

Registered Number: 02221960

Royal Insurance Holdings Limited

Annual Report and Accounts

For the year ended 31 December 2021



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Royal Insurance Holdings Limited

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Royal Insurance Holdings Limited

Company Information

Directors

J Cope

S de Baat

Secretary

Roysun Limited

Registered Office

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

Auditor

KPMG LLP
15 Canada Square
Canary Wharf
London
E14 5GL

Royal Insurance Holdings Limited

Strategic report

For the year ended 31 December 2021

The directors present their annual report on the affairs of Royal Insurance Holdings Limited (the 'Company') and the audited financial statements for the year ended 31 December 2021.

The Company is a member of the Intact Financial Corporation Group of companies ('the Group'), headed by Intact Financial Corporation ('Intact' or 'IFC'). At a local level the Company is a member of the RSA Insurance Group of companies (the 'RSA Group' or 'RSA'), headed by Regent BidCo Limited. RSA Insurance Group Limited ('RSAIG') is a direct subsidiary of Regent BidCo Limited and due to its issued securities provides more detailed reporting on the RSA Group.

Principal activity

The Company is the holding company for subsidiaries transacting the business of insurance and related financial services in the United Kingdom and overseas. The subsidiary undertakings are listed in note 16 to the financial statements.

Business review

The results for the Company show a profit on ordinary activities before tax of £4,235m (2020: £26m loss) for the year. The shareholders' funds of the Company were £1,192m as at 31 December 2021 (31 December 2020: £2,186m).

Key performance indicators

There are no KPIs produced for the Company as no significant trading activity has occurred during the year.

Future outlook

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

Principal risks and uncertainties

The principal risks or uncertainties relate to the Company's exposure to amounts due from other companies within the RSA Group. The Company is an intermediate holding company within the RSA Group and its 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 2021 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 2021 Annual Report and Accounts of the RSA Group, which does not form part of this report. The directors consider that the primary financial risk arises from the Company's investment in Royal & Sun Alliance Insurance Limited which is a regulated financial service company and therefore subject to regulatory supervision and capital adequacy requirements.

The Strategic 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
26 September 2022

Royal Insurance Holdings Limited

Directors' report

For the year ended 31 December 2021

Directors

The names of the current directors are listed on page 1. From 1 January 2021 to date the following changes have taken place:

Director	Appointed	Resigned
Jonathan Cope	1 June 2021	
Charlotte Jones	1 June 2021	31 March 2022
Charlotte Heiss		1 June 2021
Ian Craston		1 June 2021
Rupert Taylor Rea		1 June 2021

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

An interim dividend of £100m was paid during the year (2020: £nil). The Company also paid £6,110m of dividends in specie as a result of Group restructuring activities. The directors do not recommend payment of a final dividend in respect of the year ended 31 December 2021 (2020: £nil).

Information included within the Strategic report

Information relating to the financial risk management and the likely future developments of the Company is contained within the Strategic report on page 2 and is incorporated into this report by reference.

Political donations

The Company did not make any political donations during the financial year (2020: £nil).

Disclosure of information to 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 reasonable 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 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.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

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.

Post Balance Sheet Events

Post balance sheet events are set out in note 14 on page 13 of the Accounts.

Going concern

In considering the appropriateness of the going concern basis, the Board of Directors reviewed the Company's ongoing commitments for the next 12 months and the impact of the current challenging economic climate.

Based on this review no material uncertainties that would require disclosure have been identified in relation to the ability of the Company to remain a going concern for at least the next 12 months, from both the date of the balance sheet and the approval of the financial statements.

It is therefore concluded that the going concern basis is appropriate for the preparation of the 2021 financial statements.

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
26 September 2022

Royal Insurance Holdings Limited

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

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 they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK 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 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, 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.

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.

Independent auditor's report to the members of Royal Insurance Holdings Limited

Opinion

We have audited the financial statements of Royal Insurance Holdings Limited ("the Company") for the year ended 31 December 2021 which comprise the Statement of total comprehensive income, the Balance sheet, the 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 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 Reduced Disclosure Framework; 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").

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.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for the going concern period.

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 above conclusions are not a guarantee that the Company will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included enquiring of directors and inspection of policy documentation as to RSA Insurance Group Limited's policies and procedures to prevent and detect fraud that apply to this group company as well as enquiring whether the directors have knowledge of any actual, suspected or alleged fraud.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because there are no revenue transactions. We did not identify any additional fraud risks.

We performed procedures including identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included journals posted with a blank description.

Identifying and responding to risks of material misstatement related to compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors (as required by auditing standards), and discussed with the directors the policies and procedures regarding compliance with laws and regulations.

The company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

This company, as a holding company, is not subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Independent auditor's report to the members of Royal Insurance Holdings Limited

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.

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 5, 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
15 Canada Square
London
E14 5GL
27 September 2022

Royal Insurance Holdings Limited

Statement of total comprehensive income

for the year ended 31 December 2021

	Notes	2021 £m	2020 £m
Income from shares in Group undertakings	7	6,977	-
Interest payable and similar charges to Group undertakings		(13)	(26)
Impairment of investment in subsidiaries	9	(2,729)	-
Profit/(Loss) on ordinary activities before tax		4,235	(26)
Tax (Charge)/Credit on Profit/(Loss) on ordinary activities	8	(24)	7
Profit/(Loss) for the financial year		4,211	(19)

All figures relate to continuing operations.

The Company has no other comprehensive income and accordingly no statement of other comprehensive income is provided.

The notes on pages 10 to 16 form an integral part of these accounts.

Royal Insurance Holdings Limited

Statement of changes in equity for the year ended 31 December 2021

	Called up share capital	Retained earnings	Shareholders' funds
	£m	£m	£m
Balance at 1 January 2020	-	2,205	2,205
Total Loss for the financial year	-	(19)	(19)
Balance at 1 January 2021	-	2,186	2,186
Total Profit for the financial year	-	4,211	4,211
Dividends paid (note 10)	-	(6,210)	(6,210)
Share issue	1,005	-	1,005
Capital reduction ¹	(1,005)	1,005	-
Balance at 31 December 2021	-	1,192	1,192

¹ A reduction of the Company's share capital of £1,005m was affected 16 June 2021 which resulted in the creation of distributable reserves of £1,005m.

The notes on pages 10 to 16 form an integral part of these accounts.

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Balance sheet
as at 31 December 2021

	Notes	2021 £m	2020 £m
Fixed assets			
Investments	9	2,329	4,053
Current assets			
Other debtors (including £nil (2020: £25m) due after more than one year)	10	1	29
Amounts owed by group undertakings		194	227
		195	256
Cash at bank and in hand		1	1
Creditors: amounts owed to group undertakings		(1,333)	(2,124)
Net current liabilities		(1,137)	(1,867)
Net assets		1,192	2,186
Capital and reserves			
Called up share capital	13	-	-
Retained earnings		1,192	2,186
Shareholders' funds		1,192	2,186

The notes on pages 10 to 16 form an integral part of these accounts.

The financial statements were approved on 26 September 2022 by the Board of Directors and are signed on its behalf by:

Jonathan Cope

Director

Jonathan Cope

Registered Number: 02221960

Royal Insurance Holdings Limited

1. Basis of preparation

The Company is a private, wholly owned subsidiary of Royal & Sun Alliance Insurance Group Limited ('RSAIG') and is incorporated and domiciled in the UK. The Company's ultimate parent company and controlling party is Intact Financial Corporation. At a local level, the Company is a member of the RSA Insurance Group (the '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.

These financial statements have been prepared on a going concern basis. In considering the appropriateness of the going concern basis, the Board of Directors reviewed the Company's ongoing commitments for the next 12 months and the impact of the current challenging economic climate. Any severe and plausible downsides were also considered when assessing the Company's going concern status.

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

In preparing the financial statements, the Company applies the recognition, measurement and disclosure of International Financial Reporting Standards as adopted by the UK ('Adopted IFRS'), 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.

The Company has taken advantage of the exemption under Section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it is a wholly-owned subsidiary of RSA Insurance Group Limited, which prepares group financial statements. The Annual Report and Accounts containing these consolidated financial statements can be found at www.rsagroup.com.

2. Selection of 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 2021.

(i) Taxation and deferred tax

Taxation and deferred tax are recognised in the statement of total comprehensive income, except to the extent that the tax arises from a transaction or event recognised either in other comprehensive income 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 or 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.

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.

Deferred tax is provided in full using the liability method on temporary differences arising between the tax bases of assets and liabilities and the carrying amounts in the financial statements. However, if the deferred tax arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting, nor taxable profit or loss, it is not accounted for. Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the related deferred tax liability is settled.

Deferred tax in respect of the unremitted earnings of overseas subsidiaries and principal associated undertakings is recognised as an expense in the year in which the profits arise, except where the remittance of earnings can be controlled and it is probable that remittance will not take place in the foreseeable future, in which case the tax charge is recognised on the dividends received.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which unused tax losses and temporary differences can be utilised.

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.

(ii) Investments in subsidiaries and associates

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Investments in subsidiaries are valued at cost less impairments where applicable. The Company assesses at the end of each reporting period whether a subsidiary is impaired. Where there is an indication of impairment, the Company conducts an impairment test where it compares the carrying value of the investment with the net asset value of the subsidiary. Charges for impairments are recognised in the statement of total comprehensive income

(iii) Amounts owed by group undertakings

The Company account for amounts owed by 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.

(iv) Amounts owed to group undertakings

The Company account for amounts owed to group undertakings at amortised cost.

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. Auditor's remuneration

Fees payable to KPMG LLP for the audit of the Company's accounts for the year ended 31 December 2021 were £9,465 (31 December 2020: £10,000) which were borne by a group company Royal & Sun Alliance Insurance Limited.

5. Directors' emoluments

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

	2021	2020
The aggregate emoluments of the directors, including amounts paid for services to the Group, were as follows;	£000	£000
Salaries and bonuses	2,273	1,833
Allowances, benefits and other awards	1,011	156
	<u>3,284</u>	<u>1,989</u>

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 (2020: no directors). Contributions of £24,262 (2020: £19,563) were made to Group defined contribution schemes during the year in respect of four directors who served during the year (2020: three directors).

Three directors exercised share options over shares in the Company's ultimate parent company during the year (2020: two directors). During the year there were four directors in respect of whose qualifying services shares were received or receivable under long term incentive schemes (2020: four directors).

	2021	2020
The emoluments of the highest paid director were;	£000	£000
Salaries, bonuses, allowances, benefits and other awards	1,175	599

The highest paid director exercised share options over shares in the Company's ultimate parent company during the year. Shares were received or receivable under long term incentive schemes.

6. Employees and staff costs

The Company did not employ anyone during the period (2020: none). All administrative duties are performed by employees of Royal & Sun Alliance Insurance Limited at no cost to the Company (2020: £nil).

7. Investment income

	2021	2020
	£m	£m
Income from Group undertakings	6,977	-
	<u>6,977</u>	<u>-</u>

Income from group undertakings represents dividends received in the period from subsidiary undertakings. In 2021, the Company received £100m in the form of an interim dividend and £6,877m in the form of dividends in-specie as a result of Group restructuring activities.

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8. Taxation

	2021 £m	2020 £m
Current tax		
UK corporation tax	(1)	(4)
Total current tax	(1)	(4)
Deferred tax		
Temporary differences – origination and reversal	31	-
Adjustment for change in tax rates	(6)	(3)
Total deferred tax	25	(3)
Total tax charge/(credit)	24	(7)

The UK corporation tax for the current year is based on a rate of 19.0% (2020: 19.0%)

Reconciliation of the total tax credit

The tax charge/(credit) for the year is less than 19.0% (2020: more than 19.0%) due to the items set out in the reconciliation below

	2021 £m	2020 £m
Profit/(Loss) on ordinary activities before tax	4,235	(26)
Tax at the rate of 19% (2020: 19%)	805	(5)
<i>Factors affecting tax charge/(credit):</i>		
Expenses not deductible for tax purposes	6,169	
Tax exempt income and investment losses	(6,976)	-
Fiscal adjustments	-	1
Movement in unrecognised deferred tax asset	31	-
Effect of change in tax rate – change in DT rate	(6)	(3)
Group relief surrendered without payment	1	-
Total tax charge/(credit)	24	(7)

9. Investments: Subsidiaries

	2021 £m	2020 £m
At 1 January	4,053	4,053
Additions	1,005	-
Impairment	(2,729)	-
At 31 December	2,329	4,053
Comprising		
Original cost	5,065	4,060
Accumulated impairment	(2,736)	(7)
	2,329	4,053

During the year, the Company increased its shareholding in its subsidiary entity Royal & Sun Alliance Insurance Limited by £1,005m. The investment in the subsidiary was subsequently impaired by £2,729m.

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10. Other debtors

	2021	2020
	£m	£m
Corporation tax (see note 8)	1	4
Deferred tax (see note 11)	-	25
	1	29

11. Deferred tax

Deferred tax for the current year is based on a rate of 24.0% (2020: 19.0%).

	2021	2020
	£m	£m
Other deferred tax reliefs	-	25
Deferred tax asset	-	25
	2021	2020
	£m	£m
At 1 January	25	22
Amounts charge to the profit and loss account	(31)	-
Effect of change in tax rates – profit and loss account	6	3
Deferred tax asset at 31 December	-	25

12. Dividends

	2021	2020
	£m	£m
Interim dividend	100	-
Dividends in-specie	6,110	-

Following the acquisition of the Group by Intact Financial Corporation, a dividend in specie of £6,110m was paid to Royal & Sun Alliance Insurance Group Limited.

Share capital

	2021	2020
	£	£
Allotted, issued and fully paid		
1 ordinary share at £1.00 each (2020: 50 ordinary shares at £1.00 each)	1	50

13. Parent companies

The Company's immediate parent company and controlling party is Royal & Sun Alliance Insurance Group Limited, a company incorporated in England and Wales. Royal & Sun Alliance Insurance Group Limited's registered office address is 20 Fenchurch Street, London, ECM 3AU.

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 that company's accounts can be obtained by writing to Group Secretariat, RSA Insurance Group Limited, 16th Floor, 20 Fenchurch Street, London ECM 3AU.

14. Post balance sheet events

On 25 February 2022, the Company issued £1,277m of preference shares to RSA Insurance Group Limited. The Company used the cash raised from the share issue to settle amounts due to group undertakings.

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Royal Insurance Holdings Limited

15. Offsetting financial assets/liabilities

Included within the balance sheet total are amounts payable to group undertakings that have been offset to present the net amount receivable to the Company. The offset reflects the settlement arrangements in place across the group, and the intention to settle such balances on a net basis.

The following table presents information on the impact of the netting arrangements.

	2021 £m	2020 £m
Amounts owed by group undertakings	272	306
Amounts owed to group undertakings	(1,411)	(2,203)
	(1,139)	(1,897)

16. Subsidiaries and associates

The Company's subsidiaries at 31 December 2021 were as follows:

Name and country of incorporation	Registered office addresses	Class of shares held	Percentage Holding
Bahrain			
Royal & Sun Alliance Insurance (Middle East) BSC (c)	Impact House, Building, office no. 21, 2nd floor, Building no. 662, Road no. 2811, Block no. 428, Al Seef, Manama, Kingdom of Bahrain	Ordinary	50.00
Brazil			
Royal & Sun Alliance Insurance plc - Escritório de Representação no Brasil Ltda.	Avenida Major Sylvio de Magalhães Padilha, 5200, America Business Park, Ed. Dallas, Conj. 31, Sala 02, Jardim Morumbi, 05693-000, City of São Paulo, State of São Paulo, Brazil	Ordinary	100.00
Guernsey			
Insurance Corporation of the Channel Islands Limited	Dixcart House, Sir William Place, St. Peter Port, Guernsey, GY1 4EY	Ordinary	100.00
Insurance Corporation Service Company Limited	Dixcart House, Sir William Place, St. Peter Port, Guernsey, GY1 4EY	Ordinary	100.00
India			
RSA Actuarial Services (India) Private Limited	First Floor, Building 10 C, Cyber City Complex, DLF Phase II, Gurgaon, Haryana, 122002, India	Ordinary	100.00
Ireland			
123 Money Limited ³	RSA House, Dundrum Town Centre, Sandyford Road, Dublin 16, Ireland	B1 Ordinary	100.00
123 Money Limited ³	RSA House, Dundrum Town Centre, Sandyford Road, Dublin 16, Ireland	B2 Ordinary	100.00
123 Money Limited ³	RSA House, Dundrum Town Centre, Sandyford Road, Dublin 16, Ireland	B3 Ordinary	100.00
123 Money Limited ³	RSA House, Dundrum Town Centre, Sandyford Road, Dublin 16, Ireland	B4 Ordinary	100.00
123 Money Limited ³	RSA House, Dundrum Town Centre, Sandyford Road, Dublin 16, Ireland	B5 Ordinary	100.00
123 Money Limited ³	RSA House, Dundrum Town Centre, Sandyford Road, Dublin 16, Ireland	C Ordinary	100.00
123 Money Limited	RSA House, Dundrum Town Centre, Sandyford Road, Dublin 16, Ireland	Ordinary	100.00
123 Money Limited	RSA House, Dundrum Town Centre, Sandyford Road, Dublin 16, Ireland	€1 redeemable shares	100.00
Benchmark Underwriting Limited	RSA House, Dundrum Town Centre, Sandyford Road, Dublin 16, Ireland	Ordinary	100.00
EGI Holdings Limited	RSA House, Dundrum Town Centre, Sandyford Road, Dublin 16, Ireland	Ordinary	100.00
RSA Insurance Ireland DAC	RSA House, Dundrum Town Centre, Sandyford Road, Dublin 16, Ireland	Ordinary	100.00
RSA Overseas Holdings (No 1) Unlimited Company	RSA House, Dundrum Town Centre, Sandyford Road, Dublin 16, Ireland	Common	100.00
RSA Overseas Holdings (No. 2) Unlimited Company	RSA House, Dundrum Town Centre, Sandyford Road, Dublin 16, Ireland	Common	100.00
RSA Reinsurance Ireland Limited	RSA House, Dundrum Town Centre, Sandyford Road, Dublin 16, Ireland	Ordinary	100.00
RSA Broker Motor Insurance Limited (Previously Sertus Underwriting Limited)	RSA House, Dundrum Town Centre, Sandyford Road, Dundrum, Dublin 16, Ireland	Ordinary	100.00
Isle of Man			
Royal Insurance Service Company (Isle of Man) Limited	Jubilee Buildings, 1 Victoria Street, Douglas, IM99 1BF, Isle of Man	Ordinary	100.00

Registered Number: 02221960
Royal Insurance Holdings Limited

Name and country of incorporation	Registered office addresses	Class of shares held	Percentage Holding
RSA Isle of Man No.1 Limited	33-37 Athol Street, Douglas, Isle of Man, IM1 1LB, Isle of Man	Ordinary	100.00
Tower Insurance Company Limited	Jubilee Buildings, 1 Victoria Street, Douglas, IM99 1BF, Isle of Man	Ordinary	100.00
Luxembourg			
RSA Luxembourg S.A.	40 rue du Cure, L-1368 Luxembourg 1	Ordinary	100.00
Netherlands			
GDII – Global Direct Insurance Investment V.O.F	Wilhelminakeade 97-99, 3072 AP Rotterdam, Netherlands	Partnership interest	
IDIP Direct Insurance B.V.	20 Fenchurch Street, London, England, EC3M 3AU, United Kingdom	Ordinary	100.00
Intouch Insurance Group B.V.	20 Fenchurch Street, London, England, EC3M 3AU, United Kingdom	Ordinary	100.00
Royal Insurance Global B.V.	Wilhelminakeade 97-99, 3072 AP Rotterdam, Netherlands	Ordinary	100.00
RSA Overseas (Netherlands) B.V.	20 Fenchurch Street, London, England, EC3M 3AU, United Kingdom	Ordinary	100.00
RSA Overseas Holdings B.V.	20 Fenchurch Street, London, England, EC3M 3AU, United Kingdom	Ordinary	100.00
Oman			
Al Ahlia Insurance Company SAOG ⁵	PO Box 1463, PC112, Ruwi, Oman	Ordinary	52.50
Saudi Arabia			
Al Alamiya for Cooperative Insurance Company ⁵	Office No.203, 2nd Floor, Home Centre Building, Tahlia Street, Suleymaniyah, Riyadh, Kingdom of Saudi Arabia, Saudi Arabia	Ordinary	50.07
United Kingdom			
Alliance Assurance Company Limited	St Mark's Court, Chart Way, Horsham, West Sussex, RH12 1XL, United Kingdom	Ordinary	100.00
Centrium Management Company Limited ²	5th Floor, United Kingdom House, 180 Oxford Street, London, England, W1D 1NN, United Kingdom	Ordinary	31.45
Eurotempest Limited ²	c/o UCL Business Plc, The Network Building 97, Tottenham Court Road, London, England, W1T 4TP, United Kingdom	Ordinary	33.33
Hempton Court Manco Limited ^{2 4}	7 Seymour Street, London, W1H 7JW	Ordinary	66.66
National Vulcan Engineering Insurance Group Limited ⁶	St Mark's Court, Chart Way, Horsham, West Sussex, RH12 1XL, United Kingdom	Ordinary	100.00
Non-Destructive Testers Limited	St Mark's Court, Chart Way, Horsham, West Sussex, RH12 1XL, United Kingdom	Ordinary	100.00
Polaris U.K. Limited ²	New London House, 6 London Street, London, England, EC3R 7LP, United Kingdom	Ordinary	25.38
Punchbowl Park Management Limited ^{2 4}	10 Buckingham Gate, London, England, SW1E 6LA, United Kingdom	Ordinary	65.09
Regent Subco Limited	1 Bartholomew Lane, London, England, EC2N 2AX, United Kingdom	Ordinary	100.00
R&SA Global Network Limited ⁶	St Mark's Court, Chart Way, Horsham, West Sussex, RH12 1XL, United Kingdom	Ordinary	64.00
R&SA Marketing Services Limited ¹	St Mark's Court, Chart Way, Horsham, West Sussex, RH12 1XL, United Kingdom	Ordinary	100.00
Royal & Sun Alliance Insurance (Global) Limited ⁶	St Mark's Court, Chart Way, Horsham, West Sussex, RH12 1XL, United Kingdom	Ordinary	100.00
Royal & Sun Alliance Property Services Limited	St Mark's Court, Chart Way, Horsham, West Sussex, RH12 1XL, United Kingdom	Ordinary	100.00
Royal & Sun Alliance Reinsurance Limited	St Mark's Court, Chart Way, Horsham, West Sussex, RH12 1XL, United Kingdom	Ordinary	100.00
Royal & Sun Alliance Insurance Limited ¹	St Mark's Court, Chart Way, Horsham, West Sussex, RH12 1XL, United Kingdom	Class A Ordinary	100.00
Royal & Sun Alliance Insurance Limited ¹	St Mark's Court, Chart Way, Horsham, West Sussex, RH12 1XL, United Kingdom	Class B Ordinary	100.00
Royal & Sun Alliance Pension Trustee Limited ¹	St Mark's Court, Chart Way, Horsham, West Sussex, RH12 1XL, United Kingdom	Ordinary	100.00
Royal Insurance (U.K.) Limited	St Mark's Court, Chart Way, Horsham, West Sussex, RH12 1XL, United Kingdom	Ordinary	100.00
Royal International Insurance Holdings Limited	St Mark's Court, Chart Way, Horsham, West Sussex, RH12 1XL, United Kingdom	£1.00 Ordinary	100.00

Registered Number: 02221960
Royal Insurance Holdings Limited

Name and country of incorporation	Registered office addresses	Class of shares held	Percentage Holding
Royal International Insurance Holdings Limited	St Mark's Court, Chart Way, Horsham, West Sussex, RH12 1XL, United Kingdom	US\$1.00 Ordinary	100.00
Roysun Limited	St Mark's Court, Chart Way, Horsham, West Sussex, RH12 1XL, United Kingdom	Ordinary	100.00
RSA Accident Repairs Limited ¹	St Mark's Court, Chart Way, Horsham, West Sussex, RH12 1XL, United Kingdom	Ordinary	100.00
RSA Finance	St Mark's Court, Chart Way, Horsham, West Sussex, RH12 1XL, United Kingdom	Ordinary	100.00
RSA Law Limited	St Mark's Court, Chart Way, Horsham, West Sussex, RH12 1XL, United Kingdom	Ordinary A	90.00
RSA Northern Ireland Insurance Limited	Law Society House, 90-106 Victoria Street, Belfast, Northern Ireland, BT1 3GN	Ordinary	100.00
Sun Alliance and London Insurance Limited	St Mark's Court, Chart Way, Horsham, West Sussex, RH12 1XL, United Kingdom	Ordinary	100.00
Sun Alliance Insurance Overseas Limited	St Mark's Court, Chart Way, Horsham, West Sussex, RH12 1XL, United Kingdom	Ordinary	100.00
Sun Insurance Office Limited	St Mark's Court, Chart Way, Horsham, West Sussex, RH12 1XL, United Kingdom	Ordinary	100.00
The Globe Insurance Company Limited	St Mark's Court, Chart Way, Horsham, West Sussex, RH12 1XL, United Kingdom	Ordinary	100.00
The London Assurance	St Mark's Court, Chart Way, Horsham, West Sussex, RH12 1XL, United Kingdom	Ordinary	100.00
The Marine Insurance Company Limited	St Mark's Court, Chart Way, Horsham, West Sussex, RH12 1XL, United Kingdom	Ordinary	100.00
The Sea Insurance Company Limited	St Mark's Court, Chart Way, Horsham, West Sussex, RH12 1XL, United Kingdom	Ordinary	100.00
Westgate Properties Limited	St Mark's Court, Chart Way, Horsham, West Sussex, RH12 1XL, United Kingdom	Ordinary	100.00
United States of America			
Royal & Sun Alliance Insurance Agency Inc.	Wall Street Plaza, 88 Pine Street, New York, NY 10005, United States	Common	100.00

1. Directly owned
2. Indicates that the holding represents an Investment or is an Associate directly or indirectly of the company
3. Indicates ownership of non-voting shares
4. There is no subsidiary where the parent holds less than 50% of the voting rights. There are no entities where the Company holds more than 50% of the voting rights which are not subsidiaries other than Punchbowl Park Management Limited and Hempton Court Manco Limited.
5. In relation to Al Ahlia Insurance Company SAOG (listed on the Muscat Securities Market, Oman Stock Exchange) and Al Alamiya for Cooperative Insurance Company (listed on the Tadawul, Saudi Stock Exchange), the percentage held relates to the actual percentage of the share capital held and not the effective percentage held (which is 26.25% and 25.04% respectively).
6. In the process of being dissolved