Registered Number: 03803834

THE WESTMINSTER FIRE OFFICE LIMITED

Annual Report and Accounts

for the year ended 31 December 2008

THE WESTMINSTER FIRE OFFICE LIMITED

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THE WESTMINSTER FIRE OFFICE 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

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 principal activity of the Company is to manage debt originally acquired from other group companies and recover sums due. During 2007 it also acquired an investment property from another Group company.

The results for the Company show a profit on ordinary activities before tax of £1,626,000 (*2007: £5,556,000*). The shareholder's funds of the Company were £6,698,000 as at 31 December 2008 (*31 December 2007: £5,400,000*).

Future outlook

The Company is not expected to acquire any further debt from other group companies. However, the Company will continue to manage it's investment property.

Dividends

The directors do not recommend payment of a dividend in respect of the year ended 31 December 2008 (*2007: £7,700,000*).

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 major financial risk to which the Company is exposed is market risk arising from investments in the balance sheet. The Global Asset Management Committee is the management committee that oversees the Group's investment strategy under the oversight of the Investment Committee and operating within risk limits set by the Board Risk Committee.

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. R J Clayton, D P Cockrem, I A Craston, M Harris and P L Miles were appointed as directors on 5 December 2008. Non-Destructive Testers Limited and Roysun Limited resigned as directors 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 LLP 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, the Company's ongoing financial commitments and the continuing availability of sufficient Group resources 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

J Possener for and on behalf of Roysun Limited
Secretary
21 October 2009

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 member of The Westminster Fire Office Limited

We have audited the financial statements of The Westminster Fire Office Limited for the year ended 31 December 2008 which comprise the profit and loss account, the statement of total recognised gains and losses, 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 member, 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 member 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

Deloitte LLP
Chartered Accountants and Registered Auditors
London
22 October 2009

Profit and loss account
for the year ended 31 December 2008

	Notes	2008 £000	2007 £000
Net operating income	2	1,626	6,878
Gross profit		1,626	6,878
Administrative expenses		-	(1,170)
Operating profit		1,626	5,708
Interest income		-	23
Interest payable and similar charges		-	(175)
Profit on ordinary activities before taxation		1,626	5,556
Taxation on profit on ordinary activities	6	(391)	(1,708)
Profit for the financial year	12	1,235	3,848

All figures relate to continuing operations.

Statement of total recognised gains and losses for the year ended 31 December 2008

	Notes	2008 £000	2007 £000
Profit for the financial year		1,235	3,848
Unrealised gain on revaluation of investment property	8, 12	63	1,500
Total recognised gains and losses		1,298	5,348

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 8 to 11 form an integral part of these accounts.

THE WESTMINSTER FIRE OFFICE LIMITED

Balance sheet
as at 31 December 2008

	Notes	2008 £000	2007 £000
Fixed assets			
Investments	8	**10,700**	9,500
Current assets			
Debtors	9	**455**	-
Creditors: amounts falling due within one year	10	**(4,457)**	(4,100)
Net current liabilities		**(4,002)**	(4,100)
		6,698	5,400
Capital and reserves			
Called up share capital	11	-	-
Revaluation reserve	12	**1,563**	1,500
Profit and loss account	12	**5,135**	3,900
Shareholder's funds		**6,698**	5,400

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

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

Director
21 October 2009

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, 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, the Company's ongoing financial commitments and the continuing availability of sufficient Group resources 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) Net operating income

Net operating income is stated exclusive of value added tax and comprises rental income from an investment property and income derived from the settlement of debts acquired from other group companies less the carrying value of those debts (see note 2). Net operating income is recognised upon receipt of cash from the debts that are owned by the Company.

(b) Interest income

Interest income is included on an accruals basis.

(c) 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.

Deferred tax is not recognised when fixed assets are revalued unless by the balance sheet date there is a binding agreement to sell the revalued assets and the gain or loss expected to arise on sale has been recognised in the financial statements. Neither is deferred tax recognised when fixed assets are sold and it is more likely than not that the taxable gain will be rolled over, being charged to tax only if and when the replacement assets are sold.

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.

(d) Investment property

Investment properties are shown at market value and are valued annually by independent professionally qualified valuers at open market value. Surpluses or deficits on individual properties are transferred to the revaluation reserve, except that a deficit which is expected to be permanent and which is in excess of any previously recognised surplus over cost relating to the same property, or the reversal of such a deficit, is charged or credited to the profit and loss account.

The Companies Act requires properties to be depreciated over their expected useful economic lives. The directors consider that depreciation of investment properties would not give a true and fair view. In accordance with Statement of Standard Accounting Practice 19 'Accounting for Investment Properties', no depreciation is provided on these properties on the basis that depreciation is already reflected in the annual valuations. The amounts attributed to this factor by the valuers cannot reasonably be separately identified or quantified.

2. Net operating income

	2008 £000	2007 £000
Cash received from acquired debts	1,171	15,752
Less carrying value of debts relating to cash receipts	-	(8,874)
	1,171	6,878
Investment income	455	-
	1,626	6,878

Notes to the accounts (continued)

3. Auditors' remuneration

Fees payable to Deloitte LLP for the audit of the Company's annual accounts were £2,750 (*2007: £2,750*) which were borne by the 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. Taxation

The charge for taxation in the profit & loss account comprises:	**2008 £000**	2007 £000
Current tax		
UK corporation tax	**391**	1,678
Adjustments in respect of prior periods	**-**	30
Total current tax	**391**	1,708
Deferred tax		
Origination and reversal of timing differences	**-**	-
Total deferred tax	**-**	-
Tax charge	**391**	1,708

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: more than 30%*) due to the items set out in the reconciliation below:

	2008 £	2007 £
Profit on ordinary activities before tax	**1,626**	5,556
Tax at 28.5% *(2007: 30%)*	**463**	1,667
Factors affecting charge		
Fiscal adjustment	**(72)**	11
Adjustment to tax charge in respect of previous periods	**-**	30
Current tax charge for the year	**391**	1,708

The Company has no deferred tax assets or liabilities at 31 December 2008 (*2007: £nil*).

The Company had no deferred tax assets or liabilities at 31 December 2008 (*2007: £nil*). No provision has been made for additional United Kingdom taxation, which would arise if the Company's investment property was disposed of at its revalued amount.

7. Dividend

	2008 £000	2007 £000
Interim dividend paid: £nil (*2007: £7,700,000*) per ordinary share	**-**	7,700

In 2007 the dividend was paid as a dividend in specie by way of reduction of an intercompany debtor balance due from Royal & Sun Alliance Insurance plc.

8. Investments

Movement in the carrying value of freehold land and buildings is detailed below:

	2008 £000	2007 £000
Valuation at 1 January	9,500	-
Additions	1,137	8,000
Surplus on revaluation	63	1,500
Valuation at 31 December	10,700	9,500

9. Debtors: amounts falling due within one year

	2008 £000	2007 £000
Other debtors	453	-
Prepayments and accrued income	2	-
	455	-

10. Creditors: amounts falling due within one year

	2008 £000	2007 £000
Amounts owed to group undertakings	2,772	2,392
Corporation tax	1,685	1,708
	4,457	4,100

The corporation tax liability of the Company in respect of 2007 has been reduced by £414,085 as a consequence of a surrender of a repayment of income tax due to Royal & Sun Alliance Insurance plc under Section 102 of the Finance Act 1989.

11. Share capital

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

12. Movements in shareholder's funds

	Share capital £000	Revaluation reserve £000	Profit and loss account £000	2008 £000	2007 £000
Shareholder's funds at 1 January	-	1,500	3,900	5,400	7,752
Profit for the financial year	-	-	1,235	1,235	3,848
Unrealised surplus on revaluation of properties	-	63	-	63	1,500
Dividends	-	-	-	-	(7,700)
Shareholder's funds at 31 December	-	1,563	5,135	6,698	5,400

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.

Notes to the accounts (continued)

15. Parent companies

The Company's immediate parent company is Royal & Sun Alliance Insurance plc, which is registered in England and Wales.

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.