

**Registered Number: 00734314**

**RSA Accident Repairs Limited**

**Annual Report and Accounts**

**for the year ended 31 December 2016**



# RSA Accident Repairs Limited

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# **RSA Accident Repairs Limited**

## **Company Information**

### **Directors**

Mr. J Cope (appointed 1st February 2017)

Mr. I Currie

Mr. N Howe (resigned 31st January 2017)

### **Secretary**

Roysun Limited

### **Registered Office**

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

### **Business Address**

Kembrey Park  
Swindon  
SN2 8UH

### **Auditor**

KPMG LLP  
15 Canada Square  
Canary Wharf  
London  
E14 5GL

### **Principal Banker**

HSBC Bank Plc  
Regional Service Centre Europe  
P O Box 125  
2nd Floor  
62-67 Park Street  
London  
SE1 9DZ

# **RSA Accident Repairs Limited**

## **Strategic report**

For the year ended 31 December 2016

The directors present their annual report on the affairs of the Company and the audited financial statements for the year ended 31 December 2016.

### **Business review and principal activity**

The Company operates under the trading name Motor Repair Network Management. The principal activity of the Company is the management of a motor repairer network of accident repair body shops. This involves repairing vehicles involved in accidents (either through its own body shops or through the use of subcontractors) and charging fees for these services.

The results for the Company show a profit on ordinary activities before tax of £3,618,000 (2015: £3,187,000) for the year. The shareholders' funds of the Company as at 31 December 2016 were £9,893,000 (2015: £13,902,000).

### **Future outlook**

On 28<sup>th</sup> February 2017 the company announced the sale of 6 garages to Nationwide Repair Services Ltd. There are not expected to be any further changes to the Company's activities.

### **Principal risks and uncertainties**

The principal risks and uncertainties of the Company relate to credit risk and liquidity risk. These risks are managed in accordance with RSA Insurance Group plc (the "Group"). 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 notes, and in risk management review in the Annual Report and Accounts of the Group, which do not form part of this report.

### **Key performance indicators**

The company's main Key Performance Indicators (KPI's) are focused around profitable growth. The Company monitors the price per repair ratio and increasing repair volumes in order to generate additional profit for the business.

### **Employment policy**

The performance and expertise of the Company's employees are key to the successful delivery of the Company and Group's strategy.

Employee's opinions remain of importance to the Company and a pulse survey was taken in 2016 to accompany our two year YOURSAY data. Discussions have been had across the organisation and local teams to create action plans to implement positive changes.

During 2016 the Company has continued on its transformation journey and a cultural shift across the Company via the introduction of technology platforms such as Sharepoint. This has led to improved collaboration and knowledge sharing as well as giving all employees access to the senior leadership of the organisation. Senior Leaders 'Town Hall' meetings are held using live streaming and sharepoint to communicate the Group's full and half year results. To encourage employee involvement in the Group's performance a number of employee share plans are offered.

Performance and talent management processes are in place across the Company to ensure an ongoing focus on high performance and the development and acquisition of talent. In 2016, we have seen an upgrade in our learning platforms as well as the introduction of a bespoke video portal, offering the opportunity to create and add learning content. Additionally we have focused on senior leadership 360 degree feedback and change transformation learning has continued to focus on retraining talent.

The Company is committed to diversity and the promotion of equal opportunities. The Company has continued to invest in strengthening its pipeline of female employees in senior leadership positions and in 2016 became a sponsoring partner in financial services LGBT network. The Company is committed wherever possible, to employing and developing people who are disabled, or become disabled during their career with the Company.

### **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 in 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.

# RSA Accident Repairs Limited

## Strategic Report (Continued)

For the year ended 31 December 2016

### *Credit risk*

The Board consider credit risk arising from receivables in the balance sheet to be remote because the Company's receivables balance is due from Group companies.

### *Liquidity risk*

Liquidity risk is considered to be a low risk category. Group liquidity is managed by Group Treasury and each operation is required to maintain a minimum level of cash and cash equivalent or highly liquid assets that can be liquidated within a maximum stated period of time.

By order of the Board



For and on behalf of Roysun Limited

E. Bell  
Secretary

18/1/2017

# RSA Accident Repairs Limited

## Directors' report

For the year ended 31 December 2016

### Directors

The names of the directors who served during the year are listed on page 1.

### Directors' responsibilities

The directors' responsibilities statement appears on page 5 and is incorporated by reference into this report.

None of the directors have any interest in the share capital of the Company.

### Dividends

The directors did not recommend payment of a final dividend in respect of the year ended 31 December 2016 (2015: £nil). An interim dividend of £6,000,000.00 was paid during the year (2015: nil).

### Information included within the Strategic Review

Information relating to financial risk management, likely future developments and the Company's employment policy is contained within the Strategic report on page 2 and is incorporated into this report by reference.

### Political donations

The Company did not make any political donations during the financial year (2015: £nil).

### 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 reasonable 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 have confirmed their willingness to continue in office as auditor of the Company for the year ending 31 December 2017. Under the Companies Act 2016, the Company is not required to hold an Annual General Meeting and accordingly KPMG LLP will be deemed to be re-appointed for each succeeding financial year.

### Going concern

In considering the appropriateness of the going concern basis the Board have reviewed the Company's ongoing financial commitments for the next twelve months and beyond. The Board's review included consideration of the Company's twelve month operation plan and its strong capital position. As a result of this review, the directors have satisfied themselves that it is appropriate to prepare these financial statements on a going concern basis.

Signed by order of the Board



For and on behalf of Roysun Limited

E. Bell  
Secretary

18/5/2017

## **RSA Accident Repairs Limited**

### **Statement of Directors' responsibilities in respect of the Strategic Report, the Directors' Report and the Financial Statements**

The Directors are responsible for preparing the Strategic report, 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), including FRS 101 *Reduced Disclosure Framework*.

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 apply them consistently;
- make judgments 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.

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.

# RSA Accident Repairs Limited

## Independent auditor's report to the members of RSA Accident Repairs Limited

We have audited the financial statements of RSA Accident Repairs Limited for the year ended 31 December 2016 set out on pages 7 to 17. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 101 Reduced Disclosure Framework.

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

### Respective responsibilities of the Directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 5, 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 on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://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 2016 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 matters prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year is consistent with the financial statements.

Based solely on the work required to be undertaken in the course of the audit of the financial statements and from reading the Strategic report and the Directors' report:

- we have not identified material misstatements in those reports; and
- in our opinion, those reports have been prepared in accordance with the Companies Act 2006.

### 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.



Murray Raisbeck (Senior Statutory Auditor)  
for and on behalf of KPMG LLP, Statutory Auditor  
15 Canada Square  
Canary Wharf  
London  
E14 5GL  
18/5/2017



## RSA Accident Repairs Limited

### Profit and loss account for the year ended 31 December 2016

		2016	2015
	Notes	£'000	£'000
Turnover	2	198,930	202,331
Operating expenses	3	(195,312)	(199,144)
Operating profit	4	3,618	3,187
Profit on ordinary activities before tax		3,618	3,187
Taxation on profit on ordinary activities	10	(1,689)	(609)
Profit for the financial year		1,929	2,578

All figures relate to continuing operations.

The notes on pages 10 to 17 form an integral part of these accounts.

### Statement of other comprehensive income for the year ended 31 December 2016

	2016	2015
Notes	£'000	£'000
Profit for the financial year	1,929	2,578
Net unrealised surplus on revaluation of properties	61	451
Total comprehensive income for the year	1,990	3,029

## RSA Accident Repairs Limited

### Statement of changes in equity for the year ended 31 December 2016

	Called up share capital £'000	Revaluation reserves £'000	Profit & Loss Account £'000	Total Sharehol ders Funds £'000
Balance at 1 January 2016	8,000	1,214	4,688	13,902
Profit for the Financial Year	-	-	1,929	1,929
Dividends – paid	-	-	(6,000)	(6,000)
Other reserve transfers	-	61	-	61
<b>Balance at 31 December 2016</b>	<b>8,000</b>	<b>1,275</b>	<b>618</b>	<b>9,893</b>

### Statement of changes in equity for the year ended 31 December 2015

	Called up share capital £'000	Revaluation reserves £'000	Profit & Loss Account £'000	Total Sharehol ders Funds £'000
Balance at 1 January 2015	8,000	763	2,110	10,873
Profit for the Financial Year	-	-	2,578	2,578
Other reserve transfers	-	451	-	451
<b>Balance at 31 December 2015</b>	<b>8,000</b>	<b>1,214</b>	<b>4,688</b>	<b>13,902</b>

The notes on pages 10 to 17 form an integral part of these accounts.

**Registered Number: 00734314**  
**RSA Accident Repairs Limited**

**Balance sheet**  
as at 31 December 2016

	Notes	2016 £'000	2015 £'000
<b>Financial assets</b>			
Tangible fixed assets	11	-	4,698
<b>Current assets</b>			
Stocks	12	-	588
Debtors: amounts falling due within one year	13	395	1,385
Cash at bank and in hand		18,227	18,383
Assets held for sale and disposal groups	6	5,669	-
		<b>24,291</b>	<b>20,356</b>
Creditors: amounts falling due within one year	15	(14,273)	(11,152)
Liabilities for disposal groups	6	(125)	-
<b>Net current assets</b>		<b>9,893</b>	<b>9,204</b>
<b>Total assets less current liabilities</b>		<b>9,893</b>	<b>13,902</b>
<b>Capital and reserves</b>			
Called up share capital	16	8,000	8,000
Revaluation reserve		1,275	1,214
Profit and loss account		618	4,688
<b>Shareholders' funds</b>		<b>9,893</b>	<b>13,902</b>

The attached notes on pages 10 to 17 form an integral part of these accounts.

The financial statements of RSA Accident Repairs Limited (registered number 00734314) were approved on 18/05/2017 by the Board of Directors and are signed on its behalf by:



JONATHAN COPE

Director  
18/05/2017

# RSA Accident Repairs Limited

## Notes to the accounts

### 1. Basis of preparation (Financial Statements)

The Company is a wholly owned subsidiary of RSA Insurance Group plc (RSAIG). RSA Accident Repairs Limited is a company incorporated and domiciled in the UK. The Company's ultimate parent company and controlling party is RSAIG, which is registered in England and Wales and is the parent company of the smallest and largest group to consolidate these financial statements. RSAIG has prepared its company accounts under IFRS as adopted by the EU since its date of transition to IFRS at 1 January 2004.

The financial statements are prepared in accordance with Financial Reporting Standard (FRS 101) Reduced Disclosure Framework and in compliance with the Companies Act 2006. The amendments to FRS 101 (2013/14 Cycle) issued in July 2014 and effective immediately have been applied.

The Company financial statements are presented in Pound Sterling, which is also the Company's functional currency.

FRS 101 requires the Company to follow the requirements of each relevant International Financial Reporting Standard (IFRS) except that it permits a number of exceptions that would be required if the Company was to prepare accounts in compliance with IFRS.

The Company has written to its shareholders informing them that it will make use of these exemptions and received no objections.

The exemptions used by the Company are as follows:-

- Cash Flow Statement and related notes;
- Disclosure in respect of capital management;
- The effects of new but not yet effective IFRSs;
- An additional balance sheet for the beginning of the earliest comparative period following the retrospective change in accounting policy;

As the consolidated financial statements of the company's ultimate parent undertaking include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:-

- Certain disclosures required by IFRS 13 Fair Value Measurement of the disclosures required by IFRS7 Financial Instrument Disclosures.
- Certain disclosures required by IAS 24 Related party disclosures

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 Company's ongoing financial commitments for the next twelve months and beyond. As a result of this review the directors have satisfied themselves that it is appropriate to prepare these financial statements on a going concern basis.

### Significant Accounting Policies

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

#### (a) Business classified as held for sale

The company exercises judgements when determining the businesses that are designed as held for sale.

These judgements include the likelihood of the successful completion of a sale and valuation of the estimated proceeds from a future sale. The analysis of the business classified as held for sale are included in note 6.

#### (b) Turnover

Turnover is stated exclusive of value added tax and comprise of income derived from the provision of accident repair services. Revenue is recognised as services are provided.

#### (c) Pension costs

The Company contributes to pension schemes operated by various companies within RSA Insurance Group plc (the 'Group'). The schemes are funded through the payments to trustee administered funds, determined by periodical actuarial calculations. The Group has both defined contribution and defined benefit schemes.

Contributions made by the Company to the Group defined contribution schemes are charged to the profit and loss account in the period to which they relate.

A defined benefit scheme is a pension scheme that defines an amount of pension benefit that an employee will receive on retirement usually dependent on one or more factors such as age, years of service and level of salary. A Group defined benefit scheme is a scheme in which the company's employees participate together with employees of other related companies.

## **RSA Accident Repairs Limited**

### **Notes to the accounts (continued)**

#### **(c) Pension costs (Continued)**

Where the contributions of the Company are set in relation to the current service period only (i.e. are not affected by any surplus or deficit in the scheme related to past service of its own employees or any other members of the scheme) the pension arrangements are accounted for as if they are a defined contribution scheme. Contributions to such schemes are charged in the period in which the employment services qualifying for the benefit are provided. Differences between contributions payable in the year and contributions actually paid are shown as either prepayments or accruals in the balance sheet.

#### **(d) Tangible fixed assets**

Tangible fixed assets are stated in the balance sheet at their revalued amount (freehold land & buildings) or cost (all other fixed assets) less accumulated depreciation.

Depreciation is calculated to write off the revalued amount or cost less estimated residual value of the tangible fixed assets on a straight line basis over their expected useful lives. No depreciation is charged on freehold land. Depreciation is charged as follows:

Freehold buildings	Over 50 years
Leasehold improvements	Over 50 years or the term of the lease if shorter
Computer equipment	Over 3 to 5 years
Plant and machinery	Over 5 years

Increases in the carrying amount arising on the revaluation of freehold land and buildings are credited to the revaluation reserve. Decreases that offset the previous increases of the same asset are charged against the revaluation surplus; other decreases are charged to the Income Statement. Each year the difference between depreciation based on the valuation of assets charged to the income statement and depreciation based on the assets original cost is transferred from revaluation surplus to retained earnings.

#### **(e) Taxation and deferred tax**

Taxation and deferred tax is recognised in the profit and loss account, except to the extent that the tax arises from a transaction or event recognised either in other comprehensive income or directly in equity.

Taxation is based on profits and income for the year as determined in accordance with the relevant tax legislation, together with adjustments for prior years.

Deferred tax is provided in full using the liability method on temporary differences arising between the tax bases of assets and liabilities and the carrying amounts in the financial statements. However, if the deferred tax arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting, nor taxable profit or loss, it is not accounted for. Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the related deferred tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which unused tax losses and temporary differences can be utilised.

#### **(f) Stocks**

Stocks comprise raw materials and consumables and work-in-progress, and is stated at the lower of cost and net realisable value. Cost of materials is purchase invoice value.

#### **(g) Operating leases**

Payments made under operating leases are charged to the profit and loss on a straight line basis over the term of the lease.

#### **(h) 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 UK and is derived from the Company's principal activity.

### **3. Operating Expenses**

Operating expenses are derived from the Company's principal activity.

## RSA Accident Repairs Limited

### Notes to the accounts (continued)

#### 4. Operating Profit

	2016	2015
	£'000	£'000
Operating profit is stated after charging:-		
Depreciation of tangible fixed assets	356	373
Operating lease charges		
- plant and machinery	1,146	1,139
- other	442	405

#### 5. Auditor's remuneration

Fees payable to KPMG LLP for the audit of the Company's accounts for the year ended 31 December 2016 were £14,500 (31 December 2015: £16,000) which were borne by a parent company, RSA Insurance Group plc. Details of non-audit fees payable to KPMG LLP are disclosed in the RSA Group plc 2015 Annual Report and Accounts.

#### 6. Held for Sale Disposal Group

The Company announced on 28th February 2017 the sale of 6 garages to Nationwide Repair Services Ltd. Below is the listing of assets and liabilities included within the transfer.

	Note	£'000
<b>Assets classified as held for sale</b>		
Fixed Assets	11	4,554
Stock	12	581
Debtors	13	534
<b>Total assets of Disposal Group</b>		<b>5,669</b>
<b>Liabilities directly associated with assets classified as held for sale</b>		
Creditors	15	(125)
<b>Liabilities of disposal groups</b>		<b>(125)</b>
<b>Total net assets of disposal groups</b>		<b>5,544</b>

Please see Note references 11, 12, 13 and 15 further on in this document for additional detail.

#### 7. Directors' emoluments

The directors were all remunerated by Royal & Sun Alliance Insurance plc, a fellow subsidiary of RSA Insurance Group plc, for their services to the RSA Group as a whole. They were not remunerated for their services as directors of the Company and the amount of time spent performing their duties is incidental to their roles across the RSA Group. This is consistent with prior years.

## RSA Accident Repairs Limited

### Notes to the accounts (continued)

#### 8. Employees and Staff Costs

##### Number of employees

The average number of employees during the year was:-

Technicians

Administration

2016	2015
Number	Number
183	173
177	170
360	343

See Note 19 - Post Balance Sheet Event. This details the number of employees affected by the announced sale of garages.

##### Employment Costs

Wages and salaries

Social security costs

Other pension costs (see note 9)

2016	2015
£'000	£'000
10,317	10,108
1,010	953
195	207
11,522	11,268

#### 9. Pension Commitments

##### Defined Benefit Scheme

12 employees are members of the SAL Pension Scheme (SAL) which is a defined benefit pension scheme. The company's share of the assets and liabilities cannot be identified and as a consequence the pension arrangements have been accounted for as if they are a defined contribution scheme. The total assets of the scheme as at 31 December 2016 were £5,032,100,000. (2015: £4,172,200,000)

As at 31 December 2016 the outstanding contributions were £nil. (2015: £1,280)

##### Defined Contribution Scheme

47 employees are members of the contract based RSA stakeholder plan, a Group defined contribution scheme. Total contribution made in 2016 were £191,493.41. The comparative amount in 2015 was £200,942.51

## RSA Accident Repairs Limited

### Notes to the accounts (continued)

#### 10. Taxation

The tax amounts charged in the profit and loss account are as follows:

	2016	2015
	£'000	£'000
<b>Current tax</b>		
UK corporation tax	889	638
Adjustments in respect of prior periods	-	(188)
<b>Total current tax</b>	<b>889</b>	<b>450</b>
<b>Deferred tax</b>		
Timing differences - origination and reversal	756	(67)
Adjustments in respect of prior periods	-	145
Adjustments for change in tax rate	44	81
<b>Total deferred tax (see note 14)</b>	<b>800</b>	<b>159</b>
<b>Total tax charge</b>	<b>1,689</b>	<b>609</b>

The UK corporation tax for the current year is based on a rate of 20% (2015: 20.2%).

#### *Reconciliation of the total tax charge*

The tax charge for the year is more than 20.0% (2015: less than 20.2%) due to the items set out in the reconciliation below:

	2016	2015
	£'000	£'000
<b>Profit on ordinary activities before tax</b>	<b>3,618</b>	<b>3,187</b>
Tax at the UK rate of 20% (2015 at 20.2%)	723	645
<i>Factors affecting the tax charge:</i>		
Expenses not deductible for tax purposes	15	17
Fiscal adjustments	(99)	(100)
Adjustment to charge in respect of previous periods	-	(44)
Movement in deferred tax assets not recognised	822	-
Effect of change in tax rates - CT/DT variance	12	9
Effect of change in tax rates - change in DT rate	44	82
Group relief rate variance	172	-
<b>Total tax charge</b>	<b>1,689</b>	<b>609</b>



## RSA Accident Repairs Limited

### Notes to the accounts (continued)

#### 11. Tangible fixed assets

	Freehold land and buildings	Short leasehold buildings and leasehold improvements	Plant and machinery	Disposal: Held for Sale	Total
Cost or Fair value	£'000	£'000	£'000	£'000	£'000
At 1 January 2016	3,750	857	4,786	9,393	-
Additions	65	42	44	151	-
Disposals	-	-	(6)	(6)	-
At 31 December 2016	<b>3,815</b>	<b>899</b>	<b>4,824</b>	<b>9,538</b>	-
<b>Depreciation</b>					
At 1 January 2016	-	556	4,139	4,695	-
Charge for the year	76	76	204	356	-
Depreciation on disposals	-	-	(6)	(6)	-
Eliminated on revaluation	(61)	-	-	(61)	-
At 31 December 2016	<b>15</b>	<b>632</b>	<b>4,337</b>	<b>4,984</b>	-
<b>Net carrying amount / Net book value</b>					
At 31 December 2016	<b>3,800</b>	<b>267</b>	<b>487</b>	<b>4,554</b>	-
At 31 December 2015	3,750	301	647	-	4,698

	Freehold land and buildings	Short leasehold buildings and leasehold improvements	Plant and machinery	Total
Cost or Fair value	£'000	£'000	£'000	£'000
At 1 January 2015	3,300	838	4,514	8,652
Additions	61	19	272	352
Surplus on revaluation	389	-	-	389
At 31 December 2015	<b>3,750</b>	<b>857</b>	<b>4,786</b>	<b>9,393</b>
<b>Depreciation</b>				
At 1 January 2015	-	487	3,897	4,384
Charge for the year	62	69	242	373
Eliminated on revaluation	(62)	-	-	(62)
At 31 December 2015	-	<b>556</b>	<b>4,139</b>	<b>4,695</b>
<b>Net carrying amount / Net book value</b>				
At 31 December 2015	<b>3,750</b>	<b>301</b>	<b>647</b>	<b>4,698</b>
At 31 December 2014	3,300	351	617	4,268

The comparable amounts of land and buildings included above at valuation determined according to the historical cost accounting rules as follows:-

	Land £'000	Buildings £'000
Cost or Fair value	1,109	2,386
Accumulated depreciation	-	(923)
<b>Net book value at 31 December 2016</b>	<b>1,109</b>	<b>1,463</b>
Net book value at 31 December 2015	1,109	1,472

Freehold properties were revalued in December 2016, by Messrs Jones Lang LaSalle, independent Chartered Surveyors, on the basis of open market value for existing use. No provision has been made for additional United Kingdom taxation, which would arise if the land and buildings were disposed of at their revalued amount.

## RSA Accident Repairs Limited

### Notes to the accounts (continued)

#### 12. Stocks

	2016	Disposal: Held for Sale	2015
	£'000	£'000	£'000
Raw material and consumables	-	119	106
Work in progress	-	461	482
	-	581	588

#### 13. Debtors: amounts falling due within one year

	2016	Disposal: Held for Sale	2015
	£'000	£'000	£'000
Trade debtors	43	-	34
Other debtors including taxation and social security	352	-	887
Prepayments and accrued income	-	534	464
	395	534	1,385

Other debtors includes £0 (2015: £800,096) relating to deferred tax (see note 14).

#### 14. Deferred tax

Deferred tax for the current year is based on a rate of 17% (2015: 18%)

	2016	2015
	£'000	£'000
Accelerated capital allowances	-	800
Deferred tax asset	-	800
	2016	2015
	£'000	£'000
As at 1 January	800	959
Amounts (charged) / credited to the profit and loss account	(756)	(78)
Effect of change in tax rates - profit and loss account	(44)	(81)
Deferred tax asset at 31 December	-	800

#### 15. Creditors: amounts falling due within one year

	2016	Disposal: Held for Sale	2015
	£'000	£'000	£'000
Trade creditors	8,723	-	5,115
Amounts owed to Group undertakings	1,033	-	1,421
Other creditors including taxation and social security	4,157	-	3,808
Accruals and deferred income	360	125	808
	14,273	125	11,152

#### 16. Share Capital

	2016	2015
	£'000	£'000
Allotted, issued and fully paid	8,000	8,000
8,000,000 ordinary shares at £1 each (2015: 8,000,000 ordinary shares at £1 each)	8,000	8,000

## RSA Accident Repairs Limited

### Notes to the accounts (continued)

#### 17. Operating lease commitments

Annual commitments in respect of non-cancellable operating leases are as follows:-

	Property	Property	Vehicles, plant and equipment	Vehicles, plant and equipment
	2016	2015	2016	2015
	£'000	£'000	£'000	£'000
Operating leases which expire:				
Within 1 year	-	-	484	604
Between 2 and 5 years	-	-	164	165
After 5 years	433	330	-	-
Total	433	330	648	769

#### 18. Parent companies

The Company's immediate parent company is Royal Insurance Holdings Limited, 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.

#### 19. Post Balance Sheet Event

As referenced in the Strategic Report, the Company announced on 28<sup>th</sup> February 2017 the sale of 6 garages to Nationwide Repair Services Ltd.

Approximately 330 people employed across the 6 sites will transfer to Nationwide Crash Repair Centres under TUPE arrangements.

The sale will not have an impact on our brokers or customers, who will continue to receive the same quality of service.