

Registered Number: 06413675

MILLHOOD LIMITED

**Annual Report and Accounts
for the year ended 31 December 2011**

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MILLHOOD LIMITED

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MILLHOOD LIMITED

Company information

Directors

A Erotocntou

N M Gosden

S E Logan

Secretary

Roysun Limited

Registered office

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

Auditor

Deloitte LLP
Chartered Accountants and Statutory Auditor
London

MILLHOOD LIMITED

Directors' report for the year ended 31 December 2011

The directors present their annual report on the affairs of the Company and the audited financial statements for the year ended 31 December 2011

Business review and principal activities

The Company sold domain names to its ultimate parent company and controlling party, RSA Insurance Group plc on 16 December 2011. The results for the Company show a profit on ordinary activities before tax of £86,894 (2010 £nil). The shareholder funds of the Company were £87,425 as at 31 December 2011 (31 December 2010 £1).

Since the balance sheet date, the principal activity of the Company is now to provide a fees for service claims management solution, with core functions of loss adjusting and supply chain services.

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 2011 (2010 £nil).

Principal risks and uncertainties

From the perspective of the Company, the principal risks and uncertainties are integrated within the principal risks of the RSA Insurance Group plc and are not managed separately. The principal risks and uncertainties of the Group, which include those of the UK business, and hence the Company, are set out in the estimation techniques, uncertainties and contingencies on pages 89 to 92, and in the risk framework on pages 30 to 33 of the 2011 Annual Report & Accounts of the Group, which do not form part of this report.

Directors

The names of the current directors are listed on page 1. Ms K A Baily and Ms C E Davage were appointed as directors on 11 July 2011 and they served as directors until their resignations on 9 March 2012 and 20 December 2011 respectively. Mr J M Mills served as a director until his resignation on 9 March 2012. Mr A Erotocritou, Mr N G Gosden and Mr S E Logan were appointed as directors on 9 March 2012.

The directors' responsibilities statement appears on page 3 and is incorporated by reference into this report.

Auditor

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

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all steps that 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.

On 8 February 2012 Deloitte LLP were appointed as the Company's auditor.

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 and the Company's ongoing financial commitments 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



E C Klonandes
For and on behalf of
Roysun Limited
Secretary
26 June 2012

MILLHOOD 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, 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 auditor's report to the member of Millhood Limited

We have audited the financial statements of Millhood Limited for the year ended 31 December 2011 which comprise the profit and loss account, the balance sheet and the related notes 1 to 12. 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 in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's member those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's member for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of 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 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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient 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. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 2011 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other 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.



Mark McQueen (Senior Statutory Auditor)
For and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom

9 July 2012

MILLHOOD LIMITED

Profit & loss account for the year ended 31 December 2011

	Notes	2011 £	Unaudited 2010 £
Realised profit on sale of intangibles	5	86,894	-
Profit on ordinary activities before taxation		86,894	-
Taxation on profit on ordinary activities	6	530	-
Profit for the financial year	8	87,424	-

All figures relate to continuing operations

There have been no recognised gains or losses in either reporting year other than those recorded in the profit and loss account. Accordingly, no statement of total recognised gains and losses is presented.

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 7 and 8 form an integral part of these accounts.

MILLHOOD LIMITED
Registered number: 06413675
Balance sheet
as at 31 December 2011

		2011	Unaudited 2010
	Notes	£	£
Current assets			
Debtors			
Amounts owed by group undertakings		86,895	1
Corporation tax	6	530	-
Net current assets		87,425	1
Total assets less current liabilities		87,425	1
		87,425	1
Capital and reserves			
Called up share capital	7	1	1
Profit and loss account	8	87,424	-
Shareholder funds		87,425	1

The notes on pages 7 and 8 form an integral part of these accounts

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



Nigel Gosden
Director
26 June 2012

MILLHOOD LIMITED

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 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 and the Company's ongoing financial commitments 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 the 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

2 Auditor's remuneration

Fees payable to Deloitte LLP for the audit of the Company's annual accounts were £1,000 (2010 £nil) which were borne by a parent company, Royal & Sun Alliance Insurance plc. Details of non-audit fees payable to Deloitte LLP are disclosed in the RSA Insurance Group plc 2011 Annual Report & Accounts

3 Directors' emoluments

None of the directors received any emoluments from the Company during the year (2010 £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

4 Employees and staff costs

The Company did not employ anyone during the year (2010 nil). All administrative duties are performed by employees of Royal & Sun Alliance Insurance plc at no cost to the Company (2010 £nil)

5 Realised gains on sale of investments

	Unaudited	
	2011	2010
	£	£
Sale of domain names	86,894	-
	<u>86,894</u>	<u>-</u>

6 Taxation

The credit for taxation in the profit and loss account comprises

	Unaudited	
	2011	2010
	£	£
Current Tax	(530)	-
UK corporation tax	(530)	-
Total current tax credit	<u>(1,060)</u>	<u>-</u>

The UK corporation tax for the current year is based on a rate of 26.5% (2010 28%)

MILLHOOD LIMITED

Notes to the accounts (continued)

6 Taxation (cont)

Factors affecting the current tax charge

The current tax credit for the year is less than 26.5% due to the items set out in the reconciliation below

	2011	Unaudited 2010
	£	£
Profit on ordinary activities before tax	86,894	-
Tax at 26.5% (2010 28%)	23,021	-
Factors affecting charge		
Tax exempt income and investment gains	(23,021)	-
Fiscal adjustments	(530)	-
Current tax credit for the year	(530)	-

There were no deferred tax assets or liabilities at 31 December 2011 or 2010

7 Share capital

	2011	Unaudited 2010
	£	£
Allotted, issued and fully paid up		
1 (2010 1) ordinary share of £1 each	1	1
	1	1

8 Movements in shareholder funds

	Share capital	Profit and loss account	2011	Unaudited 2010
	£	£	£	£
Shareholder funds at 1 January	1	-	1	1
Profit for the financial year	-	87,424	87,424	-
Shareholder funds at 31 December	1	87,424	87,425	1

9 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.

10 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.

11 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.

12 Post balance sheet event

On 9 March 2012 Octopus (London) Limited transferred the ownership of one ordinary share in Millhood Limited to Royal & Sun Alliance Insurance plc.