

Registered Number: 03803834

# **THE WESTMINSTER FIRE OFFICE LIMITED**

## **Annual Report and Accounts for the year ended 31 December 2009**

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# 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

### Secretary

Roysun Limited

### Registered office

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

### Auditors

Deloitte LLP  
Chartered Accountants and Statutory Auditors  
London

# THE WESTMINSTER FIRE OFFICE LIMITED

## Directors' report for the year ended 31 December 2009

The directors present their annual report on the affairs of the Company and the audited financial statements for the year ended 31 December 2009

### Business review and principal activity

The principal activity of the Company was to manage debt acquired from other group companies and recover sums due. There is no longer net debt outstanding and the Company is not expected to acquire any further debt in the foreseeable future.

During 2007 the Company acquired an investment property from another Group company. This was transferred to another Group company during 2009, at which point the Company ceased to trade.

The results for the Company show a loss on ordinary activities before tax of £(302,000) (2008 profit £1,626,000). The shareholder funds of the Company were £6,897,000 as at 31 December 2009 (31 December 2008 £6,698,000).

### Future outlook

The cessation of trade has resulted in the financial statements being prepared on a basis other than that of a going concern.

### Dividends

The directors do not recommend payment of a dividend in respect of the year ended 31 December 2009 (2008 £nil).

### Principal risks and uncertainties

From the perspective of the Company, the principal risks and uncertainties are integrated with the principal risks of the RSA Insurance Group plc (the Group) and are not managed separately. Accordingly, the principal risks and uncertainties of the Group, which include those of the Company, are set out in the estimation techniques, risks, uncertainties and contingencies on pages 82 to 84, and in the risk framework on pages 30 to 32 of the Annual Report & Accounts of the Group, which do not form part of this report.

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

### Financial risk management

The Company is a subsidiary of RSA Insurance Group plc and its management of risk is set at Group level. The Company's only exposure is to Group companies.

### 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 37 and the directors' report on pages 43 to 46.

### Articles of association

The Companies Act 2006, which became fully effective on 1 October 2009, abolished the requirement for a company to have an authorised share capital through the repeal of section 2(5)(a) of the Companies Act 1985.

Accordingly, by written resolution passed on 1 April 2010, the Company amended its articles of association (the "Old Articles") by deleting all the provisions of the Company's memorandum of association which, by virtue of section 28 of the Companies Act 2006, were treated with effect from 1 October 2009 as provisions of the Old Articles. At the same time the Company adopted new Articles of Association (the "New Articles"). The New Articles do not contain restrictions on the share capital of the Company and consequently, the Company no longer has an authorised share capital.

### Directors

P. L. Miles served as a director until he resigned on 30 June 2010. The names of the current directors are listed on page 1. They served throughout the year.

# THE WESTMINSTER FIRE OFFICE LIMITED

## **Directors' report (continued)** for the year ended 31 December 2009

### **Auditors**

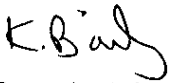
Each of the persons who is a director at the date of approval of this report confirms that

- 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 s418 of the Companies Act 2006

Deloitte LLP have confirmed their willingness to continue in office as auditors of the Company and appropriate arrangements have been put in place for them to be deemed to be reappointed as auditors in the absence of an Annual General Meeting

By order of the Board



Roysun Limited  
Secretary

28 September 2010

# THE WESTMINSTER FIRE OFFICE LIMITED

## Directors' responsibilities statement

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). 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 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 2009 which comprise the Profit and loss account, the Statement of total recognised gains and losses, the Balance sheet and the related notes 1 to 14. 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 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 member as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditors**

As explained more fully in the Directors' responsibilities statement, 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 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 (APB's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

### **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 2009 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.

### **Emphasis of matter – Going concern**

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosure made in note 1 to the financial statements, which explains that the financial statements have been prepared on a basis other than that of a going concern.

### **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.



Alexander Arterton (Senior Statutory Auditor)  
for and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditors  
London, United Kingdom

26 September 2010

# THE WESTMINSTER FIRE OFFICE LIMITED

## Profit and loss account for the year ended 31 December 2009

	Notes	2009 £000	2008 £000
Net operating income	2	320	1,626
<b>Operating profit</b>		<b>320</b>	<b>1,626</b>
Loss on the realisation of investment		(622)	-
<b>(Loss) / profit on ordinary activities before taxation</b>		<b>(302)</b>	<b>1,626</b>
Taxation on (loss) / profit on ordinary activities	6	501	(391)
<b>Profit for the financial year</b>	11	<b>199</b>	<b>1,235</b>

All figures relate to discontinued operations

### Statement of total recognised gains and losses for the year ended 31 December 2009

	Notes	2009 £000	2008 £000
<b>Profit for the financial year</b>		<b>199</b>	<b>1,235</b>
Unrealised gain on revaluation of investment property	7, 11	-	63
<b>Total recognised gains and losses</b>		<b>199</b>	<b>1,298</b>

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 10 form an integral part of these accounts.



## THE WESTMINSTER FIRE OFFICE LIMITED

**Balance sheet**  
as at 31 December 2009

	Notes	2009 £000	2008 £000
<b>Fixed assets</b>			
Investments	7	-	10,700
<b>Current assets</b>			
Debtors	8	14,874	455
<b>Creditors amounts falling due within one year</b>	9	(7,977)	(4,457)
<b>Net current assets / (liabilities)</b>		<b>6,897</b>	<b>(4,002)</b>
		<b>6,897</b>	<b>6,698</b>
<b>Capital and reserves</b>			
Called up share capital	10	-	-
Revaluation reserve	11	-	1,563
Profit and loss account	11	6,897	5,135
<b>Shareholder funds</b>		<b>6,897</b>	<b>6,698</b>

The notes on pages 8 to 10 form an integral part of these accounts

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



D Cockrem  
Director

28 September 2010

# THE WESTMINSTER FIRE OFFICE LIMITED

## Notes to the accounts

### 1 Financial statements

The financial statements have been 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, as modified by the revaluation of investment property, on an other than going concern basis.

The sale of the Company's investment property to its immediate parent company 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 change in 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) Net operating income

Net operating income is stated exclusive of value added tax and comprises rental income from an investment property, a loss on the realisation of the 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). Rental income is recognised on an accruals basis. Net operating income is recognised upon receipt of cash from the debts that are owned by the Company.

#### (b) 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 only to the extent that the directors anticipate that suitable profits will absorb such losses in the future.

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.

#### (c) 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.

It is the Company's practice to maintain investment properties in a continual state of sound repair. Accordingly the directors consider that the economic lives of these properties and their residual values, based on prices prevailing at the time of the acquisition or subsequent valuation, are such that any depreciation is insignificant and is thus not provided.

The loss on the realisation of investment property is calculated as sales proceeds less the carrying value of the property.

### 2 Net operating income

	2009 £000	2008 £000
Cash received from acquired debts	-	1,171
Investment income	320	455
	<u>320</u>	<u>1,626</u>

# THE WESTMINSTER FIRE OFFICE LIMITED

## 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 (2008 £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 2009 Annual Report & Accounts.

### 4 Directors' emoluments

None of the directors received any emoluments from the Company during the year (2008 £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 (2008 nil). All administrative duties are performed by employees of Royal & Sun Alliance Insurance plc at no cost to the Company (2008 £nil).

### 6 Taxation

The (credit) / charge for taxation in the profit & loss account comprises

	2009 £000	2008 £000
<b>Current tax</b>		
UK corporation tax	(531)	391
Adjustments in respect of prior periods	30	-
<b>Total current tax</b>	<b>(501)</b>	<b>391</b>
<b>Tax (credit) / charge</b>	<b>(501)</b>	<b>391</b>

The UK corporation tax for the current year is based on a rate of 28% (2008 28.5%).

#### Factors affecting the current tax charge

The current tax (credit) / charge for the year is more than 28% (2008 less than 28.5%) due to the items set out in the reconciliation below.

	2009 £	2008 £
<b>(Loss) / profit on ordinary activities before tax</b>	<b>(302)</b>	<b>1,626</b>
Tax at 28% (2008 28.5%)	(85)	463
<b>Factors affecting (credit) / charge</b>		
Tax relief available on disposal of property	(464)	-
Fiscal adjustment	18	(72)
Adjustment to tax charge in respect of previous periods	30	-
<b>Current tax (credit) / charge for the year</b>	<b>(501)</b>	<b>391</b>

The Company had no deferred tax assets or liabilities at 31 December 2009 (2008 £nil).

# THE WESTMINSTER FIRE OFFICE LIMITED

## Notes to the accounts (continued)

### 7 Investments

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

	2009 £000	2008 £000
Valuation at 1 January	10,700	9,500
Additions	122	1,137
Disposals	(10,822)	-
Surplus on revaluation	-	63
Valuation at 31 December	-	10,700

### 8 Debtors amounts falling due within one year

	2009 £000	2008 £000
Amounts owed by group undertakings	14,296	-
Corporation tax	501	-
Other debtors	28	453
Prepayments and accrued income	49	2
	14,874	455

### 9 Creditors amounts falling due within one year

	2009 £000	2008 £000
Amounts owed to group undertakings	7,977	2,772
Corporation tax	-	1,685
	7,977	4,457

### 10 Share capital

	2009 £	2008 £
Allotted, issued and fully paid up		
1 (2008 1) ordinary shares of £1 each	1	1

### 11 Movements in shareholder funds

	Share capital £000	Revaluation reserve £000	Profit and loss account £000	2009 £000	2008 £000
Shareholder's funds at 1 January	-	1,563	5,135	6,698	5,400
Profit for the financial year	-	-	199	199	-
Transfer of revaluation reserve on disposal of property	-	(1,563)	1,563	-	1,298
Shareholder's funds at 31 December	-	-	6,897	6,897	6,698

### 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 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 9<sup>th</sup> Floor, One Plantation Place, 30 Fenchurch Street, London EC3M 3BD.