

HARTFORD STEAM BOILER UK LIMITED

**ANNUAL REPORT AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2019**

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HARTFORD STEAM BOILER UK LIMITED

COMPANY INFORMATION

Directors

J Cohn
F Bull
G R Edley
I Brown

Company number

02708264 (England and Wales)

Registered office

Chancery Place
50 Brown Street
Manchester
M2 2JT

Auditor

KPMG LLP
1 St. Peter's Square
Manchester
M2 3AE



HARTFORD STEAM BOILER UK LIMITED

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HARTFORD STEAM BOILER UK LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

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

Principal activities

The principal activities of the Company are the provision of engineering inspection services in connection with the design, construction, maintenance and operation of boiler machinery and related equipment.

Results and dividends

The company's trading loss for the year, after taxation, was £69,993 (2018: Loss of £ 56,171).

The directors did not declare or pay a dividend during the current or prior year.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

J Cohn
F Bull
G R Edley
I Brown

Liability Insurance

The Company, through its parent company, purchased and maintained liability insurance for its directors and officers as permitted by section 233 of the Companies Act 2006.

Auditor

The Company's auditor is KPMG LLP. Following a rigorous tender process conducted by Munich Re, which was approved by the Company, Ernst & Young LLP will assume the role of independent auditor for the Munich Re Group, and for the Company, for the year ending 31 December 2020. Formal appointment as auditor to the company will be completed after the approval of these financial statements.

Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Going concern

In considering the appropriateness of the going concern basis, the Directors have undertaken a risk assessment of the potential impact of the COVID-19 pandemic on the Company's expected future operational and financial performance. The risk assessment considered a range of possible forward looking scenarios with varying downsides for a period of over 12 months from the date of this report, taking account of actions already taken to mitigate the risks to the Company's employees and operations, as well as actions available in the future as needed.

Based on their own analysis of the available information, and as further disclosed in Note 1 to the financial statements, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. They forecasted the impact of the virus and the Company's parent expects to remain profitable for the coming year. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

HARTFORD STEAM BOILER UK LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

The financial statements have been prepared on the going concern basis, notwithstanding the net loss for the year of £69,993. The Company is dependent for its working capital on funds provided by The Hartford Steam Boiler Inspection and Insurance Company. In addition, Global Standards, LLC, its parent company, has provided the directors with a letter of support indicating the intention that at least 12 months from the date of approval of these financial statements, it will continue to make available such funds as are needed by the Company. This would enable the Company to continue in operational existence for the foreseeable future by meeting its obligations as they fall due. However, the Company is also exposed to operational risks arising from Brexit as disclosed below that there is the risk that the company could lose its Notified Body status from the European Commission, which would prevent it from performing certain services related to European equipment standards, affecting its ability to trade outside the UK with the associated implications on the viability of the business.

Strategic report exemption

Per section 414B of the Companies Act 2006 the exemption to prepare a Strategic Report has been claimed.

Political contributions

The Company made no political donations or incurred any political expenditure during the year (2018:nil).

Principal risks and uncertainties

The Company's operations expose it to a variety of risks that include market risk, liquidity risk, credit risk and operational risk.

Market Risk

Market risk is the risk of loss or adverse change in the financial condition of the Company, resulting directly or indirectly from fluctuations in the level and/or volatility of market prices of assets and liabilities and changes in interest rates and exchange rates.

The Company is exposed to currency exchange rate risk due to a significant proportion of its receivables, operating expenses and financial instruments being denominated in non-Sterling currencies. The Company monitors its balances of non-Sterling accounts on a regular basis. Where practical, the Company attempts to match its non-Sterling assets and liabilities.

The Company has limited exposure to interest rate risk. The exposure arises from fluctuations in interest rates pertaining to the intra-group loans.

Liquidity Risk

Liquidity risk is the risk that cash may not be available to pay obligations when due at a reasonable cost. The Company through its operating cash management processes, use of its capital, as well as the funding available from its immediate parent company, ensures that funds are available to meet its obligations when they fall due.

Credit Risk

The Company may offer credit terms to its customers which allow payment of the debt after delivery of services. The Company is at risk to the extent that a customer may be unable to pay the debt on the specified due date. The amount of exposure to any individual customer is controlled by means of a credit limit that is monitored regularly by management.

Operational Risk

The risk of possible losses arising from inadequate or failed internal processes, from personnel and systems, or from external events, as well as unexpected changes in business assumptions and earnings fluctuations due to decline in income without a corresponding decrease in expenses. These risks include business interruptions of operations, legal risk, damage by employee fraud or losses caused by court cases. The Company has implemented policies and procedures to manage operational risks.

HARTFORD STEAM BOILER UK LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

Risk from the United Kingdom's withdrawal from the European Union

In June 2016, voters in the United Kingdom (UK) approved a referendum to withdraw the UK's membership from the European Union (EU), which is commonly referred to as "Brexit". In March 2017, the UK government initiated the exit process under Article 50 of the Treaty of the European Union. The Company's results could be adversely affected by the UK's withdrawal from the EU. The Company could under a No Deal Brexit or other exit scenarios lose its Notified Body status from the European Commission, which would prevent it from performing certain services related to European equipment standards. This would affect its ability to trade outside the UK with the associated implications on the viability of the business.

In response to the Brexit risk, on 1 November 2019, the Company transferred certain contracts with EU customers to its affiliate, Hartford Steam Boiler Ireland Limited. The Company received proceeds of £94,317 related to this transfer.

On behalf of the board



I Brown

Director

18 July 2020



HARTFORD STEAM BOILER UK LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTOR'S REPORT AND THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

In considering the appropriateness of the going concern basis, the Directors have considered the principal risks and uncertainties, including the potential impact of the COVID-19 pandemic on the Company.



HARTFORD STEAM BOILER UK LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HARTFORD STEAM BOILER UK LIMITED

Opinion

We have audited the financial statements of Hartford Steam Boiler UK Limited ("the company") for the year ended 31 December 2019 which comprise the Profit and Loss Account and Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

Directors' report

The directors are responsible for the directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

HARTFORD STEAM BOILER UK LIMITED

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 4, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.



Andrew Jones (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
1 St. Peter's Square
Manchester
M2 3AE
18 September 2020



HARTFORD STEAM BOILER UK LIMITED

PROFIT AND LOSS ACCOUNT AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	2019 £	2018 £
Turnover	2	1,300,423	1,364,192
Administrative expenses		<u>(1,376,946)</u>	<u>(1,420,566)</u>
Operating loss		(76,523)	(56,374)
Interest payable and similar charges	3	<u>(10,447)</u>	<u>(9,352)</u>
Loss on ordinary activities before taxation	4	(86,970)	(65,726)
Tax on loss on ordinary activities	7	<u>16,977</u>	<u>9,555</u>
Loss for the financial year		<u>(69,993)</u>	<u>(56,171)</u>
Other comprehensive income			
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		<u>(69,993)</u>	<u>(56,171)</u>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

The notes on pages 10 to 18 form an integral part of the financial statements.




HARTFORD STEAM BOILER UK LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2019

	Notes	2019 £	2018 £
Fixed assets			
Tangible assets	8	31,557	44,473
		<u>31,557</u>	<u>44,473</u>
Current assets			
Debtors	9	339,058	256,073
Cash at bank and in hand		<u>47,688</u>	<u>146,807</u>
		386,746	402,880
Creditors: amounts falling due within one year	10	<u>(153,349)</u>	<u>(110,884)</u>
Net current assets		<u>233,397</u>	<u>291,996</u>
Total assets less current liabilities		264,954	336,469
Creditors: amounts falling due after more than one year	11	<u>(376,544)</u>	<u>(378,066)</u>
Net liabilities		<u>(111,590)</u>	<u>(41,597)</u>
Called up share capital	14	202	202
Share Premium		479,800	479,800
Profit and loss account		<u>(591,592)</u>	<u>(521,599)</u>
Shareholder's deficit		<u>(111,590)</u>	<u>(41,597)</u>

The notes on pages 10 to 18 form an integral part of these financial statements.

The financial statements on pages 7 to 18 were approved by the board of directors and authorised for issue on 18 September 2020 and are signed on its behalf by:



I Brown
Director



HARTFORD STEAM BOILER UK LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2019

	Called Up Share Capital £	Share Premium £	Profit and Loss Account £	Total Equity £
Member's equity, as of 31 December, 2017	<u>202</u>	<u>479,800</u>	<u>(465,428)</u>	<u>14,574</u>
Loss for the year	-	-	(56,171)	(56,171)
Member's equity, as of 31 December, 2018	<u>202</u>	<u>479,800</u>	<u>(521,599)</u>	<u>(41,597)</u>
Loss for the year	-	-	(69,993)	(69,993)
Member's equity, as of 31 December, 2019	<u>202</u>	<u>479,800</u>	<u>(591,592)</u>	<u>(111,590)</u>

The notes on pages 10 to 18 form an integral part of these financial statements.

HARTFORD STEAM BOILER UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

Basis of preparation

These financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the UK and Republic of Ireland ("FRS 102") as issued in August 2014. The amendments to FRS 102 issued in July 2015 and effective immediately have been applied. The presentation currency of these financial statements is GBP Pound Sterling.

The financial statements are prepared under the historical cost convention and in accordance with the applicable United Kingdom accounting standards.

The Company's ultimate parent undertaking, Munich Re, includes the Company in its consolidated financial statements. The consolidated financial statements of Munich Re are prepared in accordance with International Financial Reporting Standards as adopted by the EU and are available to the public and may be obtained from www.munichre.com. In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

As the consolidated financial statements of Munich Re include the equivalent disclosures, the Company has also taken the exemptions under FRS 102 available in respect of the following disclosures:

- The disclosures required by FRS 102.11 *Basic Financial Instruments* and FRS 102.12 *Other Financial Instrument Issues* in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

In preparing these financial statements, the Directors of the Company have made judgements, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis and revisions to estimates are recognised prospectively.

Going concern

In considering the appropriateness of the going concern basis, the Directors have undertaken a risk assessment of the potential impact of the COVID-19 pandemic on the Company's expected future operational and financial performance. The risk assessment considered a range of possible forward looking scenarios with varying downsides for a period of over 12 months from the date of this report, taking account of the actions already taken to mitigate the risks to the Company's employees and operations, as well as actions available in the future as needed.

Notwithstanding net liabilities of £111,590 as at 31 December 2019 and a loss for the year then ended of £69,993 the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The directors have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, the company will have sufficient funds, through additional funding from its ultimate parent company, Global Standards LLC, to meet its liabilities as they fall due for that period.

HARTFORD STEAM BOILER UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

Global Standards, LLC has provided the directors with a letter of support indicating the intention that at least 12 months from the date of approval of these financial statements, it will continue to make available such funds as are needed by the Company. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Furthermore Global Standard LLC has indicated that it does not intend to seek repayment of the amounts currently due to the group, which at 31 December 2019 amounted to £376,544 for the period covered by the forecasts.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements.

The Company is also exposed to a range of operational risks arising from Brexit as disclosed in the Directors' Report including, but not limited to the risk that the company could under a No Deal Brexit or possibly other exit scenarios lose its Notified Body status from the European Commission, which would prevent it from performing certain services related to European equipment standards, affecting its ability to trade outside the UK with the associated implications on the viability of the business. In response to the Brexit risk, on 1 November 2019, the Company transferred certain contracts with EU customers to its affiliate, Hartford Steam Boiler Ireland Limited. The Company received proceeds of £94,317 related to this transfer.

Notwithstanding both the need for financial support, the potential impact of the COVID-19 pandemic and the Brexit risk, the directors believe that it remains appropriate to prepare the financial statements on a going concern basis.

Turnover

Turnover represents the invoiced value, net of Value Added Tax, of goods sold and services provided to customers. Service fee income is recognised and earned as services are completed.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Computer equipment	straight line over 3 years
Motor vehicles	straight line over 6 years
Furniture	straight line over 7 years

Leasing

Rentals payable under operating leases are charged to profit & loss on a straight line basis over the lease term.

Pensions

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

Interest income and interest payable

Interest income and interest payable are recognised in profit or loss as they accrue.

Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into GBP Pound Sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

HARTFORD STEAM BOILER UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

Taxation

Taxation on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income. Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

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

Financial instruments

Financial instruments are classified and accounted for according to the substance of the contractual arrangement as 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. The Company's principal financial assets and liabilities are trade debtors and creditors.

Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade and other debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

2 Turnover

Turnover represents inspection service fees earned.

In the year ended 31 December 2019, 89% (2018: 88%) of the company's turnover was to markets outside the United Kingdom.

3	Interest payable and similar charges	2019 £	2018 £
	On amounts payable to group companies	10,447	9,352

HARTFORD STEAM BOILER UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

4 Expenses and auditor's remuneration

Included in loss are the following:

	2019 £	2018 £
Loss on ordinary activities before taxation is stated after charging/(crediting):		
Depreciation of tangible fixed assets		
- owned	14,748	19,754
Operating lease rentals	63,627	39,623
Auditors' remuneration for statutory audit	7,000	7,000

5 Employees

Number of employees

The average monthly number of employees (including directors) during the year was:

	2019 £	2018 £
Employees	6	6

Employment costs

	2019 £	2018 £
Wages and salaries	428,441	418,156
Social security costs	55,619	55,885
Other pension costs	46,574	32,754
	<u>530,634</u>	<u>506,795</u>

6 Directors' remuneration

	2019 £	2018 £
Remuneration for qualifying services	<u>229,167</u>	<u>221,387</u>
The highest paid director	143,142	138,605



HARTFORD STEAM BOILER UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

7	Tax on loss on ordinary activities	2019	2018
		£	£
	U.K. corporation tax	(16,977)	(9,555)
	Foreign taxes paid	-	-
	Total current tax	(16,977)	(9,555)

For the year ended 31 December 2019 the company has elected to surrender its taxable loss to a related group company. The company has recorded a related party receivable of £16,977 (2018: £9,555) for the surrendered tax loss.

Factors affecting the tax charge for the year

The tax assessed for the year is higher than the standard rate of corporation tax (19,00%). The differences are explained below:

Loss on ordinary activities before taxation	(86,970)	(65,726)
Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 19,00% (2018 : 19,00%)	(16,524)	(12,488)
Effects of:		
Short term timing differences	-	-
Losses not recognised for deferred tax	-	-
Fixed asset differences	(586)	1,982
Expenses not deductible	133	951
	(453)	2,933
Total tax included in the profit and loss	(16,977)	(9,555)

The Finance Act 2016 reduced the main rate of corporation tax from 19% to 17% from 1 April 2020. The March 2020 Budget announced that a rate of 19% would continue to apply with effect from 1 April 2020, and this change was substantively enacted on 17 March 2020. At 31 December 2019 the company had estimated tax losses of £505,239 (2018: £505,239) available to offset against future trading profits and decelerated capital allowances of £6,370 (2018: £9,451) and short term timing differences of £5,700 (2018: £5,000).

A deferred tax asset of £87,943 (2018: £88,347) has not been recognised in respect of these items on the basis there is not sufficient certainty around the timing of future profits.

HARTFORD STEAM BOILER UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

8 Tangible fixed assets

	Computers and furniture £	Motor vehicles £	Total £
Cost			
At 1 January 2019	27,086	73,265	100,351
Additions	13,114	-	13,114
Disposals	(16,566)	(26,390)	(42,956)
At 31 December 2019	23,634	46,875	70,509
Depreciation			
At 1 January 2019	17,485	38,393	55,878
Charge for the year	4,405	10,343	14,748
Disposals	(8,216)	(23,458)	(31,674)
At 31 December 2019	13,674	25,278	38,952
Net book value			
At 31 December 2019	9,960	21,597	31,557
Cost			
At 1 January 2018	27,086	94,477	121,563
Additions	-	-	-
Disposals	-	(21,212)	(21,212)
At 31 December 2018	27,086	73,265	100,351
Depreciation			
At 1 January 2018	10,780	35,497	46,277
Charge for the year	6,705	13,049	19,754
Disposals	-	(10,153)	(10,153)
At 31 December 2018	17,485	38,393	55,878
Net book value			
At 31 December 2018	9,601	34,872	44,473

HARTFORD STEAM BOILER UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

9	Debtors	2019 £	2018 £
	Trade debtors	65,843	116,286
	Due from group undertakings	226,046	103,735
	Other debtors	25,160	3,590
	Foreign taxes recoverable	1,855	-
	Prepayments and accrued income	20,154	32,463
		<u>339,058</u>	<u>256,073</u>
10	Creditors: amounts falling due within one year	2019 £	2018 £
	Trade creditors	2,089	1,800
	Due to group undertakings	31,704	55,773
	Other creditors	10,281	3,747
	Accruals and deferred income	109,275	49,564
		<u>153,349</u>	<u>110,884</u>
11	Creditors: amounts falling due after more than one year	2019 £	2018 £
	Amounts owed to group undertakings	<u>376,544</u>	<u>378,066</u>
	Included in the above are the following:		
	Analysis of debt maturity		
	Amounts payable:		
	The maturity date after one year and within 5 years	376,544	-
	The maturity date is over five years	<u>-</u>	<u>378,066</u>
		<u>376,544</u>	<u>378,066</u>

HARTFORD STEAM BOILER UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

12 Commitments under operating leases

At 31 December 2019 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 December 2019:

	2019 £	2018 £
Operating leases which expire:		
Within one year	7,993	29,708
After one year and within five years	14,816	65,605
More than five years	-	-
	<u>22,809</u>	<u>95,313</u>

13 Ultimate parent company

Global Standards, LLC, a limited liability company incorporated in the United States of America, is the Company's immediate parent undertaking. Global Standards, LLC is wholly-owned by The Hartford Steam Boiler Inspection and Insurance Company ("HSBIIIC"). The ultimate parent company is Munich Re., a company incorporated in Germany. The group is ultimately controlled by more than one person.

The group headed by Munich Re is the largest group of undertakings for which group accounts are drawn up. The group headed by HSBIIIC, is the smallest group for which group accounts are drawn up. Consolidated accounts are publicly available at their respective registered offices.

14 Share capital

	2019 £	2018 £
Authorised		
1,500,000 Ordinary shares of 2p each	<u>30,000</u>	<u>30,000</u>
Allotted, called up and fully paid		
10,100 Ordinary shares of 2p each	<u>202</u>	<u>202</u>

HARTFORD STEAM BOILER UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

15 Related party relationships and transactions

As a wholly owned subsidiary, the Company has taken advantage of the exemption available under paragraph 33.1A of FRS102 not to disclose related party transactions with members of the group. Transactions with group companies were conducted on terms equivalent to those prevailing in arm's length transactions.

