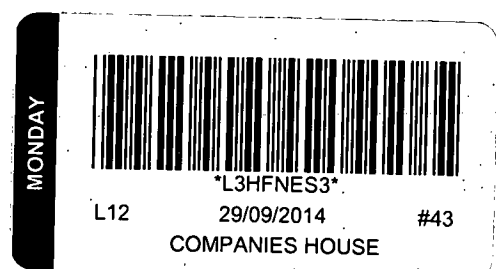


Registered Number: 02395376

Royal & Sun Alliance Insurance Finance Limited

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



Royal & Sun Alliance Insurance Finance Limited

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Royal & Sun Alliance Insurance Finance Limited

Company information

Directors

C Heiss

J Margetts

J Mills

Secretary

Roysun Limited

Registered office

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

Auditor

KPMG LLP
Chartered Accountants and Statutory Auditor
London

Royal & Sun Alliance Insurance Finance Limited

Directors' report

for the year ended 31 December 2013

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

Business review and principal activity

The Company's principal activity was to provide credit sale finance to employees of Royal & Sun Alliance Insurance plc to enable employees to purchase a car through the Company. As part of a project to outsource the RSA Insurance Group plc (the Group) fleet business, the majority of the Company's interest-bearing loan book was sold in July 2008 to a third party outside of the Group and the Company does not intend to write new business. This curtailment of trade resulted in the financial statements being prepared on a non-going concern basis.

The results for the Company show a result on ordinary activities before tax of £nil (2012: £nil). The shareholder funds of the Company were £13,818,139 as at 31 December 2013 (31 December 2012: £13,878,002).

Future outlook

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

Dividends

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

Political donations

The Company did not make any political donations during the financial year (2012: £nil).

Principal risks and uncertainties

The principal risks and uncertainties of the Company relate to the recoverability of debt. These risks are managed in accordance RSA Insurance Group plc (the "Group") policies. The principal risks and uncertainties of the Group, which include those of the Company, are set out in the estimation techniques, risks, uncertainties and contingencies on pages 112 to 115, and the risk review on pages 32 to 35 of the Annual Report and 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's financial risks are managed and monitored at a Group level. The management of the Group's risks, which include those of the Company, is set out in the risk review on pages 32 to 35 of the Annual Report and Accounts of the Group, which do not form part of this report.

The directors consider that there is minimal level of financial risk associated with the Company's assets and liabilities due to the nature of the Company's activities. The main financial risk to which the Company is exposed is credit risk arising from receivables in the balance sheet, however the Board considers this risk to be remote because the Company's receivables balance is due from Group companies.

Key performance indicators

There are no KPIs produced for the Company as the principal activity of the business ceased during 2008.

Directors

The names of the current directors, who were appointed on 3rd September 2013, are listed on page 1. I Craston, R Clayton and W McDonnell resigned as directors on 3rd September 2013 and M Harris resigned on 31st May 2013.

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

Going concern

The sale of the Company's interest-bearing loan book in July 2008 to a third party outside of the Group and the consequent cessation of trade has resulted in the financial statements being prepared on a basis other than that of a going concern. The directors are satisfied that no change is required to the carrying value of the Company's assets and liabilities as a result of this basis of preparation.

Royal & Sun Alliance Insurance Finance Limited

Directors' report (continued) for the year ended 31 December 2013

Auditor

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

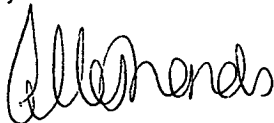
- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the director has taken all steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information, and to establish that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

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

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

By Order of the Board



E C Klonarides
For and on behalf of
Raysun Limited
Secretary
17/1/2014

Royal & Sun Alliance Insurance Finance Limited

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Independent auditor's report to the member of Royal & Sun Alliance Insurance Finance Limited

We have audited the financial statements of Royal & Sun Alliance Insurance Finance Limited for the year ended 31 December 2013 which comprise the profit and loss account, the balance sheet and the related notes. 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).

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

Respective responsibilities of directors and auditor

As explained more fully in the Directors' responsibilities statement on page 4, 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 in 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 2013 and of its loss for the year then ended;
- have been properly prepared in accordance with the United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Emphasis of matter – Financial statements prepared other than on a going concern basis

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

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

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



Murray Raisbeck (Senior Statutory Auditor)
For and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
Canary Wharf
London
E14 5GL

15 September 2014

Royal & Sun Alliance Insurance Finance Limited

Profit and loss account for the year ended 31 December 2013

		2013	2012
Notes		£	£
Profit / (Loss) on ordinary activities before taxation		-	-
Taxation on loss on ordinary activities	5	(59,863)	(84,025)
(Loss) for the financial year		(59,863)	(84,025)

All figures relate to discontinued 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.

The notes on pages 8 to 11 form an integral part of these accounts.

Royal & Sun Alliance Insurance Finance Limited
Registered number: 02395376

Balance sheet
as at 31 December 2013

		2013	2012
	Notes	£	£
Current Assets			
Debtors: amounts falling due within one year	6	13,879,226	13,541,602
Cash at bank and in hand		-	418,085
		<u>13,879,226</u>	<u>13,959,687</u>
Creditors: amounts falling due within one year	8	(61,087)	(63,324)
Provisions for liabilities	9	-	(18,361)
Net current assets		<u>13,818,139</u>	<u>13,878,002</u>
Capital and reserves			
Called up share capital	10	10,960,002	10,960,002
Profit and loss account	11	2,858,137	2,918,000
Shareholder's funds		<u>13,818,139</u>	<u>13,878,002</u>

The notes on pages 8 to 11 form an integral part of these accounts.

The financial statements of Royal Sun Alliance Insurance Finance Limited (registered number: 02395376) were approved on 9/9/2014 by the Board of Directors and are signed on its behalf by:



Director

John Mills

Notes to the accounts

1. Financial statements

The financial statements are prepared in accordance with applicable UK Accounting Standards and in compliance with the Companies Act 2006. The financial statements have been prepared under the historical cost convention, on a basis other than that of a going concern.

The sale of the Company's interest-bearing loan book in July 2008 to a third party outside of the Group and the consequent cessation of trade has resulted in the financial statements being prepared on a basis other than that of a going concern. The directors are satisfied that no change is required to the carrying value of the Company's assets and liabilities as a result of this basis of preparation.

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

2. Auditor's remuneration

Fees payable to KPMG LLP for the audit of the Company's annual accounts were £4,999 (2012: £4,400) which were borne by another Group company, Royal & Sun Alliance Insurance plc. Details of non-audit fees payable to KPMG LLP are disclosed in the RSA Insurance Group plc 2013 Annual Report and Accounts.

3. Directors' emoluments

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

4. Employees and staff costs

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

Royal & Sun Alliance Insurance Finance Limited

Year ended 31 December 2013

5. Taxation

	2013 £	2012 £
The charge for taxation in the profit & loss account comprises:		
Current tax		
UK corporation tax	61,087	63,324
Total current tax	61,087	63,324
Deferred tax		
Timing differences - origination and reversal	(1,775)	18,707
Adjustment for change in tax rates	551	1,994
Total deferred tax (see note 7)	(1,224)	20,701
Tax charge	59,863	84,025

The UK corporation tax for the current year is based on a rate of 23.2% (2012: 24.5%). The rate of corporation tax has reduced from 24% to 23% effective 1 April 2013, and as a result a composite rate of 23.2% has been used in the accounts.

Factors affecting the current tax charge

The current tax charge for the year is more than 23.2% (2012: more than 24.5%) due to the items set out in the reconciliation below:

	2013 £	2012 £
Profit / (Loss) on ordinary activities before tax	-	-
Tax at 23.2% (2012: at 24.5%)	-	-
Factors affecting charge		
Fiscal adjustments	59,024	83,248
Other timing differences	2,063	(19,924)
Current tax charge for the period	61,087	63,324

6. Debtors

	2013 £	2012 £
Amounts falling due within one year:		
Amounts owed by group undertakings	13,879,226	13,537,379
Other debtors	-	4,223
	13,879,226	13,541,602

Other debtors includes £nil (2012: £4,223) relating to deferred tax (see note 7).

Royal & Sun Alliance Insurance Finance Limited
Year ended 31 December 2013

7. Deferred tax

Deferred tax for the current year is based on a rate of 20% (2012: 23%):

	2013 £	2012 £
Short term timing difference	-	4,223
Deferred tax asset	-	4,223
	2013 £	2012 £
Deferred tax asset at 1 January	4,223	24,924
Credit / (Charge) for the year - Profit and loss	1,775	(18,707)
Transfer out	(5,447)	-
Effect of change of rate on opening balances	(551)	(1,994)
Deferred tax asset at 31 December	-	4,223

8. Creditors: amounts falling due within one year

	2013 £	2012 £
Other taxation and social security	61,087	63,324
	61,087	63,324

9. Provisions for liabilities

	2013 £	2012 £
Indemnity provision		
At 1 January	18,361	99,695
Charges to the Profit and loss account	8,874	-
Utilised	-	(81,334)
Transfers out	(27,235)	-
At 31 December	-	18,361

The major part of the Company's interest-bearing loan book was sold in July 2008 to a third party outside the RSA Group. As part of the sale agreement, the Company was obliged to compensate the third party for any shortfall in the recovery of vehicle maintenance costs relating to the credit sale agreements transferred. All liabilities are now settled and the remaining balance has been transferred out to another Group company.

10. Share capital

	2013 £	2012 £
Allotted, issued and fully paid up:		
10,960,002 (2012: 10,960,002) ordinary shares of £1 each	10,960,002	10,960,002

Royal & Sun Alliance Insurance Finance Limited

Year ended 31 December 2013

11. Movements in shareholder's funds

	Share Capital	Profit and Loss Account	Total	Total
	2013	2013	2013	2012
	£	£	£	£
Shareholder's funds at 1 January	10,960,002	2,918,000	13,878,002	13,962,027
Loss for the financial year	-	(59,863)	(59,863)	(84,025)
Shareholder's funds at 31 December	10,960,002	2,858,137	13,818,139	13,878,002

12. 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.

13. 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. There were no other related party transactions requiring disclosure.

14. Parent companies

The Company's immediate and ultimate parent company 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.