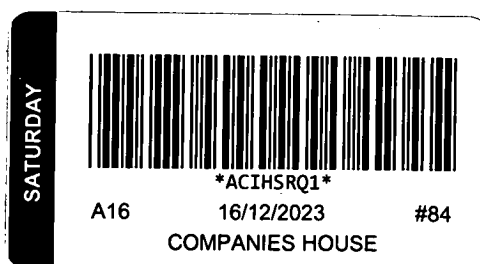


**Registered Number: 00214387**

**SUN INSURANCE OFFICE LIMITED**

**Annual Report and Accounts**

**For the year ended 31 December 2022**



SUN INSURANCE OFFICE LIMITED

Contents

Company information .....	1
Directors' report .....	2
Statement of directors' responsibilities in respect of the annual report and the financial statements .....	4
Statement of total comprehensive income .....	5
Statement of changes in equity.....	6
Balance sheet.....	7
Notes to the accounts .....	8

# **SUN INSURANCE OFFICE LIMITED**

## **Company Information**

### **Directors**

E Sweeney

I Taylor

R Morrison

### **Secretary**

Roysun Limited

### **Registered Office**

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

# SUN INSURANCE OFFICE LIMITED

## Directors' report for the year ended 31 December 2022

The directors present their annual report on the affairs of Sun Insurance Office Limited (the 'Company') and the unaudited financial statements for the year ended 31 December 2022.

The Company is a member of the Intact Financial Corporation Group of Companies (the 'Group'), headed by Intact Financial Corporation ('IFC' or 'Intact'). At a local level the Company is a member of the RSA Insurance Group of companies (the 'RSA Group' or 'RSA'), headed by RSA Insurance Group Limited ('RSAIG'). The Company is a subsidiary of Sun Alliance Insurance Overseas Limited ('SAIO'). The RSA Group provides the Company with access to all central resources that it needs and provides policies in all key areas including finance, risk, human resources and environment. The directors of the Company have concluded that the RSA Group approach to strategy, risk management, performance review and custody of assets fully meets the needs of the Company as a separate regulated entity.

### Principal activity

The principal activity of the Company was the transaction of general insurance through its branch in Italy, until the branch disposed of its business in 2015. The Company retained ownership of the Italian branch up until its closure in December 2019.

### Business review

The results for the Company show a profit on ordinary activities before tax of £14,000 (2021: £49,000 loss) for the year. The shareholder's funds of the Company were £424,000 as at 31 December 2022 (31 December 2021: £85,249,000).

### Future outlook

The cessation of the Company's trade and the subsequent closure of its Italian branch has resulted in the financial statements being prepared on an other than going concern basis. There are no immediate plans to liquidate the Company.

### Key performance indicators

There are no KPIs produced for the Company as no significant transactions have occurred during the year.

### Principal risks and uncertainties

Following the disposal of the Company's insurance business in 2015, and the receipt of amounts due from other companies within the RSA Group in 2022, the principal risks or uncertainties relate to the Company's exposure to amounts due from overseas tax authorities. The Company's risks are managed in accordance with RSA Group policies. The principal risks and uncertainties of the RSA Group, which include those of the Company, are set out in the Risk and capital management note of the 2022 Annual Report and Accounts of the RSA Group, which do not form part of this report.

### Financial risk management

The Company's financial risks are managed and monitored at an RSA Group level. The risk management of the RSA Group, which includes that of the Company is set out in the Risk and capital management section of the 2022 Annual Report and Accounts of the RSA Group, which does not form part of this report. The directors consider that there is a minimum level of financial risk associated with the Company's assets and liabilities due to the nature of the Company's activities.

### Directors

The names of the current directors are listed on page 1. From 1 January 2022 to date the following changes have taken place:

Director	Appointed	Resigned
Rachel Morrison	24 June 2022	
Paul Mackman		4 February 2022

### Directors' responsibilities

The directors' responsibilities statement appears on page 4 and is incorporated by reference into this report.

None of the directors have any interest in the shares of the Company.

### Dividends

The Company paid £84,839k of dividends during the year (2021: £nil). The directors do not recommend payment of a final dividend in respect of the year ended 31 December 2022 (2021: £nil).

### Political donations

The Company did not make any political donations during the financial year (2021: £nil).

### Directors' Indemnity

Article 82 and 83 of the Articles of Association provides that, among other things and insofar as permitted by law, the Company may indemnify its directors against any liability and may purchase and maintain insurance against any liability. The directors and officers of the Company have the benefit of Directors' and Officers' insurance which provides cover in respect of legal actions brought against them.

## SUN INSURANCE OFFICE LIMITED

### Non-going concern

The principal activity of the Company was the transaction of general insurance business through its branch in Italy, until the branch disposed of its business and the Company ceased trading in 2015. The Company maintained ownership of the Italian branch until its closure in December 2019, along with outstanding intercompany loans, and other amounts owed to and from, other RSA Group companies. The cessation of the Company's trade and the subsequent closure of its Italian branch, along with no current intention to acquire a replacement trade has resulted in the financial statements not being prepared on the going concern basis. Using this basis of preparation, the directors are satisfied that no change is required to the carrying value of the Company's assets and liabilities.

### Post Balance Sheet Events

There are no post balance sheet events to report.

### Strategic report

The Company has taken advantage of the exemption in section 414A(2) of the Companies Act 2006 (Strategic Report and Directors' Report Regulations 2013) 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.

The Directors' Report was approved by the Board of Directors and was signed by order of the Board on its behalf by:

*Ryan Law*

Ryan Law  
For and on behalf of Roysun Limited  
Secretary  
25 September 2023

## SUN INSURANCE OFFICE LIMITED

### Statement of directors' responsibilities in respect of the annual report and the financial statements

The directors are responsible for preparing the Directors' Report, the Strategic 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, including FRS 101 Reduced Disclosure Framework. 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 its profit or loss for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant and reliable;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 (as explained in note 1 the directors do not believe that it is appropriate to prepare these financial statements on a going concern basis).

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 its 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.

Under applicable law and regulations, the directors are also responsible for preparing a Directors' Report that complies with that law and those regulations.

**SUN INSURANCE OFFICE LIMITED****Statement of total comprehensive income**  
for the year ended 31 December 2022

	<b>Notes</b>	<b>2022 £000</b>	<b>2021 £000</b>
Interest receivable from Group undertakings		<b>24</b>	<b>34</b>
Administration expenses		<b>(37)</b>	<b>(56)</b>
Foreign exchange gains/(losses)	<b>4</b>	<b>27</b>	<b>(27)</b>
<b>Profit/(loss) on ordinary activities before tax</b>		<b>14</b>	<b>(49)</b>
Taxation credit/(charge) on profit/(loss)	<b>9</b>	<b>-</b>	<b>(3)</b>
<b>Profit/(loss) for the financial year</b>		<b>14</b>	<b>(52)</b>

There was no other comprehensive income during the year, accordingly no statement of other comprehensive income has been presented.

The notes on pages 8 to 10 form an integral part of these accounts.

**SUN INSURANCE OFFICE LIMITED****Statement of changes in equity**  
for the year ended 31 December 2022

	Share capital	Retained Earnings	Total shareholders' funds
	£000	£000	£000
Balance at 1 January 2021	48,836	36,465	85,301
Total comprehensive income for the financial year	-	(52)	(52)
Balance at 1 January 2022	48,836	36,413	85,249
Total comprehensive expense for the financial year	-	14	14
Capital reduction <sup>1</sup>	(48,836)	48,836	-
Dividends paid (note 10)	-	(84,839)	(84,839)
Balance at 31 December 2022	-	424	424

The attached notes on pages 8 to 10 form an integral part of these accounts.

<sup>1</sup>A reduction of the Company's share capital of £48.84m was effected 18 February 2022 which resulted in the creation of distributable reserves of £48.84m.



**SUN INSURANCE OFFICE LIMITED****Balance sheet**  
as at 31 December 2022

	Notes	2022 £000	2021 £000
<b>Current Assets</b>			
<b>Debtors</b>			
Amounts owed by group undertakings		-	84,840
Other debtors (including deferred taxation)	11	436	409
		<u>436</u>	<u>85,249</u>
<b>Creditors: amounts falling due within one year</b>	12	(12)	-
<b>Net current assets</b>		<u>424</u>	<u>85,249</u>
<b>Net assets</b>		<u>-</u>	<u>85,249</u>
<b>Capital and reserves</b>			
Called up share capital	13	-	48,836
Retained earnings		424	36,413
<b>Shareholders' funds</b>		<u>424</u>	<u>85,249</u>

The attached notes on pages 8 to 10 form an integral part of these accounts.

For the year ending 31 December 2022 the Company was entitled to exemption from audit under section 479A of the Companies Act 2006.

No members have required the company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006. The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The financial statements were approved on 25 September 2023 by the Board of Directors and are signed on its behalf by:

*Ian Taylor*

Director  
Ian Taylor

# SUN INSURANCE OFFICE LIMITED

## Notes to the accounts

### 1. Basis of preparation

The Company is a private, wholly owned subsidiary of Sun Alliance Insurance Overseas Limited and is incorporated and domiciled in the UK. The Company's ultimate parent company and controlling party is IFC. At a local level, the Company is a member of the RSA Insurance Group which is registered in England and Wales and is the smallest group to consolidate these financial statements.

The RSA Group has prepared its consolidated financial statements in accordance with UK-adopted International Accounting Standards and the requirements of the Companies Act 2006.

These financial statements have been prepared in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework* (FRS 101) and in compliance with the Companies Act 2006. The financial statements are prepared on a historical cost basis. Where other bases are applied, these are identified in the relevant accounting policy.

The Company ceased trading on 31 December 2015 and its Italian branch closed in December 2019. The cessation of the Company's trade and the subsequent closure of its Italian branch, along with no current intention to acquire a replacement trade has resulted in the financial statements not being prepared on the going concern basis. Using this basis of preparation, the directors are satisfied that no change is required to the carrying value of the Company's assets and liabilities.

The Company's financial statements are presented in pound sterling, which is also the Company's functional currency and rounded to the nearest thousand except where otherwise indicated.

In preparing the financial statements, the Company applies the recognition, measurement and disclosure of UK-adopted International Financial Reporting Standards but makes amendments where necessary in order to comply with Companies Act 2006. The Company has set out below where advantage of FRS 101 exemptions has been taken.

The exemptions used by the Company are as follows:

- Cash Flow Statement and related notes;
- The effects of new but not yet effective IFRSs;
- Disclosures in respect of the compensation of Key Management Personnel; and
- Disclosures in respect of transactions between two or more wholly owned subsidiaries of the group.

As the consolidated financial statements of the Company's ultimate parent undertaking include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosure:-

- Certain disclosures required by IFRS13 *Fair Value Measurement*.
- The disclosures required by IFRS7 *Financial Instrument Disclosures*.

### 2. Significant accounting policies

The significant accounting policies used in the preparation of these financial statements, as set out below, have been applied consistently to all periods presented, unless otherwise stated.

The Company has not made any significant changes to its accounting policies during 2022.

#### (i) Translation of foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates ruling at the balance sheet date. The value of a non-monetary item is translated into sterling at the date of the initial recognition of the item and is not revalued subsequently for changes in exchange rates. When determining the net realisable value or recoverable amount for a non-monetary asset, the value is translated using the exchange rate at the valuation date.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account. Non-monetary items are carried at historical cost and reported using the exchange rate at the date of the transaction.

#### (ii) Current and deferred tax

Current and deferred tax are recognised in the profit and loss account, except to the extent that the tax arises from a transaction or event recognised either in other comprehensive income (OCI) or directly in equity. Any exceptions permitted under IAS 12 'Income Taxes' are disclosed in the notes. To the extent that deferred tax assets are recognised or derecognised in the period and it is not possible to attribute this directly to either the profit and loss account or OCI, as is the case typically for brought forward tax losses, then these amounts are attributed between the profit and loss account and OCI transactions using a reasonable pro rata split based on historical movements.

Current taxation is based on profits and income for the year as determined in accordance with the relevant tax legislation, together with adjustments for prior years.

IFRIC 23 is applied to the recognition and measurement of both current and deferred tax assets and liabilities. In cases where the applicable tax regulation is subject to interpretation, the positions taken in tax returns are recognised in full in the determination of the tax charge in the financial statements, if the Company considers that it is probable that the taxation authority will accept those positions. Otherwise, provisions are established based on management's estimate and judgement of the likely amount of the liability / recovery by providing for the single best estimate of the most likely outcome or the weighted average expected value where there are multiple outcomes.

# SUN INSURANCE OFFICE LIMITED

## Notes to the accounts

### (iii) Amounts owed from group undertakings

The Company account for amounts owed from other group undertakings at amortised cost and determines an expected credit loss based on those default events that are possible within 12 months after the reporting date, or where the credit risk has increased significantly since initial recognition on the basis of all possible default events over the life of debt.

### 3. Critical accounting estimates and judgements

In applying the Company's accounting policies, which are described in note 1, the directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts 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.

There are no key critical judgements or estimates in the financial statements.

### 4. Foreign exchange gains

The profit and loss account includes net exchange gains of £27,000 (2021: losses of £27,000) on the retranslation of foreign currency items.

### 5. Exchange rates

The rates of exchange used in these accounts in respect of the major overseas currency are:

	2022 Cumulative average	2022 End of period	2021 Cumulative average	2021 End of period
Euro	1.17	1.13	1.16	1.19

### 6. Auditor's remuneration

For the year ending 31 December 2022 the Company is entitled to an exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies and therefore no audit fees are payable for this accounting year. Prior year fees totalled £8,413 which were borne by a group company, Royal & Sun Alliance Insurance Limited ('RSAI').

### 7. Directors' emoluments

The directors were all remunerated by Royal & Sun Alliance Insurance Limited, a fellow subsidiary of the RSA Group, for their services to the RSA Group as a whole. A small part of this remuneration is for services carried out to Sun Insurance Office Limited.

	2022	2021
The aggregate emoluments of the directors, including amounts paid for services to the Group, were as follows;	£000	£000
Salaries and bonuses	692	590
Allowances, benefits and other awards	151	175
	<b>842</b>	<b>765</b>

The criteria for making bonus awards are based on targeted levels of business sector profit and specific business objectives.

No directors who served during the year accrued retirement benefits under defined benefit schemes (2021: no directors). Contributions of £44,295 (2021: £23,345) were made to Group defined contribution schemes during the year in respect of three directors who served during the year (2021: four directors).

No directors exercised share options over shares in the Company's ultimate parent company during the year (2021: three directors). During the year there were no directors in respect of whose qualifying services shares were received or receivable under long term incentive schemes (2021: five directors).

	2022	2021
The emoluments of the highest paid director were;	£000	£000
Salaries, bonuses, allowances, benefits and other awards	309	319

The highest paid director did not exercise share options over shares in the Company's ultimate parent company during the year. Shares were received or receivable under long term incentive schemes.

### 8. Employees and staff costs

The Company did not employ anyone during the period (2021: none). All administrative duties are performed by employees of Royal & Sun Alliance Insurance Limited at no cost to the Company (2021: £nil).

# SUN INSURANCE OFFICE LIMITED

## Notes to the accounts

### 9. Taxation

	2022 £000	2021 £000
<b>Current tax</b>		
UK corporation tax	-	-
Overseas taxation	-	-
Adjustments in respect of prior periods	-	3
<b>Total current tax</b>	-	3
<b>Total tax charge</b>	-	3

The UK corporation tax for the current year is based on a rate of 19% (2021: 19%)

#### Reconciliation of the total tax charge

The tax charge for the year is less than 19% (2021: more than 19%) due to the items set out in the reconciliation below.

	2022 £000	2021 £000
<b>Loss on ordinary activities before tax</b>	<b>14</b>	<b>(49)</b>
Tax at the UK rate of 19.0% (2021: 19.0%)	3	(9)
<b>Factors affecting the tax charge:</b>		
Expenses not deductible for tax purposes	2	5
Transfer pricing	75	58
Adjustment to tax charge in respect of previous periods	-	3
Group relief received without payment	(80)	(54)
<b>Total tax charge</b>	-	3

The company has no deferred tax assets or liabilities at 31 December 2022 or 31 December 2021.

### 10. Dividends paid

	2022 £000	2021 £000
Ordinary dividend	84,839	-

During the year, as part of a Group exercise to rationalise intercompany balances, the Company declared a dividend of £84,839k. The dividend was offset against amounts due from its parent entity.

### 11. Other debtors

	2022 £000	2021 £000
Overseas tax receivable	436	409
	436	409

Overseas tax receivable represents Italian tax repayable in respect of the now-closed Italian branch.

### 12. Creditors

	2022 £000	2021 £000
Amounts due to group undertakings	12	-
	12	-

### 13. Share capital

	2022 £000	2021 £000
<b>Allotted, issued and fully paid up:</b>		
97,671,041 ordinary shares of £0.000001 each (2021: 97,671,041 ordinary shares of £0.50 each)	-	48,836
	-	48,836

### 14. Parent companies

The Company's immediate parent company and controlling party is Sun Alliance Insurance Overseas Limited, a company incorporated in England and Wales. Sun Alliance Insurance Overseas Limited's registered office is St Mark's Court, Chart Way, Horsham, West Sussex, RH12 1XL.

The Company's ultimate parent company and controlling party is Intact Financial Corporation.

These financial statements are consolidated within the financial statements of RSA Insurance Group Limited. A copy of the RSA Group's accounts can be obtained by writing to UK Secretariat, RSA Insurance Group Limited, 8th Floor, 22 Bishopsgate, London EC2N 4BQ.