

Registered Number: 06413675

MILLHOOD LIMITED

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



MILLHOOD LIMITED

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MILLHOOD LIMITED

Company information

Directors

N Leather

N M Gosden

S E Logan

A D Rowlands

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

Principal Bankers

HSBC Bank plc
PO Box 125
8 Canada Square
London
E14 5HQ

MILLHOOD 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 activities

During the year ended 31 December 2013, and until 22 April 2014 the Company's principal activity was to provide a fees for service claims management solution, with core functions of loss adjusting and supply chain services. However, on 22 April 2014, the directors took the decision to cease trading following the transfer of the Company's loss adjusting and supply chain services to its shareholder, Royal & Sun Alliance Insurance plc. As the directors do not intend to acquire a replacement trade, they have not prepared the financial statements on a going concern basis. The effect of this is explained in note 1.

The Company's results for the year ended 31 December 2013 show a profit on ordinary activities before tax of £50,743 (2012: £3,000). The shareholder funds of the Company were £172,313 as at 31 December 2013 (31 December 2012: £89,635).

Key performance indicators

There are no KPIs produced for the Company

Dividends

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

Political donations

The Company did not make any political donations during the financial year 2013 (2012: £nil).

Principal risks and uncertainties

The principal risks and uncertainties of the Company relate to recoverability of debt. These risks are managed in accordance with 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 risk 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 as this risk is managed in accordance with Group policies.

Directors

The names of the current directors, who served throughout the year, are listed on page 1. Andrew David Rowlands was appointed a director on 4 April 2014.

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

Going concern

As a result of the transfer of services to Royal & Sun Alliance Insurance plc, the financial statements have been prepared on a basis other than that of 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.

MILLHOOD 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:

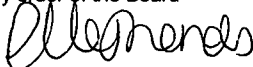
- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the director has taken all steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information, and to establish that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

22/9/14

MILLHOOD 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 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business. As explained in note 1, the directors do not believe that it is appropriate to prepare these financial statements on a going concern basis.

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 Millhood Limited

We have audited the financial statements of Millhood Limited for the year ended 31 December 2013 which have been prepared on a basis other than that of a going concern and 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 it 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 set out 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 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 – 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 in note 1 to the financial statements which explains that the financial statements are now not prepared on the going concern basis for the reason 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

29 September 2014

MILLHOOD LIMITED

Profit & loss account for the year ended 31 December 2013

	Notes	2013 £	2012 £
Turnover		240,743	3,000
Administrative expenses		(190,000)	-
Profit on ordinary activities before taxation		50,743	3,000
Taxation on profit on ordinary activities	6	31,935	(790)
Profit for the financial year	10	82,678	2,210

All figures relate to discontinued 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.

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

MILLHOOD LIMITED
Registered number: 06413675
Balance sheet
as at 31 December 2013

		2013	2012
	Notes	£	£
Current assets			
Debtors	7	160,729	90,275
Cash at bank and in hand		144,658	-
Total current assets		305,387	90,275
 Creditors: amounts falling due within one year	 8	 (133,074)	 (640)
 Net current assets		 172,313	 89,635
 Total assets less current liabilities		 172,313	 89,635
 Capital and reserves			
Called up share capital	9	1	1
Profit and loss account	10	172,312	89,634
Shareholder funds		172,313	89,635

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

The financial statements of Millhood Ltd (registered number: 06413675) were approved on 22/9/2014 by the Board of Directors and are signed on its behalf by:



Director

22/9/2014

Andrew Rowlands

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.

In previous years, the financial statements have been prepared on a going concern basis. However, on 22 April 2014 the directors took the decision to cease trading following the transfer of the Company's loss adjusting and supply chain services to its shareholder, Royal & Sun Alliance Insurance plc. As they do not intend to acquire a replacement trade, the directors have not prepared the financial statements on a going concern basis. No adjustments were necessary to the amounts at which the remaining net assets are included in these financial statements.

A summary of the major accounting policies, which have been applied consistently throughout the year and the preceding year is set out below:

(a) Turnover

Turnover is stated exclusive of value added tax and comprises of income derived from the provision of loss adjusting and supply chain services. Revenue is recognised as services are provided.

(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.

(c) Cash at bank and in hand

Cash at bank and in hand includes deposits repayable on demand.

2. Turnover

All turnover is from business conducted within the United Kingdom and is derived from the Company's principal activity, i.e. the provision of loss adjusting services.

3. Auditor's remuneration

Fees payable to KPMG LLP for the audit of the Company's annual accounts were £1,136 (2012: £1,000) which were borne by a parent 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 & Accounts.

4. Directors' emoluments

None of the directors received any emoluments from the Company during the year (2012: £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 (2012: nil). All administrative duties are performed by employees of Royal & Sun Alliance Insurance plc at no cost to the Company (2012: £nil).

MILLHOOD LIMITED
Year ended 31 December 2013

6. Taxation

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

	2013 £	2012 £
Current Tax		
UK corporation tax	11,425	790
Adjustments in respect of prior periods	(43,360)	-
Total current tax (credit)/charge	(31,935)	790

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 (credit) / charge

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

	2013 £	2012 £
Profit on ordinary activities before tax	50,743	3,000
Tax at 23.2% (2012: 24.5%)	11,796	735
<i>Factors affecting (credit)/charge</i>		
Fiscal adjustments	(371)	55
Adjustments to tax charge in respect of previous periods	(43,360)	-
Current tax (credit)/charge for the year	(31,935)	790

The Company has no deferred tax assets or liabilities at 31 December 2013 or 31 December 2012.

7. Debtors

Amounts falling due within one year:

	2013 £	2012 £
Trade debtors	41,900	3,380
Amounts owed from group undertakings	86,894	86,895
Other debtors including taxation and social security	31,935	-
	160,729	90,275

8. Creditors: Amounts falling due within one year

	2013 £	2012 £
Other creditors including taxation and social security	2,030	640
Amounts owed to group undertakings	131,044	-
	133,074	640

MILLHOOD LIMITED
Year ended 31 December 2013

9. Share capital

	2013	2012
	£	£
Allotted, issued and fully paid up:		
1(2012: 1) ordinary share of £1 each	1	1
	<u>1</u>	<u>1</u>

10. Movements in shareholder funds

	Share capital	Profit and loss account	2013	2012
	£	£	£	£
Shareholder funds at 1 January	1	89,634	89,635	87,425
Profit for the financial year	-	82,678	82,678	2,210
Shareholder funds at 31 December	1	172,312	172,313	89,635

11. 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.

12. 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.

13. 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 20 Fenchurch Street, London, EC3M 3AU.