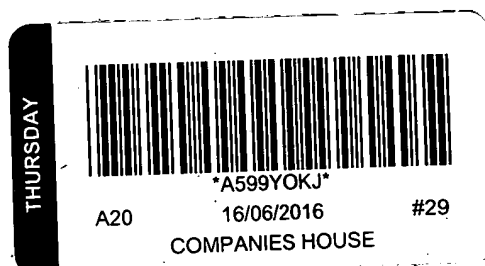


Registered Number: 01824102

SWINCHAN HOLDINGS LIMITED

Annual Report and Accounts

for the year ended 31 December 2015



SWINCHAN HOLDINGS LIMITED

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SWINCHAN HOLDINGS LIMITED

Company Information

Directors

C D A Heiss

J A Margetts

Secretary

Roysun Limited

Registered Office

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

Auditor

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

SWINCHAN HOLDINGS LIMITED

Directors' report

For the year ended 31 December 2015

The Directors present their annual report on the affairs of the Company and the audited financial statements for the year ended 31 December 2015.

Business review, principal activities and future outlook

The Company was a holding company of Surfeal Limited which was a non-trading company that was dissolved on 19 March 2013.

The results of the Company show a profit on ordinary activities before tax of £155,025 (2014: £149,732). The shareholder's funds of the Company as at 31 December 2015 were £23,643,294 (31 December 2014: £23,488,369).

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 2015 (2014: £nil).

Principal risks and uncertainties

The Company has no principal risks or uncertainties because it is an intermediate holding company within the RSA Insurance Group plc group of companies (the "Group"). The Company's risks are managed in accordance with Group policies. The principal risks and uncertainties of the Group, which include those of the Company, are set out in the Strategic report - risk management on pages 36 to 39 and in the risk and capital management note on pages 116 to 123 of the 2015 Annual Report & 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 a Group level. The risk management of the Group, which includes that of the Company, is set out in the risk and capital management note on pages 116 to 123 of the 2015 Annual Report and Accounts of the Group, which does not form part of this report. The directors consider that there is a minimal level of financial risk associated with the Company's assets and liabilities due to the nature of the Company's activities.

Key performance indicators

There are no KPIs produced for the Company as it has not traded for several years.

Directors

The names of the current directors are listed on page 1. They 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 she ought to have taken as a director in order to make herself 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 have confirmed their willingness to continue in office as auditor of the Company for the year ending 31 December 2016. Under the Companies Act 2006, the Company is not required to hold an Annual General Meeting and accordingly KPMG LLP will be deemed to be re-appointed for each succeeding financial year.

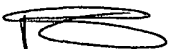
Going Concern

In considering the appropriateness of the going concern basis, the Board have reviewed the Company's ongoing financial commitments for the next twelve months and beyond. As a result of this review, the directors have satisfied themselves that it is appropriate to prepare the financial statements on a going concern basis.

Strategic Report

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.

Signed by order of the Board



M.C. Woodberg

For and on behalf of
Raysun Limited
Secretary

19 April 2016

Statement of Directors' responsibilities in respect of the Directors' Report and the Financial Statements

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable laws 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 United Kingdom Accounting Standards and applicable law (United Kingdom Generally Accepted Accounting Practice), 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 the profit or loss for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgments and 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 Swinchan Holdings Limited

We have audited the financial statements of Swinchan Holdings Limited for the year ended 31 December 2015 set out on pages 5 to 9. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including *FRS 101 Reduced Disclosure Framework*.

This report is made solely to the Company's member 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 member 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 member for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the 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.

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 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters 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.

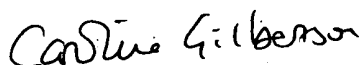
Based solely on the work required to be undertaken in the course of the audit of the financial statements and from reading the Directors' Report:

- we have not identified material misstatements in that report; and
- in our opinion, that report has been prepared in accordance with the Companies Act 2006.

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 (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL

20 Apr 1

2016

Registered Number: 01824102
SWINCHAN HOLDINGS LIMITED

Profit and loss account
for the year ended 31 December 2015

| | | 2015 | 2014 |
|---|-------|----------------|----------------|
| | Notes | £ | £ |
| Other interest receivable and similar income | 5 | 155,025 | 149,732 |
| Profit on ordinary activities before tax | | 155,025 | 149,732 |
| Taxation on loss on ordinary activities | 6 | - | 46,264 |
| Profit for the financial year | | 155,025 | 195,996 |

All figures relate to continuing operations.

The notes on pages 8 and 9 form an integral part of these financial statements.

There is no other comprehensive income hence a statement of other comprehensive income is not presented.

Registered Number: 01824102
SWINCHAN HOLDINGS LIMITED

Statement of changes in equity
for the year ended 31 December 2015

| | Share capital £ | Profit and loss account £ | Total equity £ |
|---|--------------------|---------------------------------|-------------------|
| Balance at 1 January 2014 | 100 | 23,292,273 | 23,292,373 |
| Total comprehensive income for the period | - | 195,996 | 195,996 |
| Balance at 31 December 2014 | 100 | 23,488,269 | 23,488,369 |
| Total comprehensive income for the year | - | 155,025 | 155,025 |
| Balance at 31 December 2015 | 100 | 23,643,294 | 23,643,394 |

The attached notes on pages 8 and 9 form an integral part of these financial statements.

Registered Number: 01824102
SWINCHAN HOLDINGS LIMITED

Balance Sheet
as at 31 December 2015

| | Notes | 2015 £ | 2014 £ |
|--|-------|-------------------|-------------------|
| Current assets | | | |
| Debtors | 7 | 41,712,413 | 41,603,652 |
| | | <u>41,712,413</u> | <u>41,603,652</u> |
| Creditors: amounts falling due less than one year | 8 | (18,069,019) | (18,115,283) |
| Net current assets | | <u>23,643,394</u> | <u>23,488,369</u> |
| Capital and reserves | | | |
| Called up share capital | 9 | 100 | 100 |
| Profit and loss account | | <u>23,643,294</u> | <u>23,488,269</u> |
| Shareholder's funds | | <u>23,643,394</u> | <u>23,488,369</u> |

The attached notes on pages 8 and 9 form an integral part of these financial statements.

The financial statements were approved on 19 April 2016 by the Board of Directors and are signed on its behalf by:

Director C. Mass
19 April 2016



SWINCHAN HOLDINGS LIMITED

Notes to the accounts

1. Basis of preparation (Financial Statements)

The financial statements are prepared in accordance with Financial Reporting Standard (FRS 101) *Reduced Disclosure Framework* and in compliance with the Companies Act 2006. The amendments to FRS 101 (2013/14 Cycle) issued in July 2014 and effective immediately have been applied.

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

FRS 101 requires the Company to follow the requirements of each relevant International Financial Reporting Standard (IFRS) except that it permits a number of exceptions to disclosures that would be required if the Company were to prepare accounts in compliance with IFRS.

The Company has written to its shareholders informing them that it will make use of these exemptions and received no objections.

The exemptions used by the Company are as follows:-

- A cash flow statement and related notes;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs, and
- The disclosure of any related party transactions with other wholly owned subsidiaries within the RSA group of companies.

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* and the disclosures required by IFRS7 *Financial Instrument Disclosures*.

The Company transitioned from the UK financial reporting accounting standards in force at 31 December 2014 ('old UK GAAP') to FRS 101 ('new UK GAAP') at 1 January 2015. There were no changes in the comparative information provided for the year ended 31 December 2014 as a result of the transition to FRS 101.

The Report and Accounts containing these financial statements can be found at www.rsagroup.com.

Significant Accounting Policies

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements and in preparing an opening FRS 101 balance sheet at 1 January 2014 for the purposes of the transition to FRS 101:-

(a) Taxation

Taxation is 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 or directly in equity.

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.

2. Auditor's remuneration

Fees payable to KPMG LLP for the audit of the Company's annual accounts were £900 (2014: £1,485) which were borne by a Group company, Royal & Sun Alliance Insurance plc. Details of non-audit fees payable to KPMG LLP are disclosed in the RSA Insurance Group plc 2015 Annual Report & Accounts.

3. Directors' remuneration

The directors were all remunerated by Royal & Sun Alliance Insurance plc, a fellow subsidiary of RSA Insurance Group plc, for their services to the RSA Group as a whole. They were not remunerated for their services as directors of the Company and the amount of time spent performing their duties is incidental to their roles across the RSA Group. This is consistent with prior years.

4. Employees and staff costs

The Company did not employ anyone during the period (2014: nil). All administrative duties are performed by employees of Royal & Sun Alliance Insurance plc at no cost to the Company (2014: nil).

5. Other interest receivable and similar income

| | 2015 | 2014 |
|-------------------------------------|---------|---------|
| | £ | £ |
| Amounts due from Group undertakings | 155,025 | 149,732 |
| | 155,025 | 149,732 |

SWINCHAN HOLDINGS LIMITED

Notes to the accounts (continued)

6. Taxation

The tax amounts charged/(credited) in the profit and loss account are as follows:

| | 2015 | 2014 |
|----------------------------------|------|----------|
| | £ | £ |
| Current tax | | |
| UK Corporation tax | - | (46,264) |
| Total tax charge/(credit) | - | (46,264) |

The UK corporation tax for the current year is based on a rate of 20.2% (2014: 21.5%). The rate of corporation tax has reduced from 21% to 20% effective 1 April 2015, and as a result a composite rate of 20.2% has been used in the accounts.

Reconciliation of the total tax charge/(credit):

The tax charge/(credit) for the year is less than 20.2% (2014: less than 21.5%) due to the items set out in the reconciliation below:

| | 2015 | 2014 |
|---|----------------|-----------------|
| | £ | £ |
| Profit on ordinary activities before tax | 155,025 | 149,732 |
| Tax at the UK rate of 20.2% (2014: 21.5%) | 31,387 | 32,182 |
| <i>Factors affecting the charge/(credit):</i> | | |
| Fiscal adjustments | (52,261) | (78,446) |
| Group relief surrendered/(received) without payment | 20,874 | - |
| Total tax charge/(credit) | - | (46,264) |

The Company has no deferred tax assets or liabilities at 31 December 2015 or 31 December 2014.

7. Debtors: amounts falling due within one year

| | 2015 | 2014 |
|-------------------------------------|-------------------|-------------------|
| | £ | £ |
| Amounts due from Group undertakings | 41,712,413 | 41,557,388 |
| UK Corporation tax | - | 46,264 |
| | 41,712,413 | 41,603,652 |

8. Creditors: amounts falling due within one year

| | 2015 | 2014 |
|-----------------------------------|-------------------|-------------------|
| | £ | £ |
| Amounts due to Group undertakings | 18,069,019 | 18,115,283 |
| | 18,069,019 | 18,115,283 |

9. Share capital

| | 2015 | 2014 |
|---|------------|------------|
| | £ | £ |
| Allotted, issued and fully paid | | |
| 100 ordinary shares of £1 each (2014: 100 ordinary shares of £1 each) | 100 | 100 |
| | 100 | 100 |

10. Parent companies

The Company's immediate and 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.