

Registered Number: 1824102

SWINCHAN HOLDINGS LIMITED

**Annual Report and Accounts
for the year ended 31 December 2008**

TUESDAY



A3X6SAYG

A21

23/06/2009

290

COMPANIES HOUSE

SWINCHAN HOLDINGS LIMITED

Contents

Company information	1
Directors' report	2
Statement of directors' responsibilities	3
Independent auditors' report.....	4
Profit and loss account	5
Balance sheet	6
Notes to the accounts.....	7

SWINCHAN HOLDINGS LIMITED

Company information

Directors

R J Clayton
D P Cockrem
I A Craston
M Harris
P L Miles

Secretary

Roysun Limited

Registered office

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

Auditors

Deloitte LLP
Chartered Accountants and Registered Auditors
London

SWINCHAN HOLDINGS LIMITED

Directors' report for the year ended 31 December 2008

The directors present their annual report on the affairs of the Company and the audited financial statements for the year ended 31 December 2008.

Business review and principal activity

The Company was formerly a holding company. Its only asset as at 31 December 2008 is an intercompany loan.

The results for the Company show a profit on ordinary activities before tax of £1,973,704 (2007: £2,387,970). The shareholder's funds of the Company were £28,085,248 as at 31 December 2008 (31 December 2007: £26,467,266).

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 2008 (2007: *Nil*).

Principal risks and uncertainties

From the perspective of the Company, the principal risks and uncertainties are integrated with the principal risks of the RSA Insurance Group plc (the Group) and are not managed separately. Accordingly, 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 76 to 78, and in the risk framework on pages 30 to 32 of the Annual Report & Accounts of the Group, (which do not form part of this report).

A discussion on the management of financial risk is set out below.

Financial risk management

The Company is a subsidiary of RSA Insurance Group plc and its management of risk is set at Group level.

The Company's principal exposure is to debts due from group companies which the directors expect to be settled in full as they fall due or on demand as applicable.

Key performance indicators

The directors of RSA Insurance Group plc manage the Group's operations on a divisional basis. For this reason the Company's directors believe that analysis using key performance indicators (KPIs) for the Company is not necessary or appropriate for an understanding of the development, performance or position of the business of the Company. Financial KPIs are detailed in the Annual Report & Accounts of the Group (which do not form part of this report) within the Group CEO review on pages 6 to 10 and the regional business review on pages 14 to 25. This document also includes non-financial KPIs which are detailed in the regional business reviews on pages 14 to 25, the corporate responsibility report on pages 33 to 35 and the directors' report on pages 41 to 43.

Directors

The names of the current directors are listed on page 1. Mr R J Clayton, Mrs D P Cockrem, Mr I A Craston, Mr M Harris and Mr P L Miles were appointed as directors on 5 December 2008. Non-Destructive Testers Limited and Roysun Limited served as directors until they resigned on 16 December 2008.

Auditors

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 auditors are unaware, and
- the director has taken all steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information, and to establish that the Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985.


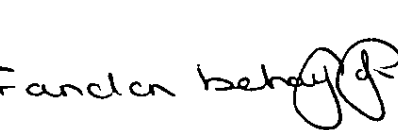
On 1 December 2008 Deloitte & Touche changed its name to Deloitte LLP. Accordingly, Deloitte LLP have confirmed their willingness to continue in office as auditors of the Company. The Company has in place an elective resolution made under section 386 of the Companies Act 1985 which continues in force under the Companies Act 2006.

Going concern

In considering the appropriateness of the going concern basis the Board have reviewed the key risks and uncertainties to which they believe the Company is exposed and the Company's ongoing financial commitments for the next twelve months and beyond. As a result of this, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and have satisfied themselves that it is appropriate to prepare these financial statements on a Going Concern basis.

By order of the Board

Roysun Limited
Secretary
9 June 2009

 
Faran Khan

SWINCHAN HOLDINGS LIMITED

Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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;
- state whether applicable UK Accounting Standards have been followed; 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 proper accounting records that 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 1985. 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.

Independent auditors' report to the members of Swinchan Holdings Limited

We have audited the financial statements of Swinchan Holdings Limited for the year ended 31 December 2008 which comprise the profit and loss account, the balance sheet and the related notes 1 to 15. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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 auditors' 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 auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion


We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Company's affairs as at 31 December 2008 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.



Deloitte LLP

Chartered Accountants and Registered Auditors
London, United Kingdom



2009

SWINCHAN HOLDINGS LIMITED

Profit and loss account for the year ended 31 December 2008

	Notes	2008 £	2007 £
Other operating income	2	-	402,256
Operating profit		-	402,256
Interest receivable	6	1,973,704	1,985,714
Profit on ordinary activities before taxation		1,973,704	2,387,970
Taxation on profit on ordinary activities	7	(355,722)	(430,265)
Profit for the financial year		1,617,982	1,957,705

All figures relate to continuing operations.

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

There is no material difference between the results for the current year and the previous year as reported above and the results on an unmodified historical cost basis. Accordingly, a note on the historical cost profits and losses for the year is not given.

The notes on pages 7 to 9 form an integral part of these accounts.

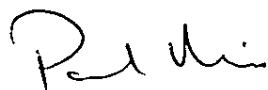
SWINCHAN HOLDINGS LIMITED

Balance sheet as at 31 December 2008

	Notes	2008 £	2007 £
Current assets			
Debtors	9	40,355,512	38,381,770
Cash at bank and in hand		-	38
		<u>40,355,512</u>	<u>38,381,808</u>
Creditors: amounts falling due within one year	10	(12,270,264)	(11,914,542)
Total assets less current liabilities		<u>28,085,248</u>	<u>26,467,266</u>
Capital and reserves			
Called up share capital	11	100	100
Profit and loss account	12	28,085,148	26,467,166
Shareholder's funds		<u>28,085,248</u>	<u>26,467,266</u>

The notes on pages 7 to 9 form an integral part of these accounts.

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



P Miles
Director
9 June 2009

SWINCHAN HOLDINGS LIMITED

Notes to the accounts

1. Financial statements

The financial statements of the Company have been prepared in accordance with applicable UK Accounting Standards and the provisions of Section 226A of, and Schedule 4 to, the Companies Act 1985. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of investments, on a going concern basis.

In considering the appropriateness of the going concern basis the Board have reviewed the key risks and uncertainties to which they believe the Company is exposed and the Company's ongoing financial commitments for the next twelve months and beyond. As a result of this, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and have satisfied themselves that it is appropriate to prepare these financial statements on a Going Concern basis.

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

(a) 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.

Deferred tax is recognised in respect of all timing differences (except as set out below) 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.

A net deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. A deferred tax asset is recognised for relief for trading losses or other losses only to the extent that the directors anticipate that suitable profits will absorb such losses in the future.

Deferred tax is measured at the tax rates that are expected to apply in the periods in which the 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.

(b) Investments

Investments in subsidiaries are valued at net asset value unless the subsidiary is in a net liability position, in which case the subsidiary is valued at nil. Changes in the net asset value of subsidiaries are recognised directly in equity in the revaluation reserve. Where there is a decline in the net asset value of a directly owned subsidiary below cost, and there is objective evidence that the investment is impaired, the cumulative loss that has been recognised in equity is removed from equity and recognised in the income statement.

2. Operating income

In 2007, other operating income comprised the net income after the write back of amounts owed by the Company to certain of its subsidiaries following the execution of debt waivers prior to their dissolution in the year.

3. Auditors' remuneration

Fees payable to Deloitte LLP for the audit of the Company's annual accounts were £1,650 (2007: £1,650) which were borne by a parent company, Royal & Sun Alliance Insurance plc. Details of non-audit fees payable to Deloitte LLP are disclosed in the RSA Insurance Group plc 2008 Annual Report & Accounts.

4. Directors' emoluments

None of the directors received any emoluments from the Company during the year (2007: £nil). All 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.

5. Employees and staff costs

The Company did not employ anyone during the year (2007: nil). All administrative duties are performed by employees of Royal & Sun Alliance Insurance plc at no cost to the Company (2007: £nil).

6. Other interest receivable and similar income

	2008 £	2007 £
Income from group undertakings	1,973,704	1,985,714

SWINCHAN HOLDINGS LIMITED

Notes to the accounts (continued)

7. Taxation

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

	2008 £	2007 £
Current tax		
UK corporation tax	366,324	389,356
Adjustments in respect of prior periods		
- UK corporation tax	(10,602)	40,909
Tax charge	355,722	430,265

The UK corporation tax for the current year is based on a rate of 28.5% (2007: 30%) which reflects the change in rates from 30% to 28% from 1 April 2008. The standard rate of corporation tax has therefore been calculated using a rate of 30% for 91 days and 28% for 275 days.

Factors affecting the current tax charge

The current tax charge for the year is less than 28.5% (2007: less than 30%) due to the items set out in the reconciliation below:

	2008 £	2007 £
Profit on ordinary activities before tax	1,973,704	2,387,970
Tax at 28.5% (2007: 30%)	562,452	716,391
Factors affecting charge		
Tax exempt income and investment gains/losses	-	(120,677)
Fiscal adjustments	(196,128)	(206,358)
Adjustment to tax charge in respect of previous periods	(10,602)	40,909
Current tax charge for the year	355,722	430,265

There were no deferred tax assets or liabilities at 31 December 2008 or 2007.

8. Investments

Subsidiaries

	2008 £	2007 £
Net asset value:		
At 1 January	-	1,896,949
Dissolutions	-	(1,896,949)
At 31 December	-	-

The historical cost of investments in subsidiaries is £Nil (2007: £Nil).

9. Debtors

Amounts falling due within one year

	2008 £	2007 £
Amounts due from group undertakings	40,355,474	38,381,770
Other debtors	38	-
	40,355,512	38,381,770

10. Creditors: amounts falling due within one year

	2008 £	2007 £
Amounts owed to group undertakings	11,914,542	11,484,277
Other taxation and social security	355,722	430,265
	12,270,264	11,914,542

SWINCHAN HOLDINGS LIMITED

Notes to the accounts (continued)

11. Share capital

	2008 £	2007 £
Authorised:		
100 ordinary shares of £1 each	100	100
Allotted, issued and fully paid up:		
100 (2007: 100) ordinary shares of £1 each	100	100

12. Movements in shareholder's funds

	Share capital £	Profit and loss account £	2008 £	2007 £
Shareholder's funds at 1 January	100	26,467,166	26,467,266	24,509,561
Profit for the financial year	-	1,617,982	1,617,982	1,957,705
Shareholder's funds at 31 December	100	28,085,148	28,085,248	26,467,266

13. 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.

14. 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.

15. Parent companies

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 9th Floor, One Plantation Place, 30 Fenchurch Street, London, EC3M 3BD.