

**Registered Number: 00734314**

**RSA Accident Repairs Limited**

**Annual Report and Accounts**

**for the year ended 31 December 2017**

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# RSA Accident Repairs Limited

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# **RSA Accident Repairs Limited**

## **Company Information**

### **Directors**

Mr. J Cope

Mr. I Currie

Mr. N Howe (resigned 31 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

# RSA Accident Repairs Limited

## Strategic report

For the year ended 31 December 2017

The directors present their annual report on the affairs of the Company and the audited financial statements for the year ended 31 December 2017.

### Business review and principal activity

The Company operates under the trading name Motor Repair Network Management. The principal activity of the Company is the supply and management of an Accident Repair Network for Motor Repairs arising from an insurance claim. This involves repairing vehicles involved in accidents through the use of subcontractors.

On 28<sup>th</sup> February 2017 the company completed the sale of its 6 garages to Nationwide Repair Services Ltd.

The results for the Company show a profit on ordinary activities before tax of £11,111,000 (2016: £3,618,000) for the year. The shareholders' funds of the Company as at 31 December 2017 were £20,893,000 (2016: £9,893,000).

### 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.

### 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.

#### *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.

### Future outlook

There is not expected to be any further changes to the Company's activities for the foreseeable future.

### 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 Strategic report – risk management on pages 33 to 37 and in risk management on pages 118 to 126 of the Annual Report & Accounts of the Group, which do not form part of this report.

By order of the Board



For and on behalf of Roysun Limited

Secretary

24 May 2018

# RSA Accident Repairs Limited

## Directors' report

For the year ended 31 December 2017

### 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 4 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 2017 (2016: £nil). No interim dividend was paid during the year (2016: £6,000,000).

### 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 (2016: £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.

Under the Companies Act 2006, 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.

### Directors' Indemnity

Article 82 and 83 of the Articles of Association provides that, among other things and insofar as permitted by law, the Company may indemnify its directors against any liability and may purchase and maintain insurance against any liability. As permitted by section 233 of the Companies Act 2006, the Company, through its ultimate parent company, purchased and maintained Directors and Officers insurance for its directors and officers which provides suitable cover in relation to the discharge of their duties as directors and officers.

### Going concern

In considering the appropriateness of the going concern basis, the Board has reviewed the Company's ongoing commitments for the next twelve months and beyond. The Board's review included the Company's strategic plans and updated forecasts, capital position, liquidity and credit facilities and investment portfolio.

Based on this review no material uncertainties that would require disclosure have been identified in relation to the ability of the Company to remain a going concern for at least the next twelve months, from both the date of the balance sheet and the approval of the financial statements.

It is therefore concluded that the going concern basis is appropriate for the preparation of the 2017 financial statements.

Signed by order of the Board



For and on behalf of Roysun Limited  
Secretary

20 May 2018

## 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 such 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;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and 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**

### **Opinion**

We have audited the financial statements of RSA Accident Repairs Limited ("the company") for the year ended 31 December 2017 which comprise the Profit and Loss Account, Statement of Other Comprehensive Income, Statement of Changes in Equity, Balance Sheet and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 Reduced Disclosure Framework; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

### **Going concern**

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

### **Strategic report and Directors' report**

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; 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**

Under the Companies Act 2006 we are required 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.

We have nothing to report in these respects.

### **Directors' responsibilities**

As explained more fully in their 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; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

# RSA Accident Repairs Limited

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

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

### The purpose of our audit work and to whom we owe our responsibilities

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.

*Jessica S.S. Katsouris*

Jessica Katsouris (Senior Statutory Auditor)  
for and on behalf of KPMG LLP, Statutory Auditor  
Chartered Accountants  
15 Canada Square  
London  
E14 5GL

21 May 2018



## RSA Accident Repairs Limited

### Profit and loss account for the year ended 31 December 2017

		2017	2016
	Notes	£'000	£'000
Turnover	2	195,618	198,930
Operating expenses	3	(191,605)	(195,312)
<b>Operating profit</b>	4	<b>4,013</b>	3,618
Profit on disposal	6	7,098	-
<b>Profit on ordinary activities before tax</b>		<b>11,111</b>	3,618
Taxation on profit on ordinary activities	11	(69)	(1,689)
<b>Profit for the financial year</b>		<b>11,042</b>	1,929

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 2017

		2017	2016
	Notes	£'000	£'000
<b>Profit for the financial year</b>		<b>11,042</b>	1,929
Net unrealised (loss)/surplus on revaluation of properties		(42)	61
<b>Total comprehensive income for the year</b>		<b>11,000</b>	1,990

# RSA Accident Repairs Limited

## Statement of changes in equity for the year ended 31 December 2017

	Called up share capital £'000	Revaluation reserves £'000	Profit & Loss Account £'000	Total Shareholders Funds £'000
Balance at 1 January 2017	8,000	1,275	618	9,893
Profit for the Financial Year	-	-	11,042	11,042
Other reserve transfers	-	(1,275)	1,233	(42)
<b>Balance at 31 December 2017</b>	<b>8,000</b>	<b>-</b>	<b>12,893</b>	<b>20,893</b>

## 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 Shareholders Funds £'000
Balance at 1 January 2016	8,000	1,214	4,689	13,903
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>

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 2017

	Notes	2017 £'000	2016 £'000
<b>Financial assets</b>			
Tangible fixed assets	12	-	-
<b>Current assets</b>			
Debtors: amounts falling due within one year	13	10,245	395
Cash at bank and in hand		13,751	18,227
Assets held for sale and disposal groups	5	-	5,669
		<b>23,996</b>	<b>24,291</b>
Creditors: amounts falling due within one year	15	(3,103)	(14,273)
Liabilities for disposal groups		-	(125)
<b>Net current assets</b>		<b>20,893</b>	<b>9,893</b>
<b>Total assets less current liabilities</b>		<b>20,893</b>	<b>9,893</b>
<b>Capital and reserves</b>			
Called up share capital	16	8,000	8,000
Revaluation reserve		-	1,275
Profit and loss account		12,893	618
<b>Shareholders' funds</b>		<b>20,893</b>	<b>9,893</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 May 2018 by the Board of Directors and are signed on its behalf by:

  
Jonathan Cope  
Director

21 May 2018

# **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 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 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) 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.

#### **(b) 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.

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.

# RSA Accident Repairs Limited

## Notes to the accounts (continued)

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

#### (c) Tangible fixed assets

Tangible fixed assets are stated in the balance sheet at cost less accumulated depreciation.

Depreciation is calculated on a straight line basis over their expected useful lives.

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

The assets held on the Fixed Asset Register have been fully depreciated.

#### (d) 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 in respect of the unremitted earnings of overseas subsidiaries and principal associated undertakings is recognised as an expense in the year in which the profits arise, except where the remittance of earnings can be controlled and it is probable that remittance will not take place in the foreseeable future, in which case the tax charge is recognised on the dividends received.

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.

#### (e) 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.

#### (f) 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.

### 4. Operating Profit

Operating profit is stated after charging:-

Depreciation of tangible fixed assets

Operating lease charges

- plant and machinery

- other

	2017	2016
	£'000	£'000
Depreciation of tangible fixed assets	60	356
Operating lease charges		
- plant and machinery	-	1,146
- other	19	442

# RSA Accident Repairs Limited

## Notes to the accounts (continued)

### 5. Held for Sale Disposal Group

The following balances were identified as held for sale as at 31 December 2016 and are included in the comparative tables for the notes where applicable in this report.

	Note	2017 £'000	2016 £'000
<b>Assets classified as held for sale</b>			
Fixed Assets	12	-	4,554
Stock		-	581
Debtors	13	-	534
<b>Total assets of Disposal Group</b>		-	5,669
<b>Liabilities directly associated with assets classified as held for sale</b>			
Creditors	15	-	(125)
<b>Liabilities of disposal groups</b>		-	(125)
<b>Total net assets of disposal groups</b>		-	5,544

The disposal group was sold during the year. See note 6 below for further information.

### 6. Profit on disposal

	2017 £'000	2016 £'000
Consideration received	12,828	-
Transaction costs	(843)	-
Carrying value of net assets disposed	(4,887)	-
<b>Profit on disposal</b>	<b>7,098</b>	-

During the year ended 31<sup>st</sup> December 2017, a profit on disposal of £7.1m was recorded in relation to the sale of 6 garages to Nationwide Repair Services Ltd.

### 7. Auditor's remuneration

Fees payable to KPMG LLP for the audit of the Company's accounts for the year ended 31 December 2017 were £14,500 (31 December 2016: £14,500) 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 2017 Annual Report and Accounts.

### 8. 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)

### 9. Employees and Staff Costs

#### Number of employees

	2017 Number	2016 Number
The average number of employees during the year was;		
Technicians	30	183
Administration	43	177
<b>Total</b>	<b>73</b>	<b>360</b>

350 staff were employed as part of QRC garages for the first two months and are included in the numbers above. The employees remaining are all administration.

#### Employment Costs

	2017 £'000	2016 £'000
Wages and salaries	2,369	10,317
Social security costs	217	1,010
Other pension costs (see note 10)	40	195
	<b>2,626</b>	<b>11,522</b>

### 10. Pension Commitments

#### Defined Benefit Scheme

The company participates in the SAL Pension Scheme, a defined benefit pension scheme sponsored by RSA Insurance Group plc. Full details of this defined benefit scheme are disclosed in the Post-retirement benefits and obligations note in the consolidated financial statements of RSA Insurance Group plc. A copy of the latest consolidated financial statements of the Group can be obtained from [www.rsagroup.com](http://www.rsagroup.com).

As at 31 December 2017 the outstanding contributions were £nil (2016: £nil).

#### Defined Contribution Scheme

17 employees are members of the contract based People's Pension stakeholder plan. Total contributions made in 2017 were £43,810.44. The comparative amount in 2016 was £191,493.41

# RSA Accident Repairs Limited

## Notes to the accounts (continued)

### 11. Taxation

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

	2017 £'000	2016 £'000
<b>Current tax</b>		
UK corporation tax	757	889
Adjustments in respect of prior periods	(174)	-
<b>Total current tax</b>	<b>583</b>	<b>889</b>
<b>Deferred tax</b>		
Timing differences - origination and reversal	(514)	756
Adjustments for change in tax rate	-	44
<b>Total deferred tax (see note 14)</b>	<b>(514)</b>	<b>800</b>
<b>Total tax charge</b>	<b>69</b>	<b>1,689</b>

The UK corporation tax for the current year is based on a rate of 19.2% (2016: 20%). The rate of corporation tax has reduced from 20% to 19% effective 1 April 2017, and as a result a composite rate of 19.2% has been used in the accounts.

#### Reconciliation of the total tax charge

The tax charge for the year is less than 19.2% (2016: more than 20%) due to the items set out in the reconciliation below:

	2017 £'000	2016 £'000
<b>Profit on ordinary activities before tax</b>	<b>11,111</b>	<b>3,618</b>
Tax at the UK rate of 19.2% (2016 at 20%)	2,139	723
<i>Factors affecting the tax charge:</i>		
Expenses not deductible for tax purposes	2	15
Tax exempt income and investment gains/(losses)	(1,200)	
Fiscal adjustments	(62)	(99)
Adjustment to tax charge in respect of previous periods	(174)	
Movement in deferred tax assets not recognised	(605)	822
Effect of change in tax rates - CT/DT variance	(12)	12
Effect of change in tax rates - change in DT rate		44
Group relief surrendered / (received) without payment	(19)	172
<b>Total tax charge</b>	<b>69</b>	<b>1,689</b>



# RSA Accident Repairs Limited

## Notes to the accounts (continued)

### 12. 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 2017	3,815	899	4,824		9,538
Additions		16	26		42
Disposals	(3,815)	(915)	(4,779)	-	(9,509)
<b>At 31 December 2017</b>	<b>-</b>	<b>-</b>	<b>71</b>	<b>-</b>	<b>71</b>
<b>Depreciation</b>					
At 1 January 2017	15	632	4,337	-	4,984
Charge for the year	13	13	34	-	60
Depreciation on disposals	(28)	(645)	(4,300)		(4,973)
Eliminated on revaluation	-	-	-	-	-
<b>At 31 December 2017</b>	<b>-</b>	<b>-</b>	<b>71</b>	<b>-</b>	<b>71</b>
<b>Net carrying amount / Net book value</b>					
<b>At 31 December 2017</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
At 31 December 2016	3,800	267	487	4,554	-

	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	-
Surplus on revaluation	-	-	(6)	(6)	-
<b>At 31 December 2016</b>	<b>3,815</b>	<b>899</b>	<b>4,824</b>	<b>9,538</b>	<b>-</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)	-
<b>At 31 December 2016</b>	<b>15</b>	<b>632</b>	<b>4,337</b>	<b>4,984</b>	<b>-</b>
<b>Net carrying amount / Net book value</b>					
<b>At 31 December 2016</b>	<b>3,800</b>	<b>267</b>	<b>487</b>	<b>4,554</b>	<b>-</b>
At 31 December 2015	3,750	301	647	-	4,698

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	-	-
Accumulated depreciation	-	-
<b>Net book value at 31 December 2017</b>	<b>-</b>	<b>-</b>
Net book value at 31 December 2016	1,109	1,463

# RSA Accident Repairs Limited

## Notes to the accounts (continued)

### 13. Debtors: amounts falling due within 1 year

	2017 £'000	Disposal: Held for Sale £'000	2016 £'000	Disposal: Held for Sale £'000
Trade debtors	-	-	43	-
Amounts owed from Group undertakings	9,231	-	-	-
Other debtors including taxation and social security	997	-	352	-
Prepayments and accrued income	17	-	-	534
	<b>10,245</b>	<b>-</b>	<b>395</b>	<b>534</b>

Other debtors includes £514,000 (2016: £nil) relating to deferred tax (see note 14).

### 14. Deferred tax

Deferred tax for the current year is based on a rate of 17% (2016: 17%)

	2017 £'000	2016 £'000
Accelerated capital allowances	<b>514</b>	-
Deferred tax asset	<b>514</b>	-
	<b>2017 £'000</b>	<b>2016 £'000</b>
As at 1 January	-	800
Amounts credited / (charged) to the profit and loss account	<b>514</b>	(756)
Effect of change in tax rates - profit and loss account	-	(44)
Deferred tax asset at 31 December	<b>514</b>	-

At the end of the reporting period, the Company has deductible temporary differences of £1,255,129 (2016: £4,832,978) for which no deferred tax has been recognised.

### 15. Creditors : amounts falling due within 1 year

	2017 £'000	Disposal: Held for Sale £'000	2016 £'000	Disposal: Held for Sale £'000
Trade creditors	1,002	-	8,723	-
Amounts owed to Group undertakings	-	-	1,033	-
Other creditors including taxation and social security	1,865	-	4,157	-
Accruals and deferred income	236	-	360	125
	<b>3,103</b>	<b>-</b>	<b>14,273</b>	<b>125</b>

### 16. Share Capital

	2017 £'000	2016 £'000
Allotted, issued and fully paid	<b>8,000</b>	<b>8,000</b>
8,000,000 ordinary shares at £1 each (2016: 8,000,000 ordinary shares at £1 each)	<b>8,000</b>	<b>8,000</b>

## 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 2017 £'000	Property 2016 £'000	Vehicles, plant and equipment 2017 £'000	Vehicles, plant and equipment 2016 £'000
Operating leases which expire:				
Within 1 year	19	-	-	484
Between 2 and 5 years	-	-	-	164
After 5 years	-	433	-	-
Total	19	433	-	648

#### 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.