found at note 45.

HAMPDEN HOLDINGS LIMITED

STRATEGIC REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2019

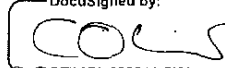
Financial risk management

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 and are satisfied that the company minimises any credit or liquidity risks by holding cash balances only with UK regulated banks.

Environmental Business Risk

The effect of the proposed withdrawal of the United Kingdom from the European Union is not fully known but is not expected to have a significant impact on Hampden Holdings Limited.

Signed on behalf of the directors

DocuSigned by:

C. G. Camroux-Oliver
Director

Approved by the directors on 30 June 2020

HAMPDEN HOLDINGS LIMITED

DIRECTORS REPORT

YEAR ENDED 31 DECEMBER 2019

The directors present their report and the consolidated financial statements of the group for the year ended 31 December 2019.

DIRECTORS

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

T P C Oliver
C G Camroux-Oliver
J R Camroux-Oliver
S J Harris
G D Turner (appointed 5 June 2020)

DIVIDENDS

The profit for the year, after taxation, amounted to £2,405,570. The directors have not recommended a dividend.

FUTURE DEVELOPMENTS

The group and its board of directors always considers the future impact of the decisions it makes on the performance of the group and its relationships with its stakeholders. In all cases the announcement of the future developments of the business would impact the outcome of those developments where discussions or negotiations are ongoing and all such announcements are appropriately timed.

COVID – 19

After the year end the UK's response to the global pandemic COVID-19 placed heavy restrictions on travel and working arrangements for most UK businesses. The group has capably dealt with the new risks, decisions and actions arising from this changing situation. The group has continued to provide all of its services to its clients during this period as permitted by government guidance and continues to operate as a going concern. A post balance sheet events note is included at note 46.

STAFF AND ENVIRONMENTAL MATTERS

The operations of the group are reliant on key staff. The directors believe that its human resources policies are appropriate to recruit and retain such staff.

We understand and appreciate the importance and value that our employees bring to the business both today and in the future. Group-wide we actively encourage employee engagement and involvement through a number of initiatives. These initiatives include:

- Regular team meetings - 'All employee' team meetings occur either monthly or quarterly depending on the group subsidiary. Functional team meetings happen more regularly. These meetings are designed to give business updates as well as feedback sessions to the CEO / MD.
 - Where relevant performance related remuneration structures are in place with staff to encourage the furtherance of the respective business units' objectives.
 - Suggestions Box - A facility whereby employees can submit ideas / suggestions / feedback anonymously, HINT - The Group-wide intranet system which has regular updates and social activities. Noticeboards - Similar to HINT, the noticeboards are designed to communicate updates, albeit on a local level.
 - Organisational Structure - Hampden generally promotes a flat organisational structure making an 'Open Door' policy to the CEO / MD a reality. This local level of communication is encouraged throughout, hence promoting employee engagement and involvement.
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HAMPDEN HOLDINGS LIMITED

DIRECTORS REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2019

- The CEO holds an all staff meeting four times a year to update employees of activities and position of the business and twice yearly sends an email update to all staff of the performance and position of the group.

The Group is committed to promoting equality of opportunity for all staff and job applicants. The Group aims to create a working environment in which all individuals are able to make best use of their skills, free from discrimination or harassment, and in which all decisions are based on merit.

Included in our Staff Handbook is our equal Opportunities policy which is distributed to all new starters as well as being held and reviewed on HINT.

Whilst the directors do not regard the group as having a major environmental impact, staff are encouraged to have regard to the impact on the environment in the conduct of their business affairs.

A subsidiary is part of the Lloyd's Community Programme involving the placing of pre-university students in work placements for 10 weeks. It is also involved in student mentoring, assisting in inner city schools and other community projects. Many members of staff take part in this work.

Another subsidiary is actively involved in supporting local schools by providing work experience opportunities.

SUPPLY CHAIN ENGAGEMENT

The group positively encourages good relationships with its key customers and suppliers through repeat business and reasonable payment terms. The building of long-term working relationships with customers and suppliers are key to the mutual benefit of all parties.

It is the group's normal practice to agree terms of transactions, including payment terms, with suppliers and provided suppliers perform in accordance with the terms, it is the group's policy that payment is made accordingly.

FINANCIAL INSTRUMENTS

Details in relation to the financial risk management objectives and policies are disclosed within the strategic report on pages 6 to 7 of the financial statements.

DIRECTORS' QUALIFYING THIRD PARTY INDEMNITY PROVISIONS

The company has purchased insurance to indemnify all of the company's directors against liability in respect of proceedings brought by third parties, against them in their capacity as a director, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity provision remained in force as at the date of signing the directors' report.

MARKET VALUE OF THE PROPERTY

The company's headquarters, Hampden House and adjoining woodland was revalued on the basis of an open market valuation subject to vacant possession on 28 January 2019 by Savills, Chartered Surveyors, at £14,625,000 and is included within the financial statements at this value.

CLOSE COMPANY

In the opinion of the directors the company is a close company within the meaning of Section 439, Corporation Tax Act 2010.

HAMPDEN HOLDINGS LIMITED

DIRECTORS REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2019

DIRECTORS RESPONSIBILITIES STATEMENT

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

Company law requires the directors to prepare consolidated financial statements for each financial year. Under that law the directors have elected to prepare the consolidated 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 consolidated financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and the company and the profit or loss of the group for that period.

In preparing these consolidated 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 consolidated financial statements;
- prepare the consolidated financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the consolidated 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

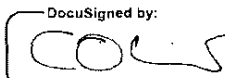
Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the group and 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 group and the company's auditor is aware of that information.

AUDITOR

During the period, Carter Backer Winter LLP ceased to be auditor and CBW Audit Limited were subsequently appointed as auditors and are deemed to be re-appointed under section 485(2) of the Companies Act 2006.

Signed on behalf of the directors

DocuSigned by:

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C G Camroux-Oliver
Director

Approved by the directors on 30 June 2020

HAMPDEN HOLDINGS LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HAMPDEN
HOLDINGS LIMITED
YEAR ENDED 31 DECEMBER 2019

OPINION

We have audited the financial statements of Hampden Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2019, which comprise the consolidated statement of comprehensive income technical account, the consolidated statement of comprehensive income, the consolidated statement of financial position, the company statement of financial position, the consolidated statement of changes in equity, the company statement of changes in equity, the consolidated statement of cash flows and notes to the consolidated financial statements, including a summary of significant accounting policies. 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).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 2019 and of the group's 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.

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 group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including 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 have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in 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 group's or parent 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.

HAMPDEN HOLDINGS LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HAMPDEN
HOLDINGS LIMITED *(continued)*

YEAR ENDED 31 DECEMBER 2019

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.

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.

OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

- the information given in the Strategic Report and the Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Director's Report have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Director's Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

HAMPDEN HOLDINGS LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HAMPDEN
HOLDINGS LIMITED *(continued)*

YEAR ENDED 31 DECEMBER 2019

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 groups and parent 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 either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

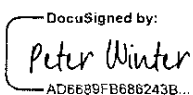
AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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 Financial Reporting Council's website at: <https://frc.org.uk/auditorresponsibilities>. This description forms part of our auditor's report.

USE OF OUR 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.

DocuSigned by:

ADB689FB686243B...

Peter Winter BA FCA (Senior Statutory Auditor)
For and on behalf of
CBW AUDIT LIMITED
Statutory Auditor

66 Prescott Street
London
E1 8NN

30 June 2020

HAMPDEN HOLDINGS LIMITED
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
TECHNICAL ACCOUNT

YEAR ENDED 31 DECEMBER 2019

	Note	2019 £	£	2018 £	£
General Business					
Gross premiums written		28,294,304		40,575,126	
Outwards reinsurance premiums		<u>(1,361,392)</u>		<u>(1,453,082)</u>	
Net premiums written			26,932,912		39,122,044
Change in the provision for unearned premiums					
Gross provision		9,586,209		(17,147,969)	
Reinsurers share		<u>(9,963)</u>		<u>11,623</u>	
Net change in the provision for unearned premiums			9,576,246		(17,136,346)
Other technical income			–		–
Allocated investment return transferred from the non-technical account			894,501		71,355
Total technical income			<u>37,403,659</u>		<u>22,057,053</u>
Claims paid					
- gross amount		13,740,791		7,619,307	
- reinsurers share		<u>(826,651)</u>		<u>(1,507,871)</u>	
- net of reinsurance	4		12,914,140		6,111,436
Change in provision for claims					
- gross amount		7,836,573		(1,006,351)	
- reinsurers share		<u>(1,758,010)</u>		<u>2,811,698</u>	
- net of reinsurance			<u>6,078,563</u>		<u>1,805,347</u>
Claims incurred net of reinsurance carried forward			18,992,703		7,916,783

The notes on pages 27 to 69 form part of these consolidated financial statements.

HAMPDEN HOLDINGS LIMITED
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
TECHNICAL ACCOUNT *(continued)*

YEAR ENDED 31 DECEMBER 2019

	2019	2018
Note	£	£
Claims incurred net of reinsurance brought forward	18,992,703	7,916,783
Net operating expenses	13,886,185	11,230,696
Other technical charges	119,980	1,059,708
Other operating income	(232,784)	(77,820)
Changes in other technical provisions, net of reinsurance	1,700	1,022
Total charges	32,767,784	20,130,389
Balance on the technical account	4,635,875	(1,926,664)

All the insurance business is classed as continuing.

The notes on pages 27 to 69 form part of these consolidated financial statements.

HAMPDEN HOLDINGS LIMITED
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
YEAR ENDED 31 DECEMBER 2019

	Note	2019 £	2018 £
Commercial activities		38,632,370	28,706,320
Insurance companies' technical account		4,635,875	1,926,664
GROUP TURNOVER	6	43,268,245	30,632,984
Cost of sales		(15,415,395)	(4,360,153)
GROSS PROFIT		27,852,850	26,272,831
Administrative expenses		(32,087,224)	(30,175,170)
Other operating income		3,291,383	2,798,644
Revaluation of investment property		2,283,686	(952,446)
OPERATING PROFIT	7	1,340,695	(2,056,141)
Income from interests in associates	10	285,872	237,764
Income from other fixed asset investments	11	1,287,089	299,728
Other interest receivable and similar income	12	452,684	462,496
Impairment of intangible assets		-	(1,250,000)
Impairment of goodwill		808,419	(2,640,000)
Interest payable and similar charges	13	(2,208,381)	(660,719)
PROFIT BEFORE TAXATION		1,966,378	(5,606,872)
Tax on profit/(loss)	14	439,192	943,056
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		2,405,570	(4,663,816)
Foreign currency retranslation		(1,271,388)	33,548
Fair value (loss)/gain on valuation of subsidiary share options		(170,800)	43,211
Tax relating to components of other comprehensive income		(63,320)	45,707
Loss on fair value of fixed asset investment		-	(540,142)
Fair value revaluation of tangible fixed asset		50,000	341,297
Revaluation of intangible assets		-	759,080
OTHER COMPREHENSIVE INCOME FOR THE YEAR		(1,455,508)	682,701
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		950,062	(3,981,115)
Profit/(loss) for the financial year attributable to:			
The owners of the parent company		1,966,540	(5,393,378)
Non-controlling interests		439,030	729,562
		2,405,570	(4,663,816)
Total comprehensive income for the year attributable to:			
The owners of the parent company		549,468	(4,700,801)
Non-controlling interests		400,594	719,686
		950,062	(3,981,115)

All the activities of the group are from continuing operations
The company has taken advantage of section 408 of the Companies Act 2006
not to publish its own statement of comprehensive income.

The notes on pages 27 to 69 form part of these consolidated financial statements.

HAMPDEN HOLDINGS LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
31 DECEMBER 2019

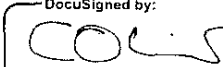
	Note	2019 £	2018 £
FIXED ASSETS			
Intangible assets	16	2,787,325	675,870
Tangible assets	17	25,748,448	25,137,569
Investments	18	48,236,541	48,333,915
		<u>76,772,314</u>	<u>74,147,354</u>
CURRENT ASSETS			
Stock	19	115,263	123,340
Debtors: due within one year	20	51,750,203	47,687,991
Debtors: due after more than one year	20	16,579,852	24,397,932
Investments	21	16,518,150	20,610,864
Cash at bank and in hand	22	27,197,723	18,045,771
		<u>112,161,191</u>	<u>110,865,898</u>
CREDITORS: Amounts falling due within one year	24	<u>(28,972,771)</u>	<u>(34,403,662)</u>
NET CURRENT ASSETS		<u>83,188,420</u>	<u>76,462,236</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>159,960,734</u>	<u>150,609,590</u>
CREDITORS: Amounts falling due after more than one year	25	(14,105,266)	(8,029,162)
PROVISIONS			
Other provisions	29	(78,512,026)	(75,280,542)
NET ASSETS		<u>67,343,442</u>	<u>67,299,886</u>

The notes on pages 27 to 69 form part of these consolidated financial statements.


HAMPDEN HOLDINGS LIMITED**CONSOLIDATED STATEMENT OF FINANCIAL POSITION** *(continued)***31 DECEMBER 2019**

	Note	2019 £	2018 £
CAPITAL AND RESERVES			
Called up share capital	32	1,800,893	1,800,893
Revaluation reserve	33	9,494,984	7,916,958
Capital redemption reserve	33	346,613	346,613
Profit and loss account	33	50,436,223	51,577,512
Fair value reserve	33	391,297	341,297
EQUITY ATTRIBUTABLE TO THE OWNERS OF THE PARENT COMPANY		62,470,010	61,983,273
NON-CONTROLLING INTERESTS		4,873,432	5,316,613
		67,343,442	67,299,886

These consolidated financial statements were approved by the board of directors and authorised for issue on 30 June 2020, and are signed on behalf of the board by:

DocuSigned by:

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C G Camroux-Oliver
Director

DocuSigned by:

 B43AF48A9E2B443

S J Harris
Director

Company registration number: 03079558

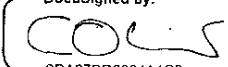
The notes on pages 27 to 69 form part of these consolidated financial statements.

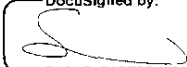
HAMPDEN HOLDINGS LIMITED
COMPANY STATEMENT OF FINANCIAL POSITION

31 DECEMBER 2019

	Note	2019 £	2018 £
FIXED ASSETS			
Tangible assets	17	53,897	–
Investments	18	46,216,942	21,957,191
		<u>46,270,839</u>	<u>21,957,191</u>
CURRENT ASSETS			
Debtors: due within one year	20	4,606,002	6,219,562
Debtors: due after more than one year	20	1,403,371	8,544,912
Cash at bank and in hand	22	1,855,420	1,685,841
		<u>7,864,793</u>	<u>16,450,315</u>
CREDITORS: Amounts falling due within one year	24	<u>(5,393,064)</u>	<u>(4,945,339)</u>
NET CURRENT ASSETS		<u>2,471,729</u>	<u>11,504,976</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>48,742,568</u>	<u>33,462,167</u>
CREDITORS: Amounts falling due after more than one year	25	<u>(15,042,216)</u>	–
PROVISIONS			
Other provisions	29	<u>(4,075,053)</u>	<u>(3,724,599)</u>
NET ASSETS		<u>29,625,299</u>	<u>29,737,568</u>
CAPITAL AND RESERVES			
Called up share capital	32	1,800,893	1,800,893
Capital redemption reserve	33	346,613	346,613
Other reserves	33	(142,340)	(1,559,296)
Profit and loss account	33	27,620,133	29,149,358
SHAREHOLDERS FUNDS		<u>29,625,299</u>	<u>29,737,568</u>

These consolidated financial statements were approved by the board of directors and authorised for issue 30 June 2020, and are signed on behalf of the board by:

DocuSigned by:

 CDA27DD2824A4C0...
 C G Camroux-Oliver
 Director

DocuSigned by:

 B43AF48A9E2B443...
 S J Harris
 Director

Company registration number: 03079558

The notes on pages 27 to 69 form part of these consolidated financial statements.

HAMPDEN HOLDINGS LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
YEAR ENDED 31 DECEMBER 2019

	Called up share capital £	Revaluation reserve £	Capital redemption reserve £	Profit and loss account £	Fair value reserve £	Equity attributable to the owners of the parent company £
AT 1 JANUARY 2018						
Balance brought forward	1,800,893	7,838,864	346,613	56,720,070	–	66,706,440
Loss for the year	–	–	–	(5,393,378)	–	(5,393,378)
Other comprehensive income for the year:						
Foreign currency retranslation	–	–	–	27,246	–	27,246
Tax relating to components of other comprehensive income	–	(472,446)	–	508,723	–	36,277
Fair value revaluation of tangible fixed asset	–	–	–	–	341,297	341,297
Revaluation of intangible assets	–	759,080	–	–	–	759,080
Loss on fair value of fixed asset investment	–	(217,926)	–	(253,397)	–	(471,323)
Transfer between reserves	–	9,386	–	(9,386)	–	–
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	–	78,094	–	(5,120,192)	341,297	(4,700,801)
Acquisition of subsidiary with non- controlling interest	–	–	–	(22,366)	–	(22,366)
TOTAL INVESTMENTS BY AND DISTRIBUTIONS TO OWNERS	–	–	–	(22,366)	–	(22,366)
AT 31 DECEMBER 2018	1,800,893	7,916,958	346,613	51,577,512	341,297	61,983,273

The notes on pages 27 to 69 form part of these consolidated financial statements.

HAMPDEN HOLDINGS LIMITED**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY** *(continued)***YEAR ENDED 31 DECEMBER 2019**

	Equity attributable to the owners of the parent company £	Non-controlling interests £	Total £
AT 1 JANUARY 2018			
Balance brought forward	66,706,440	5,723,866	72,430,306
Loss for the year	(5,393,378)	729,562	(4,663,816)
Other comprehensive income for the year:			
Foreign currency retranslation	27,246	6,302	33,548
Tax relating to components of other comprehensive income	36,277	9,430	45,707
Fair value gain on valuation of subsidiary share options	—	43,211	43,211
Fair value revaluation of tangible fixed asset	341,297	—	341,297
Revaluation of intangible assets	759,080	—	759,080
Loss on fair value of fixed asset investment	(471,323)	(68,819)	(540,142)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	(4,700,801)	719,686	(3,981,115)
Dividends paid and Payable	—	(1,107,543)	(1,107,543)
Acquisition of subsidiary with non-controlling interest	(22,366)	(19,396)	(41,762)
TOTAL INVESTMENTS BY AND DISTRIBUTIONS TO OWNERS	(22,366)	(1,126,939)	(1,149,305)
AT 31 DECEMBER 2018	<u>61,983,273</u>	<u>5,316,613</u>	<u>67,299,886</u>

The notes on pages 27 to 69 form part of these consolidated financial statements.

HAMPDEN HOLDINGS LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY *(continued)*
YEAR ENDED 31 DECEMBER 2019

	Called up share capital £	Revaluation reserve £	Capital redemption reserve £	Profit and loss account £	Fair value reserve £	Equity attributable to the owners of the parent company £
AT 1 JANUARY 2019						
Balance brought forward	1,800,893	7,916,958	346,613	51,577,512	341,297	61,983,273
Profit for the year	—	—	—	1,966,540	—	1,966,540
Other comprehensive income for the year:						
Foreign currency retranslation	—	—	—	(1,416,978)	—	(1,416,978)
Tax relating to components of other comprehensive income	—	—	—	(50,094)	—	(50,094)
Fair value revaluation of tangible fixed asset	—	—	—	—	—	—
Revaluation of intangible assets	—	—	—	—	—	—
Loss on fair value of fixed asset investment	—	—	—	—	50,000	50,000
Transfer between reserves	—	1,578,026	—	(1,578,026)	—	—
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	—	1,578,026	—	(1,078,558)	50,000	549,468
Acquisition of subsidiary with non- controlling interest	—	—	—	(62,731)	—	(62,731)
TOTAL INVESTMENTS BY AND DISTRIBUTIONS TO OWNERS	—	—	—	(62,731)	—	(62,731)
AT 31 DECEMBER 2019	1,800,893	9,494,984	346,613	50,436,223	391,297	62,470,010

The notes on pages 27 to 69 form part of these consolidated financial statements.

HAMPDEN HOLDINGS LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY *(continued)*
YEAR ENDED 31 DECEMBER 2019

	Equity attributable to the owners of the parent company £	Non-controlling interests £	Total £
AT 1 JANUARY 2019			
Balance brought forward	61,983,273	5,316,613	67,299,886
Profit for the year	1,966,540	439,030	2,405,570
Other comprehensive income for the year:			
Foreign currency retranslation	(1,416,978)	145,590	(1,271,388)
Tax relating to components of other comprehensive income	(50,094)	(13,226)	(63,320)
Fair value gain on valuation of subsidiary share options	—	(170,800)	(170,800)
Fair value revaluation of tangible fixed asset	—	—	—
Revaluation of intangible assets	—	—	—
Loss on fair value of fixed asset investment	50,000	—	50,000
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	549,468	400,594	950,062
Dividends paid and Payable	—	(766,883)	(766,883)
Issue of shares	—	38	38
Acquisition of subsidiary with non-controlling interest	(62,731)	(76,930)	(139,661)
TOTAL INVESTMENTS BY AND DISTRIBUTIONS TO OWNERS	(62,731)	(843,775)	(906,506)
AT 31 DECEMBER 2019	62,470,010	4,873,432	67,343,442

The notes on pages 27 to 69 form part of these consolidated financial statements.

HAMPDEN HOLDINGS LIMITED
COMPANY STATEMENT OF CHANGES IN EQUITY
YEAR ENDED 31 DECEMBER 2019

	Called up share capital £	Capital redemption reserve £	Other reserves £	Profit and loss account £	Total £
AT 1 JANUARY 2018	1,800,893	346,613	(1,286,164)	26,742,956	27,604,298
Profit for the year	—	—	—	2,406,402	2,406,402
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	—	—	—	2,406,402	2,406,402
Loss on discounting of group loan	—	—	(273,132)	—	(273,132)
TOTAL INVESTMENTS BY AND DISTRIBUTIONS TO OWNERS	—	—	(273,132)	—	(273,132)
AT 31 DECEMBER 2018	1,800,893	346,613	(1,559,296)	29,149,358	29,737,568
Loss for the year	—	—	—	(1,529,225)	(1,529,225)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	—	—	—	(1,529,225)	(1,529,225)
Gain on discounting of group loan	—	—	1,416,956	—	1,416,956
TOTAL INVESTMENTS BY AND DISTRIBUTIONS TO OWNERS	—	—	1,416,956	—	1,416,956
AT 31 DECEMBER 2019	1,800,893	346,613	(142,340)	27,620,133	29,625,299

The notes on pages 27 to 69 form part of these consolidated financial statements.

HAMPDEN HOLDINGS LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED 31 DECEMBER 2019

	2019 £	2018 £
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(loss) for the financial year	2,405,570	(4,663,816)
<i>Adjustments for:</i>		
Depreciation of tangible assets	507,706	633,527
Amortisation of intangible assets	332,241	1,519,528
Impairment of investments	190,500	598,875
Impairment of intangible assets	–	1,250,000
Impairment of goodwill	(808,419)	2,640,000
Impairment of tangible assets	–	274,634
Share of income from interests in associates	(285,872)	(237,764)
Income from fixed asset investments	(1,287,089)	(299,728)
Other interest receivable and similar income	(452,684)	(462,496)
Interest payable and similar expenses	2,208,381	660,719
Loss/(gain) on disposal of tangible assets	(3,997)	(57,078)
Loss on disposal of intangible assets	94	–
Revaluation of investment property	(2,283,686)	952,446
Loss on fair value of fixed asset investment	–	(540,142)
Fair value loss on revaluation on share options	(170,800)	–
Revaluation and foreign exchange differences	92,060	(266,303)
Tax on loss	(439,192)	(943,056)
<i>Changes in:</i>		
Stock	8,077	(107,754)
Trade and other debtors	3,998,304	(45,488,923)
Investments	3,063,268	3,046,170
Trade and other creditors	(1,241,211)	6,830,009
Provisions and employee benefits	(2,109,446)	41,846,881
Cash generated from operations	3,723,805	7,185,729
Share of profit from interests in associates	285,872	237,764
Income from other fixed asset investments	1,287,089	299,728
Interest paid	(2,208,381)	(660,719)
Interest received	452,684	513,758
Tax paid	(1,281,718)	468,320
Net cash from operating activities	<u>2,259,351</u>	<u>8,044,580</u>

The notes on pages 27 to 69 form part of these consolidated financial statements.

HAMPDEN HOLDINGS LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS *(continued)*
YEAR ENDED 31 DECEMBER 2019

	Note	2019 £	2018 £
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of tangible assets		(343,761)	(867,304)
Proceeds from sale of tangible assets		1,229,255	13,121
Purchase of intangible assets		(638,994)	(4,313,909)
Proceeds from sale of intangible assets		706,236	–
Net cash acquired on acquisition		4,788,371	80,560
Acquisition of subsidiary undertakings		(420,722)	–
Acquisition of non-controlling interests		(139,161)	–
Proceeds from sale of investments		9,443,562	8,314,357
Purchases of other investments		(11,030,125)	(7,772,278)
Net cash from/(used in) investing activities		<u>3,594,661</u>	<u>(4,545,453)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds for borrowings		(6,133,611)	507,819
Repayments of mortgages/borrowings		10,198,434	203,128
Dividends paid		(766,883)	(1,107,543)
Net cash from/(used in) financing activities		<u>3,297,940</u>	<u>(396,596)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS		9,151,952	3,102,531
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		18,045,771	14,943,240
CASH AND CASH EQUIVALENTS AT END OF YEAR	22	<u>27,197,723</u>	<u>18,045,771</u>

NOTES TO THE STATEMENT OF CASH FLOWS

1. ANALYSIS OF CHANGES IN NET DEBT

	At 1.1.19 £	Cash flows £	At 31.12.19 £
Cash and cash equivalents			
Cash at bank and in hand	18,045,771	9,151,952	27,197,723
Overdrafts	–	–	–
	<u>18,045,771</u>	<u>9,151,952</u>	<u>27,197,723</u>
Borrowings			
Finance leases	(22,787)	(24,550)	(47,337)
Debt due within one year	(6,942,363)	6,133,611	(808,752)
Debt due after one year	(25,000)	(10,198,434)	(10,223,434)
	<u>(6,990,150)</u>	<u>(4,089,373)</u>	<u>(11,079,523)</u>
Total	<u>11,055,621</u>	<u>5,062,579</u>	<u>16,118,200</u>

The notes on pages 27 to 69 form part of these consolidated financial statements.

HAMPDEN HOLDINGS LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2019

1. GENERAL INFORMATION

Hampden Holdings Limited is a limited company incorporated in England. The address of its registered office and principal place of business is disclosed on page 1, the officers and professional advisors page.

The principal activities of the Hampden Holdings group are providing insurance services, insurance run-off services and ownership, Lloyd's members' agency services and audit, accounting and taxation advice.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements 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.

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 and 103 (in respect of insurance transactions) - 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102 and 103'), and with the Companies Act 2006.

These consolidated and separate financial statements have been prepared on a going concern basis, under the historical cost convention, as modified by the recognition of certain financial assets and liabilities measured at fair value.

Amounts reported in the general business technical account relate to movements in the period in respect of all relevant years of account of the Syndicates on which the Company participates.

The preparation of financial statements requires the use of certain accounting estimates. It also requires management to exercise its judgement in the process of applying the Group and Company accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

The Company has taken advantage of the exemption in section 408 of the Companies Act from disclosing its individual statement of comprehensive income.

Going concern

The Group mainly derives its income from financial services provided to long-standing clients, this provides a relatively stable income base. The management closely manage the ordinary costs of the business to keep them within this income base and ensure continuation of the core activities. The directors do not consider that the group has any issues with regard to being able to continue to trade as a going concern and therefore continues to prepare the financial statements on a going concern basis. The directors have considered the matter covered in note 46 in coming to their decision of the business being a going concern.

Consolidation

The consolidated financial statements incorporate the financial statements of the company and its subsidiary undertakings as at 31 December. The results of subsidiaries acquired or disposed of during the year are included from, or up to, the date of acquisition or disposal.

Acquisitions have been included in the group financial statements using the purchase method of accounting. The purchase consideration has been allocated to the assets and liabilities on the basis of fair value at the date of acquisition.

HAMPDEN HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 DECEMBER 2019

2. ACCOUNTING POLICIES *(continued)*

Consolidation *(continued)*

The profits and losses of subsidiary undertakings that are trading are consolidated from the date of acquisition to the date of disposal. Subsidiaries that have not traded in the period are not consolidated. Uniform accounting policies are used for all Group companies. Profits and losses on intra-group transactions are eliminated on consolidation.

Non-controlling interests

Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling interest's share of changes in equity since the date of the combination.

The proportions of profit or loss and changes in equity allocated to the owners of the parent and to the non-controlling interests are determined on the basis of existing ownership interests and do not reflect the possible exercise or conversion of options or convertible instruments.

Revenue recognition

Turnover represents the aggregate amount (excluding Value Added Tax) of brokerage and fees receivable for financial and management services and rent receivable.

Revenue that has been credited in the books of the subsidiary, but not yet recognised as income in accordance with the policies described above, is credited to deferred income under creditors in the statement of financial position.

Turnover (excluding VAT) represents management fees from Lloyd's Namecos (accounted for on an accruals basis) together with agency and service fees, profit commission, winding up fees and amounts chargeable to clients for the provision of taxation services which are measured at the fair value of the consideration received or receivable and are accounted for as follows:

Agency and service fees receivable under agency agreements with Members of Lloyd's are recognised when the contractual right to them is established, but only to the extent that the group's relevant obligations under those agreements have been performed.

Profit commission arising from agency agreements with Members of Lloyd's is recognised when the contractual right to it is established, but only to the extent that a reliable estimate can be made. Such estimates are made with reference to market reports on a prudent basis that reflects the level of uncertainty involved. Profit commission is included net of any commission sharing arrangements.

Winding-up fees receivable under agency agreements with Members of Lloyd's are recognised when the contractual right to them is established and to the extent that the group's relevant obligations under those agreements have been performed.

Amounts chargeable to clients for the provision of taxation services is recognised at the point where the right to consideration is obtained. The excess of the rights to consideration over invoiced amounts is included in accrued income.

Revenue that has been credited in the books of a subsidiary, but not yet recognised as income in accordance with the policies described above, is credited to deferred income under creditors in the statement of financial position.

HAMPDEN HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 DECEMBER 2019

2. ACCOUNTING POLICIES *(continued)*

Revenue recognition *(continued)*

Revenue from the rendering of services is measured by reference to the stage of completion of the service transaction at the end of the reporting period provided that the outcome can be reliably estimated. When the outcome cannot be reliably estimated, revenue is recognised only to the extent that expenses recognised are recoverable.

Turnover represents amounts chargeable (excluding Value Added Tax) in respect of the sale of engineering and construction services to the power and petrochemical industries.

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 statement of financial position date.

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.

Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

Goodwill

Goodwill arises on business acquisitions and represents the excess of the cost of the acquisition over the company's interest in the net amount of the identifiable assets, liabilities and contingent liabilities of the acquired business.

HAMPDEN HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 DECEMBER 2019

2. ACCOUNTING POLICIES *(continued)*

Goodwill *(continued)*

Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. It is amortised on a straight-line basis over its useful life. Where a reliable estimate of the useful life of goodwill or intangible assets cannot be made, the life is presumed not to exceed five years.

Intangible assets

Intangible assets are initially recorded at cost, and are subsequently stated at cost less any accumulated amortisation and impairment losses. Any intangible assets carried at revalued amounts, are recorded at the fair value at the date of revaluation, as determined by reference to an active market, less any subsequent accumulated amortisation and subsequent accumulated impairment losses.

Intangible assets acquired as part of a business combination are recorded at the fair value at the acquisition date.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful life of that asset as follows:

Positive goodwill	-	10% to 20% straight line
Negative goodwill	-	10% straight line
Purchase Syndicate	-	20% straight line
Intellectual Property Rights	-	20% straight line
Development Costs	-	20% straight line

If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

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:

Leasehold improvements	-	over period of the lease
Computer equipment & programs	-	33.33% straight line
Fixtures, fittings and equipment	-	15% to 25% straight line
Motor vehicles	-	25% straight line

HAMPDEN HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 DECEMBER 2019

2. ACCOUNTING POLICIES *(continued)*

Cash at bank

Cash at bank and in hand are basic financial assets and include cash in hand and deposits held at call with banks.

Investment property

Investment property is initially recorded at cost, which includes purchase price and any directly attributable expenditure.

Investment property is revalued to its fair value at each reporting date and any changes in fair value are recognised in profit or loss.

If a reliable measure of fair value is no longer available without undue cost or effort for an item of investment property, it shall be transferred to tangible assets and treated as such until it is expected that fair value will be reliably measurable on an on-going basis.

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.

Investments in associates

Investments in associates are accounted for using the equity method of accounting, whereby the investment is initially recognised at the transaction price and subsequently adjusted to reflect the group's share of the profit or loss, other comprehensive income and equity of the associate.

Investments in joint ventures

Investments in joint ventures are accounted for using the equity method of accounting, whereby the investment is initially recognised at the transaction price and subsequently adjusted to reflect the group's share of the profit or loss, other comprehensive income and equity of the joint venture.

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

HAMPDEN HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 DECEMBER 2019

2. ACCOUNTING POLICIES *(continued)*

Impairment of non-financial and 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).

Impairment of non-financial and financial assets *(continued)*

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.

Hire purchase and leasing commitments

Assets acquired and held under finance lease or hire purchase contracts are capitalised in the statement of financial position. Those held under finance leases are depreciated over the shorter of the lease term and the estimated useful life of the asset. Those held under hire purchase contracts are depreciated over the estimated useful life of the asset.

Minimum lease payments are apportioned between the finance charge and the reduction and the outstanding lease liability using effective interest method. The related obligation, exclusive of finance charges allocated to future periods, is recognised as a liability with the finance element charged to the profit and loss account over the relevant period.

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.

Financial instruments

The group 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 statements.

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.

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

HAMPDEN HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 DECEMBER 2019

2. ACCOUNTING POLICIES *(continued)*

Provisions and contingencies

Provisions and contingencies 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 and contingencies are recognised as a liability in the statement of financial position and the amount is included as an expense.

Provisions and contingencies 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 or a contingency 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.

Underwriting debtors and creditors

BVF (Underwriting Management) Limited (BVF), a subsidiary company, acts as an underwriting agent and manager for a group of international insurance companies who accepted business in the name of BVF Excess Loss Pool. BVF is not liable as principal for premiums due to pool members or claims due to cedants. BVF has not therefore included in its statement of financial position cash, debtors and creditors arising from insurance transactions with the exception of the amounts owed by or to pool members.

Premiums

Premiums written comprise the total premiums receivable in respect of business incepted during the year, together with any differences between booked premiums for prior years and those previously accrued, and include estimates of premiums due but not yet receivable or notified to the syndicates on which the Company participates, less an allowance for cancellations. All premiums are shown gross of commission payable to intermediaries and exclude taxes and duties levied on them.

Managing agents enter into reinsurance contracts on behalf of syndicates, in the normal course of business, in order to limit the potential losses arising from certain exposures. Reinsurance premium costs are allocated by the managing agent of each syndicate to reflect the protection arranged in respect of the business written and earned.

Unearned premiums

Written premium is earned according to the risk profile of the policy. Unearned premiums represent the proportion of premiums written in the year that relate to unexpired terms of policies in force at the Balance Sheet date, calculated on a time apportionment basis having regard where appropriate, to the incidence of risk. The specific basis adopted by each syndicate is determined by the relevant managing agent.

HAMPDEN HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 DECEMBER 2019

2. ACCOUNTING POLICIES *(continued)*

Claims

Claims incurred comprise claims and settlement expenses (both internal and external) occurring in the year and changes in the provisions for outstanding claims, including provisions for claims incurred but not reported and settlement expenses, together with any other adjustments to claims from previous years. Where applicable, deductions are made for salvage and other recoveries.

Insurance assets and liabilities

A liability adequacy test is implemented in which the adequacy of recognised insurance liabilities is assessed using current estimates of future cash flows arising under insurance contracts. If the carrying amount of insurance liabilities is found to be inadequate in the light of the estimated future cash flows, the deficiency is recognised in the statement of income and retained earnings.

Significant delays are experienced in the notification and settlement of certain claims and, accordingly, the ultimate cost of such claims cannot be known with certainty at the period end. Subsequent information and events may result in the ultimate liability being less than or greater than the amount provided. Any differences between provisions and settlements achieved in subsequent years are dealt with in the technical account-general business in later years.

Measurement basis and determination of assumptions used to measure amounts arising from insurance contracts

Claims incurred comprise the estimated cost of all claims occurring during the year whether reported or not including related direct and indirect claims handling expenses and adjustments to claims outstanding from previous years.

Claims outstanding include the liabilities of the company and those of other principals that underwrote through the agency of Community Reinsurance Corporation Limited and its predecessor agency companies.

Assumptions are primarily applied in connection with the provision for claims outstanding at the year end. Assumptions are derived from information available at the year end, claims development and management's industry and specific portfolio experience. The provision and associated costs and assets are discounted using current market interest rates to reflect the investment income anticipated in the period until the actual payment of claims.

Management of risk arising from insurance contracts

The company's principal objective is to ensure that adequate reserves are in place to pay valid claims and to consider commutation proposals as they arise. In order to address risk associated with this objective the directors review the company's claims provisions, reinsurance assets and reserve discounting on a regular basis and adjust when appropriate whilst effecting a prudent run-off of the company's liabilities.

3. CRITICAL ACCOUNTING POLICIES 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.

HAMPDEN HOLDINGS LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** *(continued)***YEAR ENDED 31 DECEMBER 2019****3. CRITICAL ACCOUNTING POLICIES AND JUDGEMENTS** *(continued)*

The areas for which estimation has been applied are considered to be in calculating depreciation and the useful economic life of assets although the same rates and economic life are applied across all companies within the group, bad debt provision, IBNR, claims handling expenses and impairment of investments.

The critical area where an assumption is required to be made is the estimate of underwriting profits of Syndicates supported by Lloyd's Members for whom a subsidiary company acts, and the profit commission that will be earned from such profits. A 10% variation in the estimated profit of the 2017 underwriting account would have the net impact shown below on the company's results. The 10% variation is a reasonable expected variation in view of the uncertainty of the assumptions.

The measurement of the provision for claims outstanding involves estimation uncertainty regarding the amounts recognised in these financial statements in relation to underwriting by the syndicates and this is disclosed further in note 37.

With regard to valuations for investment property the directors have used the services of a professional firm of Chartered Surveyors, more details can be found in note 17.

Although each of these areas are subject to judgement, they are not considered to be subject to significant estimation.

4. CLAIMS INCURRED NET OF REINSURANCE**Gross claims reserved**

	2019 £	2018 £
Outstanding claims brought forward	(56,044,660)	(52,843,216)
Acquired on acquisition of subsidiary undertaking	(6,043,489)	-
Acquisitions	(20,148)	(20,355)
Claims paid	13,740,791	7,619,307
Currency translation difference	2,554,836	(4,187,440)
Outstanding claims carried forward (Note 5)	67,390,034	56,044,660
Gross incurred claims	<u>21,577,364</u>	<u>6,612,956</u>

Reinsurers' share

	2019 £	2018 £
Outstanding claims brought forward	16,335,495	21,674,157
Claims paid	(826,651)	(1,507,871)
Currency translation difference	(4,738,629)	(2,526,964)
Outstanding claims carried forward (Note 5)	(13,354,876)	(16,335,495)
Reinsurers' share	<u>(2,584,661)</u>	<u>1,303,827</u>

Net claims

	2019 £	2018 £
Outstanding claims brought forward	(39,709,165)	(31,169,059)
Acquired on acquisition of subsidiary undertaking	(6,043,489)	-
Acquisitions	(20,148)	(20,355)
Claims paid	12,914,140	6,111,436
Currency translation difference	(2,183,793)	(6,714,404)
Outstanding claims carried forward (Note 5)	54,035,158	39,709,165
Claims incurred	<u>18,992,703</u>	<u>7,916,783</u>

HAMPDEN HOLDINGS LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** *(continued)***YEAR ENDED 31 DECEMBER 2019****5. TECHNICAL PROVISION**

2019	Gross £	Reinsurance £	Net £
Claims			
Annual business			
Notified outstanding claims	58,421,115	5,643,876	52,777,239
Provision for claims incurred but not reported	5,305,919	4,616,000	689,919
	63,727,034	10,259,876	53,467,158
Claims handling expenses	3,663,000	3,095,000	568,000
	67,390,034	13,354,876	54,035,158
Unearned premiums	9,293,612	449,178	8,844,434
Total Technical Reserves	76,683,646	13,804,054	62,879,592
2018	Gross £	Reinsurance £	Net £
Claims			
Annual business			
Notified outstanding claims	48,043,352	9,460,495	38,582,857
Provision for claims incurred but not reported	4,842,308	4,207,000	635,308
	52,885,660	13,667,495	39,218,165
Claims handling expenses	3,159,000	2,668,000	491,000
	56,044,660	16,335,495	39,709,165
Unearned premiums	19,235,882	451,786	18,784,096
Total Technical Reserves	75,280,542	16,787,281	58,493,261

HAMPDEN HOLDINGS LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** *(continued)***YEAR ENDED 31 DECEMBER 2019****6. TURNOVER**

Turnover arises from:

	2019	2018
	£	£
Financial and management services	38,493,305	28,252,114
Insurance technical account	4,635,875	1,926,664
Other services	139,065	454,206
	<u>43,268,245</u>	<u>30,632,984</u>

Turnover is derived from the following areas:

	2019	2018
	£	£
United Kingdom	37,739,184	27,070,221
European Union	3,481,224	1,906,388
Rest of the world	2,047,837	1,656,375
	<u>43,268,245</u>	<u>30,632,984</u>

7. OPERATING PROFIT / (LOSS)

Operating profit / (loss) is stated after charging/(crediting):

	2019	2018
	£	£
Amortisation of intangible assets	332,241	1,519,528
Depreciation of tangible assets	507,706	633,527
Loss on disposal of subsidiary undertakings	11	-
(Gains)/loss on disposal of tangible assets	(3,997)	(57,078)
Loss on disposal of intangible assets	94	-
Foreign exchange differences	173,258	(48,027)
Defined contribution plans expense	956,136	911,227
Operating lease costs – property	1,145,464	932,162
Operating lease costs – plant	3,298	205,098
Auditor's remuneration – audit of consolidated financial statements	60,000	57,500
Auditor's remuneration – other fees	<u>538,870</u>	<u>511,033</u>

HAMPDEN HOLDINGS LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** *(continued)***YEAR ENDED 31 DECEMBER 2019****8. STAFF COSTS**

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

	2019	2018
	No	No
Administrative staff	265	224
Management staff	4	4
Technical staff	93	67
	<u>362</u>	<u>295</u>

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

	2019	2018
	£	£
Wages and salaries	21,577,676	16,605,451
Social security costs	1,790,913	1,447,719
Other pension costs	956,136	911,227
	<u>24,324,725</u>	<u>18,964,397</u>

9. DIRECTORS REMUNERATION

The directors aggregate remuneration in respect of qualifying services was:

	2019	2018
	£	£
Remuneration	1,004,830	2,341,877
Group contributions to defined contribution pension plans	—	7,500
	<u>1,004,830</u>	<u>2,349,377</u>

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

	2019	2018
	No	No
Defined contribution plans	<u>—</u>	<u>1</u>

Remuneration of the highest paid director in respect of qualifying services:

	2019	2018
	£	£
Aggregate remuneration	321,797	1,422,042
Group contributions to defined contribution pension plans	—	—
	<u>321,797</u>	<u>1,422,042</u>

HAMPDEN HOLDINGS LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** *(continued)***YEAR ENDED 31 DECEMBER 2019****10. INCOME FROM INTERESTS IN ASSOCIATES**

	2019	2018
	£	£
Investment income - share of associated company results	<u>285,872</u>	<u>237,764</u>

11. INCOME FROM OTHER FIXED ASSET INVESTMENTS

	2019	2018
	£	£
Investment income - bonds	402,960	24,780
Investment income - equities	113,004	(50,445)
Income from other fixed asset investments	771,125	325,393
	<u>1,287,089</u>	<u>299,728</u>

12. OTHER INTEREST RECEIVABLE AND SIMILAR INCOME

	2019	2018
	£	£
Interest on loans and receivables	410,054	387,862
Corporation tax interest	-	2,544
Interest on cash and cash equivalents	42,630	72,090
	<u>452,684</u>	<u>462,496</u>

13. INTEREST PAYABLE AND SIMILAR CHARGES

	2019	2018
	£	£
Interest on banks loans and overdrafts	677,107	98,585
Other interest payable and similar charges	573,988	336,964
Corporation tax interest	1,212	-
Loss on financial instruments	53,045	81,305
Allocated investment return transferred to non-life insurance	903,029	143,865
	<u>2,208,381</u>	<u>660,719</u>

HAMPDEN HOLDINGS LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** *(continued)***YEAR ENDED 31 DECEMBER 2019****14. TAX ON PROFIT / (LOSS)****Major components of tax expense**

	2019 £	2018 £
Current tax:		
UK current tax expense	374,362	(337,441)
Adjustments in respect of prior periods	32,295	67,630
Total UK current tax	<u>406,657</u>	<u>(269,811)</u>
Foreign current tax expense	223,677	89,306
Total current tax	<u>630,334</u>	<u>(180,505)</u>
Deferred tax:		
Origination and reversal of timing differences	(1,069,526)	(762,551)
Tax on loss	<u>(439,192)</u>	<u>(943,056)</u>

Tax recognised as other comprehensive income or equity

The aggregate current and deferred tax relating to items recognised as other comprehensive income or equity for the year was £nil (2018: £nil).

Reconciliation of tax expense

The tax assessed on the loss on for the year is lower than (2018: higher than) the standard rate of corporation tax in the UK of 19% (2018: 19%).

	2019 £	2018 £
Profit / (loss) before taxation	<u>1,966,378</u>	<u>(5,606,872)</u>
Profit / (loss) by rate of tax	373,612	(1,065,306)
Effect of expenses not deductible for tax purposes	446,490	1,524,292
Effect of capital allowances and depreciation	126,113	23,560
Effect of revenue exempt from tax	(1,888,680)	(828,939)
Adjustments to tax charge in respect of previous periods	32,295	74,385
Other timing differences	(954)	2,197
Foreign tax	223,677	89,306
Tax on fair gain/(loss) on listed investments	(3,461)	-
Unused tax losses	(115,867)	-
Utilised tax losses	(58,658)	-
Effect of additional enhancement of the year	(2,106)	-
Changes in deferred tax at future rate of 19% (2018: 19%)	<u>428,347</u>	<u>(762,551)</u>
Tax on profit / (loss)	<u>(439,192)</u>	<u>(943,056)</u>

HAMPDEN HOLDINGS LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** *(continued)***YEAR ENDED 31 DECEMBER 2019****14. TAX ON PROFIT / (LOSS)** *(continued)***Factors that may affect future tax charge**

The standard rate of corporation tax prevailing during the period was 19%.

The Finance Act 2016 reduced the main rate of corporation tax to 17% with effect from 1 April 2020. Budget 2020 reversed the reduction of corporation tax, as a result of the change, the relevant deferred tax balances have been measured using the effective rate of 19% that will apply in the UK.

15. LOSS FOR THE YEAR OF THE PARENT COMPANY

The loss for the financial year of the parent company was £1,529,225 (2018: £2,406,402 profit for the year).

16. INTANGIBLE ASSETS

Group	Positive Goodwill £	Negative Goodwill £	Other (see below)	Total £
COST				
At 1 Jan 2019	20,083,886	(12,126,375)	2,936,461	10,893,972
Additions	1,804,796	(102,183)	638,994	2,341,607
Disposals	(706,236)	–	(94)	(706,330)
Revaluations	–	–	–	–
At 31 Dec 2019	21,182,446	(12,228,558)	3,575,361	12,529,249
AMORTISATION				
At 1 Jan 2019	17,199,022	(12,126,375)	1,255,455	6,328,102
Charge for the year	39,147	–	293,094	332,241
At 31 Dec 2019	17,238,169	(12,126,375)	1,548,549	6,660,343
IMPAIRMENT				
At 1 Jan 2019	2,640,000	–	1,250,000	3,890,000
Charge for the year	(706,236)	(102,183)	–	(808,419)
At 31 Dec 2019	1,933,764	(102,183)	1,250,000	3,081,581
NET BOOK VALUE				
At 31 Dec 2019	2,010,513	–	776,812	2,787,325
At 31 Dec 2018	244,864	–	431,006	675,870

HAMPDEN HOLDINGS LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** *(continued)***YEAR ENDED 31 DECEMBER 2019****16. INTANGIBLE ASSETS** *(continued)*

Group	Purchased Syndicate Capacity	Development expenditure £	Intellectual property rights £	Total £
COST				
At 1 Jan 2019	205,585	1,480,876	1,250,000	2,936,461
Additions	47,381	—	591,613	638,994
Disposals	(94)	—	—	(94)
At 31 Dec 2019	252,872	1,480,876	1,841,613	3,575,361
AMORTISATION				
At 1 Jan 2019	169,355	1,086,100	—	1,255,455
Reclassification	—	—	—	—
Charge for the year	14,501	—	278,593	293,094
At 31 Dec 2019	183,856	1,086,100	278,593	1,548,549
IMPAIRMENT				
At 1 Jan 2019	—	—	1,250,000	1,250,000
At 31 Dec 2019	—	—	1,250,000	1,250,000
NET BOOK VALUE				
At 31 Dec 2019	69,016	394,776	313,020	776,812
At 31 Dec 2018	36,230	394,776	—	431,006

On 18 December 2018 Metis Partners Limited undertook a desktop valuation of the group's intellectual property.

Company

The company has no intangible assets.

HAMPDEN HOLDINGS LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** *(continued)***YEAR ENDED 31 DECEMBER 2019****17. TANGIBLE ASSETS**

Group	Leasehold land & buildings £	Investment property £	Other (see below) £	Total £
COST				
At 1 Jan 2019	1,396,512	22,785,186	5,960,460	30,142,158
Additions	2,295	–	332,846	335,141
Additions on acquisition of subsidiary	–	–	8,620	8,620
Disposals	–	(1,220,000)	(57,290)	(1,277,290)
Exchange differences	–	(279,964)	(44,262)	(324,226)
Revaluations	–	2,283,686	–	2,283,686
At 31 Dec 2019	1,398,807	23,568,908	6,200,374	31,168,089
DEPRECIATION				
At 1 Jan 2019	963,183	–	4,041,406	5,004,589
Charge for the year	112,322	–	395,384	507,706
Disposals	–	–	(52,032)	(52,032)
Exchange differences	–	–	(40,622)	(40,622)
At 31 Dec 2019	1,075,505	–	4,344,136	5,419,641
At 31 Dec 2019	323,302	23,568,902	1,856,238	25,748,448
At 31 Dec 2018	433,329	22,785,186	1,919,054	25,137,569

Group	Artwork £	Computer equipment & programs £	Furniture, fixtures & equipment £	Motor vehicles £	Total £
COST					
At 1 Jan 2019	240,642	3,168,170	2,290,147	261,501	5,960,460
Additions	4,810	233,637	36,909	57,490	332,846
Addition on acquisition of subsidiary	–	–	8,620	–	8,620
Disposals	–	(43,444)	(13,846)	–	(57,290)
Exchange differences	–	(15,138)	(18,256)	(10,868)	(44,262)
At 31 Dec 2019	245,452	3,343,225	2,303,574	308,123	6,200,374
DEPRECIATION					
At 1 Jan 2019	–	2,621,296	1,198,953	221,157	4,041,406
Charge for the year	–	230,954	151,065	13,365	395,384
Disposals	–	(41,439)	(10,593)	–	(52,032)
Exchange differences	–	(13,370)	(18,048)	(9,204)	(40,622)
At 31 Dec 2019	–	2,797,441	1,321,377	225,318	4,344,136
NET BOOK VALUE					
At 31 Dec 2019	245,452	545,784	982,197	82,805	1,856,238
At 31 Dec 2018	240,642	546,874	1,091,194	40,344	1,919,054

HAMPDEN HOLDINGS LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** *(continued)***YEAR ENDED 31 DECEMBER 2019****17. TANGIBLE ASSETS** *(continued)*

Included within the net book value of £82,805 is £53,897 (2018 - £nil) relating to assets held under hire purchase agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £3,593 (2018 - £nil).

Company

	Motor vehicles £	Total £
COST		
At 1 January 2019	—	—
Additions	57,490	57,490
At 31 December 2019	57,490	57,490
DEPRECIATION		
At 1 January 2019	—	—
Charge for the year	3,593	3,593
At 31 December 2019	3,593	3,593
NET BOOK VALUE		
At 31 December 2019	53,897	53,897
At 31 December 2018	—	—

Included within the net book value of £53,897 is £53,897 (2018 - £nil) relating to assets held under hire purchase agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £3,593 (2018 - £nil).

The company's headquarters, Hampden House and adjoining woodland was revalued on the basis of an open market valuation subject to vacant possession on 28 January 2019 by Savills, Chartered Surveyors, at £14,625,000 and is included within the financial statements at this value.

An independent professional valuation of an investment property held within a subsidiary undertaking, taking into account the open market conditions, was carried out on 20 September 2019.

Included within the above is investment property as follows:

	Group £	Company £
At 1 Jan 2019	22,785,186	—
Additions	—	—
Disposals	(1,220,000)	—
Exchange differences	(279,964)	—
Revaluations	2,283,686	—
At 31 Dec 2019	23,568,902	—

If investment property had not been revalued they would have been included at the following historical cost:

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Cost	12,637,339	14,012,339	—	—

HAMPDEN HOLDINGS LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** *(continued)***YEAR ENDED 31 DECEMBER 2019****18. FIXED ASSET INVESTMENTS**

Group	Loans £	Associated companies £	Bonds with credit institutions £	Equity and other investments £	Total £
SHARE OF NET ASSETS/COST					
At 1 Jan 2019	4,121,870	227,653	25,050,608	19,532,659	48,932,790
Additions	1,768,356	141,493	5,563,798	3,556,478	11,030,125
Disposals	(3,914,412)	—	(5,020,591)	(140,148)	(9,075,151)
Revaluations	—	(136,303)	(74,448)	2,086	(208,665)
Exchange differences	7,073	—	(1,450,592)	(209,664)	(1,653,183)
At 31 Dec 2019	1,982,887	232,843	24,068,775	22,741,411	49,025,916
IMPAIRMENT					
At 1 Jan 2019	598,875	—	—	—	598,875
Additions	192,000	—	—	—	192,000
Disposal	(1,500)	—	—	—	(1,500)
At 31 Dec 2019	789,375	—	—	—	789,375
NET BOOK VALUE					
At 31 Dec 2019	1,193,512	232,843	24,068,775	22,741,411	48,236,541
At 31 Dec 2018	3,522,995	227,653	25,050,608	19,532,659	48,333,915

Listed investments

Listed investments held by the group had a market value of £28,134,954 (2018 - £32,389,872) and are included within equity and other investments and bonds with credit institutions above.

Company	Loans £	Shares in group undertakings £	Bonds with credit institutions £	Equity and other investments £	Total £
COST					
At 1 Jan 2019	—	16,719,802	5,044,604	192,785	21,957,191
Additions	—	22,049,261	—	2,210,490	24,259,751
Disposals	—	—	—	—	—
At 31 Dec 2019	—	38,769,063	5,044,604	2,403,275	46,216,942
NET BOOK VALUE					
At 31 Dec 2019	—	38,769,063	5,044,604	2,403,275	46,216,942
At 31 Dec 2018	—	16,719,802	5,044,604	192,785	21,957,191

Subsidiaries, associates and other investments

Details in respect of group undertakings can be found within note 45 of the accounts.

HAMPDEN HOLDINGS LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** *(continued)***YEAR ENDED 31 DECEMBER 2019****19. STOCK**

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Raw materials and consumables	<u>115,263</u>	<u>123,340</u>	<u>—</u>	<u>—</u>

20. DEBTORS

Debtors falling due within one year are as follows:

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Trade debtors	3,471,021	2,985,517	18,000	—
Insurance debtors	30,666,549	25,871,148	—	—
Amounts owed by group undertakings	—	—	1,917,144	5,481,971
Amounts owed by undertakings in which the company has a participating interest	429,251	534,797	—	—
Prepayments and accrued income	5,559,114	12,016,802	6,408	353
Directors loan accounts	103,270	37,004	60,903	4,428
Amounts recoverable on contracts	1,480,321	1,106,721	—	—
Corporation tax recoverable	125,881	104,340	125,274	103,696
Deferred tax asset	643,015	386,353	—	—
Other debtors	9,271,781	4,645,309	2,478,273	629,114
	<u>51,750,203</u>	<u>47,687,991</u>	<u>4,606,002</u>	<u>6,219,562</u>

Debtors falling due after one year are as follows:

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Amounts owed by group undertakings	—	—	733,515	6,323,956
Prepayments and accrued income	40,000	40,000	—	—
Other debtors	2,735,798	7,570,651	669,856	2,220,956
Insurance debtors	13,804,054	16,787,281	—	—
	<u>16,579,852</u>	<u>24,397,932</u>	<u>1,403,371</u>	<u>8,544,912</u>

21. CURRENT ASSET INVESTMENTS

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Cash deposits	<u>16,518,150</u>	<u>20,610,864</u>	<u>—</u>	<u>—</u>

HAMPDEN HOLDINGS LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** *(continued)***YEAR ENDED 31 DECEMBER 2019****22. CASH AND CASH EQUIVALENTS**

Cash and cash equivalents comprise the following:

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Cash at bank and in hand	<u>27,197,723</u>	<u>18,045,771</u>	<u>1,855,420</u>	<u>1,685,841</u>

During the year, the company and one of its subsidiaries, Hampden Legal Plc, entered into a registration of a charge whereby Hampden & Co Plc hold the first fixed charge on all of the companies present and future rights, title and interest in an account held with Hampden & Co Plc.

23. FINANCIAL INSTRUMENTS

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Carrying amount of financial assets				
Debt instruments measured at amortised cost	<u>43,409,351</u>	<u>35,053,074</u>	<u>2,496,273</u>	<u>2,180,214</u>
Carrying amount of financial liabilities				
Measured at amortised cost	<u>29,109,631</u>	<u>28,267,161</u>	<u>368,233</u>	<u>449,546</u>

24. CREDITORS: Amounts falling due within one year

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Bank loans and overdrafts	808,752	6,942,363	—	—
Trade creditors	1,508,658	1,026,924	55,335	755
Insurance creditors	7,960,436	9,274,823	—	—
Amounts owed to group undertakings	—	—	4,927,623	3,958,123
Accruals and deferred income	7,936,146	7,249,428	188,627	149,635
Corporation tax	481,029	1,445,627	63,855	534,340
Social security and other taxes	1,815,381	1,324,673	35,759	3,330
Other creditors	8,462,369	7,139,824	121,865	299,156
	<u>28,972,771</u>	<u>34,403,662</u>	<u>5,393,064</u>	<u>4,945,339</u>

HAMPDEN HOLDINGS LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** *(continued)***YEAR ENDED 31 DECEMBER 2019****25. CREDITORS: Amounts falling due after more than one year**

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Bank loans and overdrafts	10,223,434	600,000	–	–
Amounts owed to group undertakings	–	–	15,000,000	–
Other loans	639,810	25,000	–	–
Other creditors (note 26)	–	3,828,000	39,810	–
Accruals and deferred income	3,242,022	3,576,162	2,406	–
	<u>14,105,266</u>	<u>8,029,162</u>	<u>15,042,216</u>	<u>–</u>

A group company entered into an arrangement with a funder during the period ended 31 December 2018 to borrow £3,828,000 and lend the funds over a platform within ArchOver Limited. Under the legal agreement executed, the funder agreed that the company will not be liable for any default by the borrowers over the platform, which totalled £3,900,000. Due to the legal substance of the agreement, the amounts are presented in the company accounts as a gross debtor and creditor to represent the underlying nature of the transaction. During the current year £2,328,000 (2018: £nil) of this agreement was repaid. At 31 December 2019, the balance outstanding was £1,500,000 (2018: £3,828,000) which is due for repayment in December 2020 and included within note 24.

The interest rate applicable to the mortgage is 2.1% above LIBOR rate which is repayable over 5 years.

There is no interest payable on trade creditors. Trade creditors will have been paid within 12 months of the year end.

Other loans are chargeable to interest at a rate of 4% per annum.

There is no interest payable on accruals. Accruals and deferred income are payable over 3 years.

26. SECURED DEBTS

The following secured debts are included within creditors:

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Bank loans and overdrafts – within one year (note 24)	395,000	420,000	–	–
Bank loans and overdrafts – more than one year (note 25)	600,000	607,819	–	–
Other creditors – within one year (note 24)	1,500,000	–	–	–
Other creditors – more than one year (note 25)	–	3,828,000	–	–
Hire purchase contracts (note 27)	47,337	22,787	47,337	–
	<u>2,542,337</u>	<u>4,878,606</u>	<u>47,337</u>	<u>–</u>

A debenture amounting to £1,500,000 (2018: £3,828,000) has been secured by a fixed and floating charge over the assets of ArchOver SPV 10 Limited. Additional security has been provided by ArchOver Limited by the way of a fixed charge over its 100% holding in ArchOver SPV 10 Limited.

HAMPDEN HOLDINGS LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** *(continued)***YEAR ENDED 31 DECEMBER 2019****27. OBLIGATIONS UNDER FINANCE LEASES**

	2019	2018
	£	£
Expiring within one year	7,527	22,787
Expiring within one and five years	39,810	—
	<u>47,337</u>	<u>22,787</u>

Finance leases relate to leases in respect of motor vehicles and plant and machinery equipment.

28. DEFERRED TAX

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

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Included in debtors (note 20)	<u>643,015</u>	<u>386,353</u>	<u>—</u>	<u>—</u>

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

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Accelerated capital allowances	(19,310)	20,521	—	—
Other timing differences	63,865	129,529	—	—
Unused tax losses	2,196,243	1,409,574	—	—
Deferred tax on investment property	(1,597,783)	(1,173,271)	—	—
	<u>643,015</u>	<u>386,353</u>	<u>—</u>	<u>—</u>

29. PROVISIONS

Group	Other provisions	Provision for run-off costs	Insurance technical provision	Total
	£	£	£	£
At 1 January 2019	—	593,760	74,686,782	75,280,542
Additions	2,439,000	—	4,175,135	6,614,135
Acquired on acquisition	—	—	6,043,489	6,043,489
Utilised against expenses	(610,620)	—	—	(610,620)
Movement for the year	—	—	(3,381,879)	(3,381,879)
Claims paid	—	—	(255,316)	(255,316)
Currency translation differences	—	—	(1,436,467)	(1,436,467)
Claims incurred	—	—	(3,741,858)	(3,741,858)
At 31 December 2019	<u>1,828,380</u>	<u>593,760</u>	<u>76,089,886</u>	<u>78,512,026</u>
Company	Provision against inter-company balances	Total		
	£	£		
At 1 January 2019	3,724,599	3,724,599		
Additions	350,454	350,454		
At 31 December 2019	<u>4,075,053</u>	<u>4,075,053</u>		

HAMPDEN HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 DECEMBER 2019

30. CONTINGENCIES

Disputes arise from time to time between the company and individual Members of Lloyd's and their advisers, in the ordinary course of business. Disputes have arisen this year but no material costs to the company have resulted and, therefore, the directors believe that no provision in respect of such matters is required in the financial statements for the year ended 31 December 2019.

Unitbirwelco Limited, Unit Engineers & Constructors Limited, and Unit Superheater Engineering Limited have entered into an agreement in which each participating company has guaranteed a loan of £4,159,000 (2018: £4,799,000) made to Unitbirwelco (Group) Limited. As detailed in note 45, Unitbirwelco (Group) Limited is in liquidation, and therefore excluded from the consolidation.

31. EMPLOYEE BENEFITS

Defined contribution plans

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 £956,136 (2018 - £911,227), there were no contributions outstanding at the year end in either the current or prior year.

32. CALLED UP SHARE CAPITAL

Authorised share capital

	2019		2018	
	No	£	No	£
Ordinary shares of £1 each	<u>10,000,000</u>	<u>10,000,000</u>	<u>10,000,000</u>	<u>10,000,000</u>

Issued, called up and fully paid

	2019		2018	
	No	£	No	£
Ordinary shares of £1 each	<u>1,800,893</u>	<u>1,800,893</u>	<u>1,800,893</u>	<u>1,800,893</u>

33. RESERVES

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

Revaluation reserve – This reserve records the value of asset revaluations movements on assets recognised in other comprehensive income.

Capital redemption reserve – This reserve records the nominal value of shares repurchased by the company.

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

Fair value reserve – This reserve records the fair value movements on assets recognised in other comprehensive income.

Other reserves – This reserve records the discounting on group loans provided to subsidiary undertakings

HAMPDEN HOLDINGS LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** *(continued)***YEAR ENDED 31 DECEMBER 2019****34. CAPITAL MANAGEMENT REQUIREMENTS**

The objective of the insurance companies of the group regarding capital management is to maintain a capital base that is structured and sufficiently diverse to hedge against the various risks facing the insurance companies within the group. Funds are held in accordance with the provisions of the local regulatory authorities.

The capital structure of the insurance companies within the group consists of equity attributable to the shareholders and is composed of issued share capital, revaluation reserve and retained earnings as presented in the Group's statement of financial position.

35. FINANCIAL RISK MANAGEMENT REQUIREMENTS

The fundamental financial risks which affect the Group on an on-going basis include liquidity risk, market risk which is inherent in the economy in which the Group operates (for example interest rate risk and foreign exchange risk) and credit risk.

(a) Fair value

The following table presents the fair values and carrying amounts of financial assets and liabilities:

	2019 Fair value £	2019 Carrying value £	2018 Fair value £	2018 Carrying value £
Financial assets measured at cost or amortised cost				
Property, plant and equipment	1,484,730	1,484,730	—	—
Intangible assets	331,817	331,817	36,230	36,230
Investments	29,645,784	29,645,784	29,814,264	29,814,264
Deposits	11,777,576	11,777,576	8,575,399	8,575,399
Cash and cash equivalents	19,086,999	19,086,999	18,945,641	18,945,641
Amounts due from group undertakings	19,030,850	19,030,850	3,022,290	3,022,290
Insurance debtors	31,095,565	31,095,565	26,321,915	26,321,915
Other debtors	5,660,568	5,660,568	9,447,341	9,447,341
	<u>118,113,889</u>	<u>118,113,889</u>	<u>96,163,080</u>	<u>96,163,080</u>
Financial liabilities measured at cost or amortised cost				
Technical reserves	63,236,366	63,236,366	58,820,504	58,820,504
Insurance creditors	6,831,037	6,831,037	4,981,526	4,981,526
Amounts due to credit institutions	1,145,500	1,145,500	4,296,714	4,296,714
Other creditors	2,520,551	2,520,551	2,333,983	2,333,983
	<u>73,733,454</u>	<u>73,733,454</u>	<u>70,432,727</u>	<u>70,432,727</u>

Fair value hierarchy

The Company analyses financial instruments carried at fair value by valuation method. The different levels have been defined as follows:

- Level 1: assets and liabilities quoted in active markets where a fair value is readily available
- Level 2: derivatives where the fair value is determined based on techniques for which all significant inputs are observable, either directly or indirectly.
- Level 3: inputs for the asset or liability that are not based on observable market data, for example financial guarantee contracts.

HAMPDEN HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 DECEMBER 2019

35. FINANCIAL RISK MANAGEMENT REQUIREMENTS *(continued)*

The fair value of financial assets and financial liabilities (not carried at fair value) equates the carrying amount as reflected in the statement of financial position and notes thereto. The fair values of these financial assets and liabilities are determined as follows:

- The fair value of financial assets and financial liabilities with standard terms and conditions traded on active liquid markets are determined with reference to quoted market prices.
- The fair value of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market conditions.

(b) Liquidity risk

The Members have ultimate responsibility for liquidity risk management in maintaining adequate reserves. They do this by continually monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The following table details the remaining contractual maturities at the end of the reporting date. Amounts are based on undiscounted cash flows and the earliest date the insurance companies within the group can be required to pay:

	2019				
	Carrying amount £	Within 1 year or on demand £	More than 1 year but less than 2 years £	More than 2 years but less than 5 years £	More than 5 years £
Assets					
Property, plant and equipment	1,484,730	–	–	–	1,484,730
Intangible assets	331,817	–	–	–	331,817
Investments	29,645,784	10,688,158	2,465,499	15,771,662	720,465
Deposits	11,777,576	6,811,596	965,980	500,000	3,500,000
Cash and cash equivalents	19,086,999	18,982,392	–	104,607	–
Insurance debtors	31,095,565	30,991,180	–	–	104,385
Amounts owed by group undertakings	19,030,850	19,030,850	–	–	–
Other debtors	5,660,568	5,660,568	–	–	–
	<u>118,113,889</u>	<u>92,164,744</u>	<u>3,431,479</u>	<u>16,376,269</u>	<u>6,141,397</u>
Liabilities					
Insurance creditors	6,831,037	6,831,037	–	–	–
Amounts owed to credit institutions	1,145,500	1,145,500	–	–	–
Other creditors	2,520,551	2,520,551	–	–	–
	<u>10,497,088</u>	<u>10,497,088</u>	<u>–</u>	<u>–</u>	<u>–</u>
Technical provisions					
Claims provision	63,236,366	18,551,724	9,964,724	18,660,849	16,059,069
	<u>73,733,454</u>	<u>29,048,812</u>	<u>9,964,724</u>	<u>18,660,849</u>	<u>16,059,069</u>

HAMPDEN HOLDINGS LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** *(continued)***YEAR ENDED 31 DECEMBER 2019****35. FINANCIAL RISK MANAGEMENT REQUIREMENTS** *(continued)*

	2018				
	Carrying amount £	Within 1 year or on demand £	More than 1 year but less than 2 years £	More than 2 years but less than 5 years £	More than 5 years £
Assets					
Intangible assets	36,230	—	—	—	36,230
Investments	29,814,264	5,864,251	3,736,416	8,218,542	11,995,055
Deposits	8,575,399	8,575,399	—	—	—
Cash and cash equivalents	18,945,641	18,945,641	—	—	—
Insurance debtors	26,321,915	26,204,518	—	—	117,397
Amounts owed by group undertakings	3,022,290	3,022,290	—	—	—
Other debtors	9,447,341	9,447,341	—	—	—
	<u>96,163,080</u>	<u>72,059,440</u>	<u>3,736,416</u>	<u>8,218,542</u>	<u>12,148,682</u>
Liabilities					
Insurance creditors	4,981,526	4,981,526	—	—	—
Amounts owed to credit institutions	4,296,714	4,296,714	—	—	—
Other creditors	2,333,983	2,333,983	—	—	—
	<u>11,612,223</u>	<u>11,612,223</u>	<u>—</u>	<u>—</u>	<u>—</u>
Technical provisions					
Claims provision	58,820,504	8,017,902	10,581,451	18,049,146	22,172,005
	<u>70,432,727</u>	<u>19,630,125</u>	<u>10,581,451</u>	<u>18,049,146</u>	<u>22,172,005</u>

(c) Market risk

Market risk is the risk resulting from the fluctuation in the values of assets and liabilities attributable to the movement in market factors such as foreign exchange rates and interest rates. The insurance companies within the group attempt to mitigate these risks by holding a diverse portfolio of cash and cash equivalents in a range of current and deposit accounts in line with their risk appetite.

HAMPDEN HOLDINGS LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** *(continued)***YEAR ENDED 31 DECEMBER 2019****35. FINANCIAL RISK MANAGEMENT REQUIREMENTS** *(continued)*

The Board has overall responsibility for the establishment and oversight of the insurance companies within the group's risk management framework.

The insurance companies within the group's risk management policies are established to identify and analyse the risks faced by them, to set appropriate risk limits and controls, and to monitor risks and adhere to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the activities of the insurance companies within the group.

i) Foreign exchange risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The exposure of the group of insurance companies to foreign exchange risk relates primarily to the undertaking of transactions and the holding of assets and liabilities in foreign currencies.

ii) Interest rate risk

Interest rate risk is the risk that future cash flows of a financial instrument will fluctuate due to changes in market interest rates.

The insurance companies within the group are exposed to interest rate risk as it is part of the capital management policy of the insurance companies within the group to hold funds in a variety of current and deposit accounts.

The Company does not use any derivative instruments to reduce its economic exposure to changes in interest rates.

iii) Sensitivity analysis

Details regarding the sensitivity of each market risk in isolation are summarised in the following table:

	2019			2018		
	Appreciation of Euro (+5%)	Appreciation of US Dollar (+5%)	Appreciation of Canadian Dollar (+5%)	Appreciation of Euro (+5%)	Appreciation of US Dollar (+5%)	Appreciation of Canadian Dollar (+5%)
Impact on profit before tax (£)						
Gross of reinsurance	<u>1,100,694</u>	<u>45,712</u>	<u>12,172</u>	<u>1,051,609</u>	<u>477,420</u>	<u>17,128</u>
Net of reinsurance	<u>1,089,697</u>	<u>(329,601)</u>	<u>11,358</u>	<u>1,035,434</u>	<u>32,607</u>	<u>12,935</u>
Impact on shareholders' equity before tax (£)						
Gross of reinsurance	<u>1,100,694</u>	<u>45,712</u>	<u>12,172</u>	<u>1,051,609</u>	<u>477,420</u>	<u>17,128</u>
Net of reinsurance	<u>1,089,697</u>	<u>(329,601)</u>	<u>11,358</u>	<u>1,035,434</u>	<u>32,607</u>	<u>12,935</u>

The sensitivity analysis above has been determined assuming that the change in exchange rates had occurred at the end of reporting date and had been applied to the exposure to the foreign exchange risk for financial instruments in existence at that date.

HAMPDEN HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 DECEMBER 2019

35. FINANCIAL RISK MANAGEMENT REQUIREMENTS *(continued)*

iv) Segmental analysis

The insurance companies within the group operate for the majority in one insured event, being casualty business, and in one geographical area, being the European Union. As a result, no segmental analysis has been presented.

(d) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument leading to a financial loss. The Company is exposed to credit risk from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

(e) Operational risk

Supervision and control of operational risks ensures robust business processes. Operational risk can lead to financial loss but also to non-financial loss in the form of lost data, idle time or personal impact. Effective operational risk management includes supporting general management with raising operational risk and loss transparency, improving early warning information, action-tracking and follow-up. This should improve the business processes, lower operational risk costs and ultimately also lowers economic capital which needs to be allocated to operational risk.

(f) Syndicate risk

The activities of the syndicates within the Namecos expose the Namecos and the group to a variety of financial and non-financial risks. The managing agent is responsible for managing the syndicate's exposure to these risks and, where possible, introducing controls and procedures that mitigate the effects of the exposure to risk. Each year, the managing agent prepares a Lloyd's Capital Return ("LCR") for the syndicate, the purpose of this being to agree capital requirements with Lloyd's based on an agreed assessment of the risks impacting the syndicate's business, and the measures in place to manage and mitigate those risks from a quantitative and qualitative perspective. The risks described are typically reflected in the LCR, and, often, the majority of the total assessed value of the risks concerned is attributable to insurance risk.

i) Insurance risk

The insurance risks faced by a syndicate includes the occurrence of catastrophic events, downward pressure on pricing of risks, reductions in business volumes and the risk of inadequate reserving. Reinsurance risks arise from the risk that a reinsurer fails to meet their share of a claim. The management of the syndicate's funds is exposed to risks of investment, liquidity, currency and interest rates leading to financial loss. The syndicate is also exposed to regulatory and operational risks including its ability to continue to trade. However, supervision by Lloyd's provides additional controls over the syndicate's management of risks.

The Group manages the risks faced by the syndicates on which it participates by monitoring the performance of the syndicates it supports. This commences in advance of committing to support a syndicate for the following year, with a review of the business plan prepared for each syndicate by its managing agent. In addition, quarterly reports and annual accounts together with any other information made available by the managing agent are monitored and if necessary enquired into. If the Company considers that the risks being run by the syndicate are excessive it will seek confirmation from the managing agent that adequate management of the risk is in place and, if considered appropriate will withdraw support from the next underwriting year. The Company relies on advice provided by the members' agent which acts for it, who are specialists in assessing the performance and risk profiles of syndicates. Each Nameco and the group as a whole mitigate its insurance risks by spreading and participating across several syndicates.

As part of this review process the group considers credit risk and more specifically the credit ratings, due dates and impairments to all syndicate assets emerging directly from insurance activities as follows:

HAMPDEN HOLDINGS LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** *(continued)***YEAR ENDED 31 DECEMBER 2019****35. FINANCIAL RISK MANAGEMENT REQUIREMENTS** *(continued)*

2019	AAA £	AA £	A £	BBB or lower £	Not rated £	Total £
Financial investments	246,971	543,987	5,558,562	172,416	156,594	6,678,530
Deposits with ceding undertakings	—	—	—	—	138	138
Reinsurers share of claims outstanding	35,046	161,107	1,877,676	918	56,602	2,131,349
Reinsurance debtors	407	7,673	29,372	746	21,149	59,347
Cash at bank and in hand	252	698	3,441,405	8,612	15,100	3,466,067
	282,676	713,465	10,907,015	182,692	249,583	12,335,431

2018	AAA £	AA £	A £	BBB or lower £	Not rated £	Total £
Financial investments	304,338	357,426	1,620,203	154,336	188,414	2,624,717
Deposits with ceding undertakings	—	—	—	—	135	135
Reinsurers share of claims outstanding	32,511	137,781	1,643,155	499	68,275	1,882,221
Reinsurance debtors	775	5,053	29,918	—	11,699	47,445
Cash at bank and in hand	470	2,250	4,294,772	9,605	11,912	4,319,009
	338,094	502,510	7,588,048	164,440	280,435	8,873,527

2019	Neither past due nor impaired £	Past due but not impaired Less than 6 months £	Between 6 months and 1 year £	Greater than 1 year £	Impaired £	Total £
Financial investments	6,678,530	—	—	—	—	6,678,530
Deposits with ceding undertakings	138	—	—	—	—	138
Reinsurers share of claims outstanding	2,131,349	698	—	—	(97)	2,131,950
Reinsurance debtors	59,347	19,298	1,289	1,107	(2)	81,039
Cash at bank and in hand	3,466,067	—	—	—	—	3,466,067
Insurance and other debtors	24,079,675	37,574	10,487	4,325	(154)	24,131,907
	36,415,106	57,570	11,776	5,432	(253)	36,489,631

2018	Neither past due nor impaired £	Past due but not impaired Less than 6 months £	Between 6 months and 1 year £	Greater than 1 year £	Impaired £	Total £
Financial investments	2,618,285	—	—	—	—	2,618,285
Deposits with ceding undertakings	125	—	—	—	—	125
Reinsurers share of claims outstanding	1,884,141	2,794	—	—	(151)	1,886,784
Reinsurance debtors	41,001	17,361	683	746	(10)	59,781
Cash at bank and in hand	4,316,322	—	—	—	—	4,316,322
Insurance and other debtors	26,594,341	33,820	5,701	7,616	(197)	26,641,281
	35,454,215	53,975	6,384	8,362	(358)	35,522,578

Details in respect of assets and liabilities held on behalf of the syndicates are detailed in note 40.

HAMPDEN HOLDINGS LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** *(continued)***YEAR ENDED 31 DECEMBER 2019****36. CLAIMS DEVELOPMENT MATRIX**

The following matrix demonstrates how the development of claims, on a gross of reinsurance basis, has progressed over the past 10 years.

Year	Paid claim movement £'000	Cumulative paid claims £'000	Provision for claims at the year end £'000	Gross ultimate losses £'000
Brought forward	–	–	66,943	66,943
2007	1,567	1,567	61,959	63,526
2008	2,638	4,205	82,694	86,899
2009	1,205	5,410	76,595	82,005
2010	1,230	6,640	38,153	44,793
2011	1,193	7,833	37,740	45,573
2012	2,029	9,861	51,227	61,088
2013	5,332	15,193	58,723	73,916
2014	3,714	18,907	59,653	78,560
2015	5,256	24,163	69,324	93,487
2016	5,823	29,986	68,319	98,305
2017	7,473	37,459	61,816	99,275
2018	8,027	45,486	62,392	107,878
2019	14,302	59,788	67,254	127,042

The following matrix demonstrates how the development of claims, on a net of reinsurance basis, has progressed over the past 10 years.

Year	Paid claim movement £'000	Cumulative paid claims £'000	Provision for claims at the year end £'000	Gross ultimate losses £'000
Brought forward	–	–	5,250	5,250
2007	300	300	4,900	5,200
2008	176	476	6,397	6,873
2009	176	652	5,662	6,314
2010	131	783	9,081	9,864
2011	453	1,236	8,716	9,952
2012	1,257	2,492	22,682	25,174
2013	3,581	6,073	29,621	35,694
2014	2,084	8,157	31,562	39,719
2015	3,949	12,106	45,994	58,100
2016	4,695	16,801	43,538	60,339
2017	5,781	22,582	39,163	61,745
2018	6,517	29,099	45,758	74,857
2019	13,478	42,577	53,625	96,202

The figures in the tables are undiscounted and have been translated into Sterling using the rates of exchange ruling at the statement of financial position date.

Cumulative paid claims figures are included for the period from the start of the first year shown.

HAMPDEN HOLDINGS LIMITED**GROUP AND COMPANY - NOTES TO THE FINANCIAL STATEMENTS** *(continued)***YEAR ENDED 31 DECEMBER 2019****37. CLASS OF BUSINESS**

2019	Gross written premiums £	Gross premiums earned £	Gross claims incurred £	Net operating expenses £	Reinsurance balance £	Total £
Direct insurance						
Accident and health	38,185	42,781	(25,296)	(19,506)	(2,216)	(4,237)
Motor – third party liability	3,159	4,354	(2,861)	(1,373)	(192)	(72)
Motor – other classes	86,599	92,699	(57,288)	(30,840)	(2,057)	2,514
Marine, aviation and transport	130,875	141,020	(72,738)	(47,853)	(12,204)	8,225
Fire and other damage to property	418,661	403,364	(216,791)	(126,288)	(53,065)	7,220
Third party liability	429,924	423,936	(270,530)	(141,754)	(5,374)	6,278
Credit and suretyship	50,782	53,059	(24,491)	(15,820)	(5,715)	7,033
Legal expenses	2,798	2,147	(851)	(1,204)	(117)	(25)
Assistance	-	-	-	-	-	-
Miscellaneous	1,769	1,935	(1,563)	(715)	(3)	(346)
Total direct	1,162,752	1,165,295	(672,409)	(385,353)	(80,943)	26,590
Reinsurance inwards	27,130,714	36,714,380	(27,767,675)	(13,500,830)	3,699,782	(854,343)
Total	28,293,466	37,879,675	(28,440,084)	(13,886,183)	3,618,839	(827,753)

2018	Gross written premiums £	Gross premiums earned £	Gross claims incurred £	Net operating expenses £	Reinsurance balance £	Total £
Direct insurance						
Accident and health	71,439	67,161	(33,366)	(30,316)	(1,609)	1,870
Motor – third party liability	6,794	7,205	(3,873)	(2,551)	(658)	123
Motor – other classes	115,828	115,798	(50,806)	(38,544)	(24,331)	2,117
Marine, aviation and transport	192,336	190,672	(101,959)	(70,695)	(18,715)	(697)
Fire and other damage to property	495,312	496,685	(307,615)	(176,793)	(58,792)	(46,515)
Third party liability	526,254	481,842	(285,168)	(174,477)	(8,158)	14,039
Credit and suretyship	44,703	62,899	(23,290)	(25,645)	(3,359)	10,605
Legal expenses	2,784	2,287	(835)	(1,463)	11	-
Assistance	-	-	-	-	-	-
Miscellaneous	18,156	16,904	(8,059)	(6,051)	(1,959)	835
Total direct	1,473,606	1,441,453	(814,971)	(526,535)	(117,570)	(17,623)
Reinsurance inwards	39,912,180	22,766,439	(16,256,270)	(10,957,950)	4,367,224	(80,557)
Total	41,385,786	24,207,892	(17,071,241)	(11,484,485)	4,249,654	(98,180)

HAMPDEN HOLDINGS LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** *(continued)***YEAR ENDED 31 DECEMBER 2019****38. GROUP-OWNED NET ASSETS**

The Group statement of financial position includes the following assets and liabilities held by the Syndicates on which the Group participates. These assets are subject to trust deeds for the benefit of the relevant Syndicates' insurance creditors. The table below shows the split of the statement of financial position between Group and Syndicate assets and liabilities:

	31 December 2019			31 December 2018		
	Group £'000	Syndicate £'000	Total £'000	Group £'000	Syndicate £'000	Total £'000
Assets						
Intangible assets	2,787	–	2,787	676	–	676
Tangible assets	25,748	–	25,748	25,138	–	25,138
Stock	115	–	115	123	–	123
Investments	41,558	6,679	48,237	45,709	2,625	48,334
Insurance debtors	21,520	22,951	44,471	20,482	22,176	42,658
Other receivables, including insurance and reinsurance receivables	17,848	412	18,260	17,011	360	17,371
Prepayments and accrued income	2,342	3,257	5,599	5,615	6,442	12,057
Current asset investments	16,518	–	16,518	20,611	–	20,611
Cash and cash equivalents	23,732	3,466	27,198	13,727	4,319	18,046
Total assets	152,168	36,765	188,933	149,092	35,922	185,014
Liabilities						
Insurance creditors	2,967	4,993	7,960	3,382	5,893	9,275
Insurance provisions	38,005	40,507	78,512	40,944	34,337	75,281
Other payables, including insurance and reinsurance payables	23,823	117	23,940	22,059	272	22,331
Accruals and deferred income	10,937	241	11,178	10,714	112	10,826
Total liabilities	75,732	45,858	121,590	77,099	40,614	117,713
Equity attributable to owners of the Parent						
Share capital	1,801	–	1,801	1,801	–	1,801
Revaluation reserve	9,495	–	9,495	7,917	–	7,917
Fair value reserve	391	–	391	341	–	341
Capital redemption reserve	347	–	347	347	–	347
Retained earnings	59,529	(9,093)	50,436	56,270	(4,692)	51,578
Total equity	71,563	(9,093)	62,470	66,676	(4,692)	61,984
Non-controlling interest	4,873	–	4,873	5,317	–	5,317
Total liabilities and equity	152,168	36,765	188	149,092	35,922	185,014

HAMPDEN HOLDINGS LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** *(continued)***YEAR ENDED 31 DECEMBER 2019****39. SHARE-BASED PAYMENT TRANSACTIONS**

Within a subsidiary company, ArchOver Limited, share options are granted to directors and selected employees of the subsidiary company, the exercise price for each option is stated in the share option agreement. These equity-settled options have a term of five years from the grant date and vest in accordance with a schedule determined at the time the option is granted, some of which vest immediately and the remainder vesting over a period of three to five years.

The fair value of each option within the subsidiary company is estimated on the date of grant using the Black Scholes Option Pricing Model.

Share options outstanding at the end of the year for ArchOver Limited have the following exercise prices:

Grant date	Weighted average exercise price £	Share options	
		2019 No	2018 No
22/01/2014	3.98	—	5,000
15/05/2014	3.99	—	37,807
	<u>3.99</u>	<u>—</u>	<u>42,807</u>

During the year 5,000 (2018: nil) share options were exercised in ArchOver Limited. There were 37,807 (2018: nil) share options in ArchOver Limited which expired without being exercised.

The weighted average remaining contractual life for the share options outstanding in ArchOver Limited as at 31 December 2019 is nil (2018: 2.33 years).

40. OPERATING LEASES**As lessee**

The total future minimum lease payments under non-cancellable operating leases are as follows:

	Group		Company	
	2019 £	2018 £	2019 £	2018 £
Not later than 1 year	1,252,272	1,248,518	—	—
Later than 1 year and not later than 5 years	4,663,947	4,724,333	—	—
Later than 5 years	1,665,972	3,709,132	—	—
	<u>7,582,191</u>	<u>9,681,983</u>	<u>—</u>	<u>—</u>

The lease payments recognised as an expense during the year total £1,148,762 (2018: £1,137,260).

HAMPDEN HOLDINGS LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** *(continued)***YEAR ENDED 31 DECEMBER 2019****40. OPERATING LEASES** *(continued)***As lessor**

The total future minimum lease payments receivable under non-cancellable operating leases are as follows:

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Not later than 1 year	15,460	18,696	–	–
Later than 1 year and not later than 5 years	–	15,460	–	–
	15,460	34,156	–	–

The rents receivable recognised as income during the year total £161,412 (2018: £286,505).

41. DIRECTORS ADVANCES, CREDITS AND GUARANTEES

At the year end a balance of £113,616 (2018: £297,461) included within creditors was payable to directors. The group was owed £103,270 (2018: £4,428) by three directors in respect of their director's current accounts. The maximum balance overdrawn during the year was £52,285 (2018: £248,089). No interest has been applied to these loans.

42. RELATED PARTY TRANSACTIONS

Related party transactions aren't disclosed where the subsidiary which is party to the transaction is wholly owned within the group in accordance with FRS 102 section 33.1A exemptions.

i) Entities over which the group has control

During the year, the following transactions took place between fellow group entities over which the group has control:

	2019	2018
	£	£
Company secretarial services	1,002,532	986,246
Administration services	2,665,340	2,605,581
Management services	302,000	120,000
Legal services	208,138	77,219
Disaster recovery	100,000	100,000
Utilisation of tax losses	685,383	746,299
Accountancy and taxation services	7,400	15,349
Overseas property	–	53,084
Rent	743,763	371,846
Marketing services	–	120,000

HAMPDEN HOLDINGS LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** *(continued)***YEAR ENDED 31 DECEMBER 2019****42. RELATED PARTY TRANSACTIONS** *(continued)***ii) Other related parties**

At the year end, within a subsidiary where the group doesn't have 100% control, £16,077 (2018: £3,638,157) was owed to a fellow group company, and £299,137 (2018: £206,598) was owed by a fellow group company.

At the year end, within a subsidiary where the group doesn't have 100% control, £50,000 (2018: £50,000) was owed from an associated company.

At the year end, a limited liability partnership which T P C Oliver, C G Camroux-Oliver and J R C Oliver are members, owed the company £707,373 (2018: £607,373).

A non-executive director of an entity is also a director of Hampden Holdings Limited. A subsidiary company have a loan balance outstanding due from the entity amounting to £141,923 (2018: £237,346). The interest charged on the loan during the year amounted to £3,798 (2018: £6,352) and is considered to be at market rate. Purchases of £176,430 (2018: £220,789) were made in addition to the loan.

43. SUBSIDIARIES EXEMPT FROM AUDIT

Listed below are subsidiaries controlled and consolidated by the group, where the Directors have taken the exemption from having an audit of its financial statements for the year ended 31 December 2019. This exemption is taken in accordance with the UK Companies Act, S479A.

Name of subsidiary undertaking	Registered number
BVF Underwriting Management Limited	00838358
Hampden Insurance Group Limited	04745977
Hampden Private Office Limited	10221571
Hampden SPV No 1 Limited	08965347
42 CF Management Company Limited	06372002
Hampden Property Management Limited	06295639
Hampden Property Development Limited	06295636
ST Hampden Limited	06668740
Hampden Group Management Limited	01085256
ArchOver Intellectual Property Limited	11506620
ArchOver SPVs Limited	11505820
Hampden Private Capital Limited	06714209
Hampden Legal Plc	01988859

44. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is T P C Oliver.

HAMPDEN HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 DECEMBER 2019

45. SUBSIDIARY AND ASSOCIATED UNDERTAKINGS

At 31 December 2019 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. All companies are incorporated in England and Wales unless otherwise stated. The registered office for all companies unless otherwise stated is Hampden House, Great Hampden, Great Missenden, Buckinghamshire, England, HP16 9RD.

Name of subsidiary undertaking		Principal activity
Hampden Legal Plc		Company secretarial & legal services
Hampden Private Office Limited	80%	Administrative services
Hampden Plc		Investment company
Hampden Property Development Limited	76%	Investment company
ST Hampden Limited		Financial services
Hampden Private Capital Limited		Holding company
Nomads Holdings Bv (The Netherlands) ⁶	75%	Holding company
Media Catalyst International Bv (The Netherlands) ⁶	75%	Media services
Nomads Bv (The Netherlands) ⁶	75%	Media services
Shake Interactive Limited (Scotland) ^{21 9}	75%	Dormant
Shake Interactive SA (Pty) Limited (South Africa) ¹⁸	75%	Website and internet services
Hampden Insurance Holdings Limited		Investment company
Hampden Reinsurance Company Limited (Republic of Ireland) ¹⁷		Reinsurance company
Hampden Property Management Ltd		Property management
42 CF Management Company Limited		Management company
Hampden Insurance Group Limited		Investment company
Hampden Insurance Group BV (The Netherlands) ³		Administrative services
Community Reinsurance Corporation Limited		Reinsurance company
Hampden Insurance N.V (The Netherlands) ³		Investment insurance services
NV Schadeverzekeringsmaatschappij Maas Lloyd (The Netherlands) ³		Insurance company
Hampden Group Management Limited		Investment company
Old Company 13 Limited		Non-life insurance
Old Company 14 Limited		Non-life insurance
Old Company 15 Limited		Non-life insurance
Old Company 16 Limited		Non-life insurance
Marlow Underwriting S.A. (Switzerland) ⁴		Underwriting managers
BVF (Underwriting Management) Limited		Underwriting managers
NV De Ark (The Netherlands) ³		Reinsurance services
Lakewood Insurance Company Limited		Dormant
Hampden Underwriting Services Limited		Dormant
Kingaby Simmons Limited		Dormant
NameCo (No.1042) Limited ¹		Investment company
NameCo (No.982) Limited ¹		Investment company
Hampden SPV (No.1) Limited		Investment company
Hampden & Co GP Limited ¹		Investment management company
Hampden & Co LP Limited ¹		Investment management company
Hampden Capital Plc ¹	79%	Holding company
Hampden Agencies Limited ¹	79%	Lloyd's Members' Agent

HAMPDEN HOLDINGS LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** *(continued)***YEAR ENDED 31 DECEMBER 2019****45. SUBSIDIARY AND ASSOCIATED UNDERTAKINGS** *(continued)*

Nomina Services Limited ¹	79%	Administrative services
Nomina Designated Member No. 1. Limited ¹	79%	Investment company
Nomina Designated Member No. 2 Limited ¹	79%	Investment company
Nomina Representatives Limited ¹	79%	Investment company
Hampden Tax Consultants Limited ¹	79%	Tax consultancy
Hampden Insurance Partners Management (Cayman) Limited ⁵	60%	Management company
Hampden Insurance GP Limited ⁵	60%	Investment management company
Hampden Bermuda Holdings Limited (Bermuda) ²	79%	Holding company
Hampden Bermuda Insurance Limited (Bermuda) ²	79%	Insurance company
Hampden Syndicate Services Limited ¹	79%	Management services
Nameco (No. 1315) Limited ¹	79%	Investment company
Nameco (No. 1316) Limited ¹	79%	Investment company
Nameco (No. 214) Limited ¹	79%	Investment company
ArchOver Limited ¹	99%	Insured crowd lending
ArchOver SPV 10 Limited ¹	99%	Financial services
Unit Superheater Engineering Limited ¹		Manufacture of metal structures & fabricated metal products
Unit Engineers & Constructors Limited ¹		Manufacture of metal structures & fabricated metal products
Unitbirwelco Limited ^{1 11}		Holding company
Birwelco Limited ¹⁰		Industrial engineering design
Birwelco SPV 10 Limited ¹⁰		Engineering design activities for industrial process and productions
Birwelco SPV 11 Limited ¹⁰		Engineering design activities for industrial process and productions
Unitbirwelco (Group) Limited ^{9 15}	90%	Holding company (in liquidation)
Sustainable Engineering Limited ¹		Holding company
ArchOver Intellectual Property Limited ¹		Holding company
ArchOver P2P Limited ¹		Dormant
ArchOver SPVs Limited ¹		Holding company
ArchOver SPV 8 Limited ¹		Dormant
ArchOver SPV 12 Limited ¹		Dormant
ArchOver SPV 14 Limited ¹		Dormant
ArchOver SPV 15 Limited ¹		Dormant
ArchOver SPV 16 Limited ¹		Dormant
ArchOver SPV 17 Limited ¹		Dormant
ArchOver SPV 18 Limited ¹		Dormant
ArchOver SPV 19 Limited ¹		Dormant
ArchOver SPV 21 Limited ¹		Dormant
ArchOver SPV 22 Limited ¹		Dormant
ArchOver SPV 23 Limited ¹		Dormant
ArchOver SPV 24 Limited ¹		Dormant
ArchOver Unsecured Limited ¹		Dormant
Railway Viaduct Holdings Limited ¹		Holding company
Rail Signalling and Power Limited ¹		Railway Engineering
Maxfort Insurance Limited ^{12 13}		Reinsurance services
John Morris & Sons, Limited ¹²		Dormant
Ranco Controls Limited ¹²		Reinsurance services
Procura Seguro B.V.		Dormant
HampdenFX Limited ^{1 14}	80%	Financial services

¹ The registered office for these companies is 5th Floor, 40 Gracechurch Street, London, England, EC3V 0BT

² The registered office for this company is 141 Front Street, Hamilton, Bermuda

HAMPDEN HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 DECEMBER 2019

45. SUBSIDIARY AND ASSOCIATED UNDERTAKINGS *(continued)*

³ The registered office for these companies is s-Gravenweg 431, 3065 SC Rotterdam, The Netherlands

⁴ The registered office for this company is Pletschenstrasse 20, CH +3952, Susten

⁵ The registered office for this company is c/o Mourant Ozannes Corporate Services (Cayman) Limited, 94 Solaris Avenue, Camana Bay, P.O Box 1348, Grand Cayman KY1-1108, Cayman Islands

⁵ The registered office for these companies is Herengracht 182, 1016 BR, Amsterdam

⁷ The registered office for this company is Third Floor, The Metropolitan, James Joyce Street, Dublin 1

⁸ The registered office for this company is 64 Roeland Square, Roeland Street, Cape Town, 8001

⁹ The registered office for this company is Lameys, One Courtenay Park, Newton Abbot, Devon, TQ12 2HD

¹⁰ The registered office for this company is Unit House Elba Business Park, Crymlyn Burrows, Swansea, West Glamorgan, SA1 8QE

¹¹ The registered office for this company is 16 Young Street, Edinburgh, Midlothian, Scotland, EH2 4JB

¹² These companies were acquired by Hampden Holdings Limited on 18th December 2019

¹³ The registered office of this company is PO Box 34, St Martin's House, Le Bordaige, St Peter port, Guernsey, GY1 4AU

¹⁴ This company was incorporated on 4th July 2019

¹⁵ The results of this subsidiary undertaking have not been consolidated in accordance with FRS 102 section 9.9B, as it was held exclusively with a view to subsequent resale.

The following subsidiaries are dormant companies incorporated in England and Wales. The companies listed below are considered immaterial to be included within the consolidated figures

Gracechurch UTG Limited
 Gracechurch UTG No 1 Limited
 Gracechurch UTG No 2 Limited
 Gracechurch UTG No 3 Limited
 Gracechurch UTG No 4 Limited
 Gracechurch UTG No 5 Limited
 Gracechurch UTG No 6 Limited
 Gracechurch UTG No 7 Limited
 Gracechurch UTG No 8 Limited
 Gracechurch UTG No 9 Limited
 Gracechurch UTG No 10 Limited
 Gracechurch UTG No 11 Limited
 Gracechurch UTG No 12 Limited
 Gracechurch UTG No 13 Limited
 Gracechurch UTG No 14 Limited
 Gracechurch UTG No 15 Limited
 Gracechurch UTG No 16 Limited
 Gracechurch UTG No 17 Limited
 Gracechurch UTG No 18 Limited
 Gracechurch UTG No 19 Limited
 Gracechurch UTG No 20 Limited
 Gracechurch UTG No 21 Limited
 Gracechurch UTG No 22 Limited
 Gracechurch UTG No 23 Limited
 Gracechurch UTG No 24 Limited
 Gracechurch UTG No 25 Limited
 Gracechurch UTG No 26 Limited
 Gracechurch UTG No 27 Limited
 Gracechurch UTG No 28 Limited
 Gracechurch UTG No 29 Limited
 Gracechurch UTG No 30 Limited
 Gracechurch UTG No 31 Limited
 Gracechurch UTG No 32 Limited

Gracechurch UTG No 53 Limited
 Gracechurch UTG No 54 Limited
 Gracechurch UTG No 55 Limited
 Gracechurch UTG No 56 Limited
 Gracechurch UTG No 57 Limited
 Gracechurch UTG No 58 Limited
 Gracechurch UTG No 59 Limited
 Gracechurch UTG No 60 Limited
 Gracechurch UTG No 61 Limited
 Gracechurch UTG No 62 Limited
 Gracechurch UTG No 63 Limited
 Gracechurch UTG No 64 Limited
 Gracechurch UTG No 65 Limited
 Gracechurch UTG No 66 Limited
 Gracechurch UTG No 67 Limited
 Gracechurch UTG No 68 Limited
 Gracechurch UTG No 69 Limited
 Gracechurch UTG No 70 Limited
 Gracechurch UTG No 71 Limited
 Gracechurch UTG No 72 Limited
 Gracechurch UTG No 73 Limited
 Gracechurch UTG No 74 Limited
 Gracechurch UTG No 75 Limited
 Gracechurch UTG No 76 Limited
 Gracechurch UTG No 77 Limited
 Gracechurch UTG No 78 Limited
 Gracechurch UTG No 79 Limited
 Gracechurch UTG No 80 Limited
 Gracechurch UTG No 81 Limited
 Gracechurch UTG No 82 Limited
 Gracechurch UTG No 83 Limited
 Gracechurch UTG No 84 Limited
 Gracechurch UTG No 85 Limited

HAMPDEN HOLDINGS LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** *(continued)***YEAR ENDED 31 DECEMBER 2019****45. SUBSIDIARY AND ASSOCIATED UNDERTAKINGS** *(continued)*

Gracechurch UTG No 33 Limited	Gracechurch UTG No 86 Limited
Gracechurch UTG No 34 Limited	Gracechurch UTG No 87 Limited
Gracechurch UTG No 35 Limited	Gracechurch UTG No 88 Limited
Gracechurch UTG No 36 Limited	Gracechurch UTG No 89 Limited
Gracechurch UTG No 37 Limited	Gracechurch UTG No 90 Limited
Gracechurch UTG No 38 Limited	Gracechurch UTG No 91 Limited
Gracechurch UTG No 39 Limited	Gracechurch UTG No 92 Limited
Gracechurch UTG No 40 Limited	Gracechurch UTG No 93 Limited
Gracechurch UTG No 41 Limited	Gracechurch UTG No 94 Limited
Gracechurch UTG No 42 Limited	Gracechurch UTG No 95 Limited
Gracechurch UTG No 43 Limited	Gracechurch UTG No 96 Limited
Gracechurch UTG No 44 Limited	Gracechurch UTG No 97 Limited
Gracechurch UTG No 45 Limited	Gracechurch UTG No 98 Limited
Gracechurch UTG No 46 Limited	Gracechurch UTG No 99 Limited
Gracechurch UTG No 47 Limited	Gracechurch UTG No 100 Limited
Gracechurch UTG No 48 Limited	Gracechurch UTG No 101 Limited
Gracechurch UTG No 49 Limited	Gracechurch UTG No 102 Limited
Gracechurch UTG No 50 Limited	Gracechurch UTG No 103 Limited
Gracechurch UTG No 51 Limited	Gracechurch UTG No 104 Limited
Gracechurch UTG No 52 Limited	Gracechurch UTG No 105 Limited
Gracechurch UTG No 106 Limited	Gracechurch UTG No 169 Limited
Gracechurch UTG No 107 Limited	Gracechurch UTG No 170 Limited
Gracechurch UTG No 108 Limited	Gracechurch UTG No 171 Limited
Gracechurch UTG No 109 Limited	Gracechurch UTG No 172 Limited
Gracechurch UTG No 111 Limited	Gracechurch UTG No 173 Limited
Gracechurch UTG No 112 Limited	Gracechurch UTG No 174 Limited
Gracechurch UTG No 113 Limited	Gracechurch UTG No 175 Limited
Gracechurch UTG No 114 Limited	Gracechurch UTG No 176 Limited
Gracechurch UTG No 115 Limited	Gracechurch UTG No 177 Limited
Gracechurch UTG No 116 Limited	Gracechurch UTG No 178 Limited
Gracechurch UTG No 117 Limited	Gracechurch UTG No 179 Limited
Gracechurch UTG No 118 Limited	Gracechurch UTG No 180 Limited
Gracechurch UTG No 119 Limited	Gracechurch UTG No 181 Limited
Gracechurch UTG No 120 Limited	Gracechurch UTG No 182 Limited
Gracechurch UTG No 121 Limited	Gracechurch UTG No 183 Limited
Gracechurch UTG No 123 Limited	Gracechurch UTG No 200 Limited
Gracechurch UTG No 124 Limited	Gracechurch UTG No 201 Limited
Gracechurch UTG No 126 Limited	Gracechurch UTG No 202 Limited
Gracechurch UTG No 127 Limited	Gracechurch UTG No 203 Limited
Gracechurch UTG No 128 Limited	Gracechurch UTG No 204 Limited
Gracechurch UTG No 129 Limited	Gracechurch UTG No 205 Limited
Gracechurch UTG No 130 Limited	Gracechurch UTG No 206 Limited
Gracechurch UTG No 133 Limited	Gracechurch UTG No 207 Limited
Gracechurch UTG No 134 Limited	Gracechurch UTG No 208 Limited
Gracechurch UTG No 135 Limited	Gracechurch UTG No 209 Limited
Gracechurch UTG No 136 Limited	Gracechurch UTG No 210 Limited
Gracechurch UTG No 137 Limited	Gracechurch UTG No 211 Limited
Gracechurch UTG No 138 Limited	Gracechurch UTG No 212 Limited
Gracechurch UTG No 139 Limited	Gracechurch UTG No 213 Limited
Gracechurch UTG No 140 Limited	Gracechurch UTG No 214 Limited
Gracechurch UTG No 141 Limited	Gracechurch UTG No 215 Limited
Gracechurch UTG No 142 Limited	Gracechurch UTG No 216 Limited
Gracechurch UTG No 143 Limited	Gracechurch UTG No 217 Limited
Gracechurch UTG No 144 Limited	Gracechurch UTG No 218 Limited

HAMPDEN HOLDINGS LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** *(continued)***YEAR ENDED 31 DECEMBER 2019****45. SUBSIDIARY AND ASSOCIATED UNDERTAKINGS** *(continued)*

Gracechurch UTG No 145 Limited
 Gracechurch UTG No 146 Limited
 Gracechurch UTG No 147 Limited
 Gracechurch UTG No 148 Limited
 Gracechurch UTG No 149 Limited
 Gracechurch UTG No 150 Limited
 Gracechurch UTG No 151 Limited
 Gracechurch UTG No 152 Limited
 Gracechurch UTG No 153 Limited
 Gracechurch UTG No 154 Limited
 Gracechurch UTG No 155 Limited
 Gracechurch UTG No 156 Limited
 Gracechurch UTG No 157 Limited
 Gracechurch UTG No 158 Limited
 Gracechurch UTG No 159 Limited
 Gracechurch UTG No 160 Limited
 Gracechurch UTG No 161 Limited
 Gracechurch UTG No 162 Limited
 Gracechurch UTG No 163 Limited
 Gracechurch UTG No 164 Limited
 Gracechurch UTG No 165 Limited
 Gracechurch UTG No 166 Limited
 Gracechurch UTG No 167 Limited
 Gracechurch UTG No 168 Limited
 Gracechurch UTG No 243 Limited
 Gracechurch UTG No 244 Limited
 Gracechurch UTG No 245 Limited
 Gracechurch UTG No 246 Limited
 Gracechurch UTG No 247 Limited
 Gracechurch UTG No 248 Limited
 Gracechurch UTG No 249 Limited
 Gracechurch UTG No 250 Limited
 Gracechurch UTG No 251 Limited
 Gracechurch UTG No 252 Limited
 Gracechurch UTG No 253 Limited
 Gracechurch UTG No 254 Limited
 Gracechurch UTG No 255 Limited
 Gracechurch UTG No 256 Limited
 Gracechurch UTG No 257 Limited
 Gracechurch UTG No 258 Limited
 Gracechurch UTG No 259 Limited
 Gracechurch UTG No 260 Limited
 Gracechurch UTG No 261 Limited
 Gracechurch UTG No 262 Limited
 Gracechurch UTG No 263 Limited
 Gracechurch UTG No 264 Limited
 Gracechurch UTG No 265 Limited
 Gracechurch UTG No 266 Limited
 Gracechurch UTG No 267 Limited
 Gracechurch UTG No 268 Limited
 Gracechurch UTG No 269 Limited
 Gracechurch UTG No 270 Limited
 Gracechurch UTG No 271 Limited
 Gracechurch UTG No 272 Limited

Gracechurch UTG No 219 Limited
 Gracechurch UTG No 220 Limited
 Gracechurch UTG No 221 Limited
 Gracechurch UTG No 222 Limited
 Gracechurch UTG No 223 Limited
 Gracechurch UTG No 224 Limited
 Gracechurch UTG No 225 Limited
 Gracechurch UTG No 226 Limited
 Gracechurch UTG No 227 Limited
 Gracechurch UTG No 228 Limited
 Gracechurch UTG No 229 Limited
 Gracechurch UTG No 230 Limited
 Gracechurch UTG No 231 Limited
 Gracechurch UTG No 232 Limited
 Gracechurch UTG No 233 Limited
 Gracechurch UTG No 234 Limited
 Gracechurch UTG No 235 Limited
 Gracechurch UTG No 236 Limited
 Gracechurch UTG No 237 Limited
 Gracechurch UTG No 238 Limited
 Gracechurch UTG No 239 Limited
 Gracechurch UTG No 240 Limited
 Gracechurch UTG No 241 Limited
 Gracechurch UTG No 242 Limited
 Gracechurch UTG No 293 Limited
 Gracechurch UTG No 294 Limited
 Gracechurch UTG No 295 Limited
 Gracechurch UTG No 296 Limited
 Gracechurch UTG No 297 Limited
 Gracechurch UTG No 298 Limited
 Gracechurch UTG No 299 Limited
 Gracechurch UTG No 300 Limited
 Gracechurch UTG No 301 Limited
 Gracechurch UTG No 302 Limited
 Gracechurch UTG No 303 Limited
 Gracechurch UTG No 304 Limited
 Gracechurch UTG No 305 Limited
 Gracechurch UTG No 306 Limited
 Gracechurch UTG No 307 Limited
 Gracechurch UTG No 308 Limited
 Gracechurch UTG No 309 Limited
 Gracechurch UTG No 310 Limited
 Gracechurch UTG No 311 Limited
 Gracechurch UTG No 125 Limited
 Gracechurch UTG No 131 Limited
 Gracechurch UTG No 313 Limited
 Gracechurch UTG No 314 Limited
 Gracechurch UTG No 315 Limited
 Gracechurch UTG No 317 Limited
 Gracechurch UTG No 318 Limited
 Gracechurch UTG No 319 Limited
 Gracechurch UTG No 320 Limited
 Gracechurch UTG No 321 Limited
 Gracechurch UTG No 322 Limited

HAMPDEN HOLDINGS LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** *(continued)***YEAR ENDED 31 DECEMBER 2019**

45. SUBSIDIARY AND ASSOCIATED UNDERTAKINGS *(continued)*

Gracechurch UTG No 273 Limited	Gracechurch UTG No 323 Limited
Gracechurch UTG No 274 Limited	Gracechurch UTG No 324 Limited
Gracechurch UTG No 275 Limited	Gracechurch UTG No 326 Limited
Gracechurch UTG No 276 Limited	Gracechurch UTG No 327 Limited
Gracechurch UTG No 277 Limited	Gracechurch UTG No 328 Limited
Gracechurch UTG No 278 Limited	Gracechurch UTG No 329 Limited
Gracechurch UTG No 279 Limited	Gracechurch UTG No 330 Limited
Gracechurch UTG No 280 Limited	Gracechurch UTG No 331 Limited
Gracechurch UTG No 281 Limited	Gracechurch UTG No 332 Limited
Gracechurch UTG No 282 Limited	Gracechurch UTG No 333 Limited
Gracechurch UTG No 283 Limited	Gracechurch UTG No 312 Limited
Gracechurch UTG No 284 Limited	Gracechurch UTG No 325 Limited
Gracechurch UTG No 285 Limited	Gracechurch UTG No 347 Limited
Gracechurch UTG No 286 Limited	Gracechurch UTG No 348 Limited
Gracechurch UTG No 287 Limited	Gracechurch UTG No 349 Limited
Gracechurch UTG No 288 Limited	Gracechurch UTG No 350 Limited
Gracechurch UTG No 289 Limited	Gracechurch UTG No 351 Limited
Gracechurch UTG No 290 Limited	Gracechurch UTG No 352 Limited
Gracechurch UTG No 291 Limited	Gracechurch UTG No 353 Limited
Gracechurch UTG No 292 Limited	Gracechurch UTG No 354 Limited
Gracechurch UTG No 110 Limited	Gracechurch UTG No 355 Limited
Gracechurch UTG No 132 Limited	Gracechurch UTG No 365 Limited
Gracechurch UTG No 316 Limited	North American London Underwriters Limited
Gracechurch UTG No 334 Limited	S J L Ltd
Gracechurch UTG No 335 Limited	Gracechurch UTG No 373 Limited
Gracechurch UTG No 336 Limited	Gracechurch UTG No 374 Limited
Gracechurch UTG No 337 Limited	Gracechurch UTG No 375 Limited
Gracechurch UTG No 338 Limited	Gracechurch UTG No 376 Limited
Gracechurch UTG No 339 Limited	Gracechurch UTG No 377 Limited
Gracechurch UTG No 340 Limited	Gracechurch UTG No 378 Limited
Gracechurch UTG No 341 Limited	Gracechurch UTG No 379 Limited
Gracechurch UTG No 342 Limited	Gracechurch UTG No 380 Limited
Gracechurch UTG No 343 Limited	Gracechurch UTG No 381 Limited
Gracechurch UTG No 344 Limited	Gracechurch UTG No 382 Limited
Gracechurch UTG No 345 Limited	Gracechurch UTG No 383 Limited
Gracechurch UTG No 346 Limited	Gracechurch UTG No 384 Limited
Gracechurch UTG No 356 Limited	Gracechurch UTG No 385 Limited
Gracechurch UTG No 357 Limited	Gracechurch UTG No 386 Limited
Gracechurch UTG No 358 Limited	Gracechurch UTG No 387 Limited
Gracechurch UTG No 359 Limited	Gracechurch UTG No 388 Limited
Gracechurch UTG No 360 Limited	Gracechurch UTG No 389 Limited
Gracechurch UTG No 361 Limited	Gracechurch UTG No 390 Limited
Gracechurch UTG No 362 Limited	Gracechurch UTG No 391 Limited
Gracechurch UTG No 363 Limited	Gracechurch UTG No 392 Limited
Gracechurch UTG No 364 Limited	Gracechurch UTG No 393 Limited
Gracechurch UTG No 366 Limited	Gracechurch UTG No 394 Limited
Gracechurch UTG No 367 Limited	Gracechurch UTG No 395 Limited
Gracechurch UTG No 368 Limited	Gracechurch UTG No 396 Limited
Gracechurch UTG No 369 Limited	Gracechurch UTG No 397 Limited
Gracechurch UTG No 370 Limited	Gracechurch UTG No 390 Limited
Gracechurch UTG No 371 Limited	Gracechurch UTG No 47 Limited
Gracechurch UTG No 372 Limited	

HAMPDEN HOLDINGS LIMITED

GROUP AND COMPANY - NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 DECEMBER 2019

46. POST BALANCE SHEET EVENTS

Since the end of the reporting period the world has been plunged into the uncertainty of the COVID-19 pandemic, the ultimate economic consequences of which are currently unknown. The Group was well prepared for the 2020 Calendar year operational requirements of all staff resorting to working remotely from our office workplaces as travel and social distancing measures have been applied by the UK government. All functions of the business are continuing with minimal disruption to the delivery of our services to our clients.

The Directors are confident that the business continues to be a going concern for the following reasons:

- The Group continues to be sufficiently capitalised and comfortably meets its regulatory solvency requirements in all our regulated businesses.
- For the majority of businesses our income for the immediate future is both known and reliable in its recoverability.
- Our costs are predictable and controllable within the timeframe of any changes to our income.
- We conduct annual financial stress testing of the key businesses with a forecast of 5 years and are confident that the business will continue to operate effectively within the tested parameters.
- Our forecast cashflow has remained accurate since the end of the reporting period supporting our confidence in the reliability of our income and costs for the foreseeable future.

In our Lloyd's market related businesses our clients are, by the nature of the investment they make, more focused on the longer term performance of their investment. It is unlikely that the expected short term disruption to the return on their investments during this period would cause them to seek alternative investment options. In some cases our offering may become less viable as an investment for some clients but the proven long term performance and lack of direct correlation with most other forms of investment continues to attract new potential investors.

In our run-off management businesses COVID-19's largest expected impact is on the return on investment portfolios. As these are predominantly lower risk investments, the impact of reduced returns is minimal due to the low return investment environment prior to COVID-19.