

**Registered Number: 00003671**

**BRITISH AND FOREIGN MARINE  
INSURANCE COMPANY LIMITED**

**Annual Report and Accounts  
for the year ended 31 December 2013**



# BRITISH AND FOREIGN MARINE INSURANCE COMPANY LIMITED

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# BRITISH AND FOREIGN MARINE INSURANCE COMPANY LIMITED

## Company information

### Directors

J M Mills

Non-Destructive Testers Limited

### Secretary

Roysun Limited

### Registered office

St Mark's Court  
Chart Way  
Horsham  
West Sussex  
RH12 1XL

### Auditor

KPMG LLP  
Chartered Accountants and Statutory Auditors  
15 Canada Square  
London  
E14 5GL

# BRITISH AND FOREIGN MARINE INSURANCE COMPANY LIMITED

## Directors' report

for the year ended 31 December 2013

The directors present their annual report on the affairs of the Company and the audited financial statements for the year ended 31 December 2013.

### Business review and principal activity

The Company was de-authorised by the Financial Services Authority on 1 January 2012. The Company did not trade during the year.

Accordingly, the financial statements have been drawn up on a basis other than that of a going concern.

The results for the Company show a result on ordinary activities before tax of £nil (2012: £nil). The shareholders' funds of the Company were £19,263,000 as at 31 December 2013 (31 December 2012: £19,348,000).

### Future outlook

There is not expected to be any change to the business in the foreseeable future.

### Dividends

The directors do not recommend payment of a dividend in respect of the year ended 31 December 2013 (2012: £nil).

### Principal risks and uncertainties

The Company has no principal risks or uncertainties because it has ceased to trade. The Company's risks are managed in accordance with RSA Insurance Group plc (the "Group") policies. The principal risks and uncertainties of the Group, which include those of the Company, are set out in the estimation techniques, risks, uncertainties and contingencies on pages 112 to 115, and in the risk review on pages 32 to 35 of the 2013 Annual Report and Accounts of the Group, which do not form part of this report.

### Financial risk management

The Company's financial risks are managed and monitored at Group level. The risk management of the Group, which include those of the Company, are set out in the risk review on pages 32 to 35 of the 2013 Annual Report and Accounts of the Group, which do not form part of this report. The directors consider that there is minimal level of financial risk associated with the Company's assets and liabilities due to the nature of the Company's activities.

### KPIs

There are no KPIs produced for the Company as the Company has had no activity for a number of years.

### Directors

The names of the current directors are listed on page 1. Mr R J Clayton served as a director until his resignation on 13 February 2013. All the other directors served throughout the year.

The directors' responsibilities statement appears on page 3 and is incorporated by reference into this report.

### Auditor

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

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the director has taken all steps that he ought to have taken as a director in order to make himself aware of any relevant audit information, and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

KPMG LLP were re-appointed auditors of the RSA Insurance Group plc at its Annual General Meeting on 9 May 2014 and will continue to act as auditor of the Company.

The company has taken advantage of the exemption in section 414A(2) of the Companies Act 2006 from the requirement to prepare a strategic report on the basis that it would be entitled to prepare accounts for the year in accordance with the small companies regime but for being a member of an ineligible group.

By order of the Board



E C Klonarides  
For and on behalf of  
Raysun Limited  
Secretary

10 September 2014

# BRITISH AND FOREIGN MARINE INSURANCE COMPANY LIMITED

## Directors' responsibilities statement

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 the directors have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

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 judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping 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 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.

## **Independent auditor's report to the members of British and Foreign Marine Insurance Company Limited**

We have audited the financial statements and notes to the accounts of British and Foreign Marine Insurance Company Limited for the year ended 31 December 2013 set out on pages 5 to 8. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditor**

As explained more fully in the Directors' responsibilities statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2013; and of its results for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Emphasis of matter – non-going concern basis of preparation**

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1 to the financial statements which explains that the financial statements have not been prepared on the going concern basis for the reason set out in that note.

### **Opinion on other matter prescribed by the Companies Act 2006**

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

### **Matters on which we are required to report by exception**

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

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

*Caroline Gilbertson*

**Caroline Gilbertson (Senior Statutory Auditor)**  
**for and on behalf of KPMG LLP, Statutory Auditor**  
*Chartered Accountants*

15 Canada Square  
London  
E14 5GL

12<sup>th</sup> September 2014

# BRITISH AND FOREIGN MARINE INSURANCE COMPANY LIMITED

## Profit & loss account for the year ended 31 December 2013

		2013	2012
	Notes	£000	£000
Investment income	5	-	196
Unrealised losses on investments		-	(196)
<b>Profit on ordinary activities before taxation</b>		-	-
Taxation on profit on ordinary activities	6	(85)	(121)
<b>Loss for the financial year</b>		<b>(85)</b>	<b>(121)</b>

All figures relate to discontinued operations.

There have been no recognised gains or losses in either reporting year other than those recorded in the profit and loss account. Accordingly, no statement of total recognised gains and losses is presented.

The notes on pages 7 to 8 form an integral part of these accounts.

**BRITISH AND FOREIGN MARINE INSURANCE COMPANY LIMITED****Balance sheet**  
as at 31 December 2013

<b>Assets</b>	<b>Notes</b>	<b>2013 £'000</b>	<b>2012 £'000</b>
<b>Debtors</b>			
Amount owed by group undertakings		21,616	21,715
Other debtors		-	22
		<u>21,616</u>	<u>21,737</u>
<b>Total assets</b>		<u>21,616</u>	<u>21,737</u>
<b>Liabilities</b>			
<b>Capital and reserves</b>			
Called up share capital	7	9,367	9,367
Share premium account	8	54,975	54,975
Other reserves	8	(264)	(264)
Profit and loss account	8	(44,815)	(44,730)
<b>Shareholder funds</b>		<u>19,263</u>	<u>19,348</u>
<b>Creditors</b>			
Amounts owed to group undertakings		2,268	2,268
Other creditors including taxation and social security		85	121
		<u>2,353</u>	<u>2,389</u>
<b>Total Liabilities</b>		<u>21,616</u>	<u>21,737</u>

The notes on pages 7 to 8 form an integral part of these accounts.

The financial statements were approved by the Board of Directors on 10 September 2014 and are signed on its behalf by:

  
Director  
John Mills



# BRITISH AND FOREIGN MARINE INSURANCE COMPANY LIMITED

## Notes to the accounts

### 1. Financial Statements

The financial statements are prepared in accordance with applicable UK accounting standards and in compliance with the Companies Act 2006. The financial statements have been prepared under the current value rules, as permitted by Schedule 3 of the Accounting Regulations, on a basis other than that of a going concern.

The Company ceased trading, through the transfer of insurance business from the company by way of a part VII transfer to other group companies with effect from 1 January 2012. Accordingly, the financial statements have been drawn up on a basis other than that of a going concern. The directors are satisfied that no change is required to the carrying value of the Company's assets and liabilities.

A summary of the major accounting policies, which have been applied consistently throughout the year and the preceding year, is set out below:

#### a) Investment return

Income from investments is included in the non-technical account on an accruals basis. Investment return comprises all investment income, realised investment gains and losses and movements in unrealised gains and losses, net of investment expenses. Dividends on equity investments are recognised on the date at which the investment is priced 'ex dividend'.

Realised gains and losses on investments are calculated as the difference between net sales proceeds and purchase price.

#### b) Taxation

Current tax, based on profits and income for the year, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

### 2. Auditor's remuneration

Fees payable to KPMG LLP for the audit of the Company's annual accounts were £900 (2012: Deloitte LLP £1,000) which were borne by a parent company, Royal & Sun Alliance Insurance plc. Details of non-audit fees payable to KPMG LLP are disclosed in the RSA Insurance Group plc 2013 Annual Report & Accounts.

### 3. Directors' emoluments

None of the directors received any emoluments from the Company during the year (2012: £nil). Where applicable the directors receive remuneration from Royal & Sun Alliance Insurance plc as employees of that company, and it is not appropriate, because of the non-executive nature of their services, to make an apportionment of their emoluments in respect of the Company.

### 4. Employees and staff costs

The Company did not employ anyone during the year (2012: nil). All administrative duties are performed by employees of Royal & Sun Alliance Insurance plc at no cost to the Company (2012: £nil).

### 5. Investment Income

	2013	2012
	£000	£000
Gains on the realisation of investments	-	196
	-	196

### 6. Taxation

The charge for taxation in the profit and loss account comprises:

	2013	2012
	£000	£000
Current Tax		
UK corporation tax	85	121
Total current tax	85	121
Tax charge	85	121

The UK corporation tax for the current year is based on a rate of 23.247% (2012: 24.497%). The rate of corporation tax has reduced from 24% to 23% effective from 1 April 2013, and as a result, a composite rate of 23.247% has been used in the accounts.

# BRITISH AND FOREIGN MARINE INSURANCE COMPANY LIMITED

## Notes to the account (continued)

### 6. Taxation (continued)

Factors affecting the current tax charge:

The current tax charge for the year is more than 23.247% (2012: more than 24.497%) due to the items set out in the reconciliation below:

	2013 £000	2012 £000
Profit on ordinary activities before tax	-	-
Tax at 23.247% (2012: 24.497%)	-	-
Factors affecting charge:		
Fiscal adjustments	85	121
Current tax charge for the period	85	121

The company has no deferred tax assets or liabilities at 31 December 2013 or 31 December 2012.

### 7. Share Capital

	2013 £000	2012 £000
Allotted, issued and fully paid up:		
468,333 (2012: 468,333) ordinary shares of £20 each	9,367	9,367

### 8. Movements in shareholders' funds

	Share capital £000	Share Premium Account £000	Other Reserves £000	Profit and loss account £000	2013 £000	2012 £000
Shareholders' funds at 1 January	9,367	54,975	(264)	(44,730)	19,348	19,469
Loss for the financial year	-	-	-	(85)	(85)	(121)
Shareholders' funds at 31 December	9,367	54,975	(264)	(44,815)	19,263	19,348

### 9. Cash flow statement

The Company is a wholly-owned subsidiary of RSA Insurance Group plc and the cash flows of the Company are included in the consolidated cash flow statement of RSA Insurance Group plc. The Company has thus taken advantage of the exemption permitted by FRS 1 (revised 1996) 'Cash flow Statements' and has elected not to prepare its own cash flow statement.

### 10. Related party transactions

Advantage has been taken of the exemption provided in FRS 8 'Related Party Disclosures' from disclosing details of transactions with RSA Insurance Group plc and its subsidiaries and associated undertakings.

### 11. Parent companies

The Company's immediate parent company is Royal & Sun Alliance Insurance plc, which is registered in England and Wales.

The Company's ultimate parent company and controlling party is RSA Insurance Group plc, which is registered in England and Wales and is the parent company of the smallest and largest group to consolidate these financial statements. A copy of that company's accounts can be obtained from 20 Fenchurch Street, London, EC3M 3AU.