

**Registration number 02351642**

**Noble Marine (Insurance Brokers) Limited**

**Directors' report and financial statements**

**for the year ended 31 December 2012**

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## **Noble Marine (Insurance Brokers) Limited**

### **Company information**

Directors	J Langford J Hancock S I Gray R J Turner
Secretary	Roysun Limited
Company number	02351642
Registered office	Clinton House 12 Lombard Street Newark Nottinghamshire NG24 1XB
Auditor	Hobsons Alexandra House 43 Alexandra Street Nottingham NG5 1AY
Bankers	Barclays Bank plc 2 High Street Nottingham NG1 2EN

## **Noble Marine (Insurance Brokers) Limited**

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## **Noble Marine (Insurance Brokers) Limited**

### **Directors' report for the year ended 31 December 2012**

The directors present their report and the financial statements for the year ended 31 December 2012

#### **Principal activity**

The principal activity of the company was that of a marine insurance broker

#### **Business review**

More than 12 months have passed since the company was purchased by Royal & Sun Alliance plc on 6 April 2011. There has been no adverse reaction to this change from staff, customers or previous panel insurers.

The company has now created a scheme to administer policies during 2013 through Tower Insurance in the Isle of Man and developed a new insurance scheme for marine trades. Development plans are in place to further expand Noble Marine's reach outside the UK.

#### **Results and dividends**

The results for the year are set out on page 6. The directors do not recommend payment of a final dividend.

#### **Financial risk management objectives and policies**

The Company's principal risks and uncertainties are integrated within and managed together with the principal risks of the RSA Insurance Group (hereafter 'the Group'). 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, risks, uncertainties and contingencies on pages 88 to 91, and in the risk framework on pages 26 to 29 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.

The Company's management of risk is set at Group level.

The directors of RSA Insurance Group plc manage the Group's operations on a divisional basis. For this reason, the Company's directors believe that analysis using key performance indicators ('KPI's') for the Company is not necessary or appropriate for an understanding of the development, performance or position of the business of the Company. Further information on financial KPI's are detailed in the Annual Report and Accounts of the Group (which do not form part of this report) within the Group CEO review and the regional business review. The Annual Report and Accounts of the Group also includes non-financial KPI's which are detailed in the regional business reviews, the corporate responsibility report, and the directors' and corporate governance report.

#### **Directors**

The directors who served during the year are as stated below:

J Langford  
J Hancock  
S I Gray  
R J Turner

**Noble Marine (Insurance Brokers) Limited**

**Directors' report  
for the year ended 31 December 2012**

continued

**Going concern**

In considering the appropriateness of the going concern basis the Board has reviewed the key risks and uncertainties to which they believe the Company is exposed, the Company's ongoing financial commitments and the continuing availability of sufficient Group resources 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.

In so far as the directors are aware

- there is no relevant audit information (information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware, and
- the directors have taken all the steps that they ought to have taken to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.


**Auditor**

At the 2013 Annual General Meeting of RSA Insurance Group plc, the Company's ultimate parent company, KPMG LLP were appointed as external auditor to the Group. Accordingly, Hobsons Chartered Accountants will not be seeking re-appointment as auditor of the Company at the conclusion of their current term of office. There are no circumstances connected with the resignation of Hobsons Chartered Accountants as external auditor which should be brought to the attention of members or creditors of the Company.

This report was approved by the Board on

9/7/13

and signed on its behalf by

  
.....  
J Langford  
Director

## **Noble Marine (Insurance Brokers) Limited**

### **Statement of directors' responsibilities for the year ended 31 December 2012**

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 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 year. In preparing these financial statements, the directors are required to

- select suitable accounting policies and 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,
- 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 him 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 shareholders of  
Noble Marine (Insurance Brokers) Limited**

We have audited the financial statements of Noble Marine (Insurance Brokers) Limited for the year ended 31 December 2012 which 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 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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of directors and auditors**

As explained more fully in the Directors' Responsibilities Statement set out on page 3, 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 Directors' report and financial statements 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 2012 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.

**Independent auditor's report to the shareholders of  
Noble Marine (Insurance Brokers) Limited**

continued

**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

**Martin Berry BA FCA (Senior Statutory Auditor)**

**For and on behalf of Hobsons**

**Chartered Accountants and**

**Statutory Auditor**

**Alexandra House**

**43 Alexandra Street**

**Nottingham**

**NG5 1AY**

**11 July 2013**



**Noble Marine (Insurance Brokers) Limited**

**Profit and loss account  
for the year ended 31 December 2012**

		<b>Continuing operations</b>	
		<b>2012</b>	<b>Restated 2011</b>
	<b>Notes</b>	<b>£</b>	<b>£</b>
<b>Turnover</b>	<b>2</b>	1,050,253	978,596
Administrative expenses		(552,596)	(653,549)
Other operating income		65,886	170,243
<b>Operating profit</b>	<b>3</b>	563,543	495,290
Investment income		-	1,000
Other interest receivable and similar income	<b>4</b>	7,358	3,793
<b>Profit on ordinary activities before taxation</b>		570,901	500,083
Tax on profit on ordinary activities	<b>7</b>	(136,808)	(134,810)
<b>Profit for the year</b>	<b>14</b>	434,093	365,273
Retained profit brought forward		589,064	244,567
Prior year adjustment	<b>8</b>	20,776	-
<b>Retained profit carried forward</b>		1,043,933	609,840
<b>Statement of total recognised gains and losses</b>			
<b>Profit on ordinary activities after taxation</b>		434,093	365,273
Prior year adjustment (Note 8)		20,776	-
<b>Total recognised gains since last annual report</b>		454,869	365,273

**The notes on pages 8 to 16 form an integral part of these financial statements.**

**Noble Marine (Insurance Brokers) Limited**

**Balance sheet  
as at 31 December 2012**

		<b>2012</b>		<b>Restated 2011</b>	
	<b>Notes</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Fixed assets</b>					
Tangible assets	9		48,549		11,963
<b>Current assets</b>					
Debtors	10	333,615		206,922	
Cash at bank and in hand		932,694		665,881	
		<u>1,266,309</u>		<u>872,803</u>	
<b>Creditors: amounts falling due within one year</b>	11	<u>(269,925)</u>		<u>(273,926)</u>	
<b>Net current assets</b>			<u>996,384</u>		<u>598,877</u>
<b>Total assets less current liabilities</b>			<u>1,044,933</u>		<u>610,840</u>
<b>Net assets</b>			<u><u>1,044,933</u></u>		<u><u>610,840</u></u>
<b>Capital and reserves</b>					
Called up share capital	13		1,000		1,000
Profit and loss account	14		<u>1,043,933</u>		<u>609,840</u>
<b>Shareholders' funds</b>	15		<u><u>1,044,933</u></u>		<u><u>610,840</u></u>

The financial statements were approved by the Board on

9/7/13

and signed on its behalf by

  
.....  
J Langford  
Director

Registration number 02351642

The notes on pages 8 to 16 form an integral part of these financial statements.

## **Noble Marine (Insurance Brokers) Limited**

### **Notes to the financial statements for the year ended 31 December 2012**

#### **1. Accounting policies**

##### **1.1. Accounting convention**

The financial statements of the Company have been prepared in accordance with applicable UK Accounting Standards and the provisions of Section 396 of the Companies Act 2006. The financial statements have been prepared under the historical cost convention and on a going concern basis.

The company is a wholly-owned subsidiary of Royal & Sun Alliance Insurance 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.

The company has consistently applied all relevant accounting standards.

##### **1.2. Turnover**

Turnover represents the total amount of commissions earned during the year, net of introductory commissions payable to third parties.

##### **1.3. Tangible fixed assets and depreciation**

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Tenants improvements	-	20% reducing balance
Office equipment	-	33% straight line
Computer equipment	-	33% straight line
Motor vehicles	-	25% reducing balance

##### **1.4. 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.

##### **1.5. Pensions**

The pension costs charged in the financial statements represent the contributions payable by the company during the year.

**Noble Marine (Insurance Brokers) Limited**

**Notes to the financial statements  
for the year ended 31 December 2012**

continued

**1.6. Deferred taxation**

Deferred tax is recognised in respect of all timing differences (except as set out below) that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. A deferred tax asset is recognised for relief for trading losses or other losses only to the extent that the directors anticipate that suitable profits will absorb such losses in the future.

Deferred tax is not recognised when fixed assets are revalued unless by the balance sheet date there is a binding agreement to sell the revalued assets and the gain or loss expected to arise on sale has been recognised in the financial statements. Neither is deferred tax recognised when fixed assets are sold and it is more likely than not that the taxable gain will be rolled over, being charged to tax only if and when the replacement assets are sold.

Deferred tax is measured at the tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

**2. Turnover**

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the UK.

**3. Operating profit**

	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
Operating profit is stated after charging		
Depreciation and other amounts written off tangible assets	7,261	8,257
Loss on disposal of tangible fixed assets	985	3,557
Auditors' remuneration	1,800	1,500

During the year, the auditors charged £6,341 (2011 - £5,256) in respect of non-audit services.

**Noble Marine (Insurance Brokers) Limited**

**Notes to the financial statements  
for the year ended 31 December 2012**

continued

<b>4. Interest receivable and similar income</b>	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
Bank interest	7,358	3,775
Other interest	-	18
	<u>7,358</u>	<u>3,793</u>
<b>5. Employees</b>		
<b>Number of employees</b>	<b>2012</b>	<b>2011</b>
The average monthly numbers of employees (including the directors) during the year were	<b>Number</b>	<b>Number</b>
Directors and management	2	2
Insurance and office staff	8	8
	<u>10</u>	<u>10</u>
<b>Employment costs</b>	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
Wages and salaries	309,469	355,296
Social security costs	32,858	44,093
Pension costs	17,250	33,487
	<u>359,577</u>	<u>432,876</u>

**Noble Marine (Insurance Brokers) Limited**

**Notes to the financial statements  
for the year ended 31 December 2012**

continued

<b>5.1. Directors' remuneration</b>	<b>2012 £</b>	<b>2011 £</b>
Remuneration and other emoluments	108,634	160,623
Pension contributions	5,005	18,348
	<u>113,639</u>	<u>178,971</u>
	<b>Number</b>	<b>Number</b>
Number of directors to whom retirement benefits are accruing under a money purchase scheme	<u>1</u>	<u>3</u>

S Gray, J Hancock and R Turner received 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

**6. Pension costs**

The company operates a defined contribution pension scheme. The scheme and its assets are held by independent managers. The pension charge represents contributions due from the company and amounted to £17,250 (2011 - £33,487)

**Noble Marine (Insurance Brokers) Limited**

**Notes to the financial statements  
for the year ended 31 December 2012**

continued

**7. Tax on profit on ordinary activities**

<b>Analysis of charge in period</b>	<b>2012 £</b>	<b>Restated 2011 £</b>
<b>Current tax</b>		
UK corporation tax	142,806	134,810
Adjustments in respect of previous periods	(434)	-
Total current tax charge	<u>142,372</u>	<u>134,810</u>
<b>Deferred tax</b>		
Timing differences - origination and reversal	(5,564)	-
Tax on profit on ordinary activities	<u>136,808</u>	<u>134,810</u>

The UK corporation tax for the current year is based on a rate of 24.497% (2011 - 26.493%). The rate of corporation tax has reduced from 26% to 24% effective 1 April 2012, and as a result a composite rate of 24.497% has been used in the accounts.

**Factors affecting the current tax charge**

The current tax charge for the year is more than 24.497% (2011 - more than 26.493%) due to the items set out in the reconciliation below:

	<b>2012 £</b>	<b>Restated 2011 £</b>
Profit on ordinary activities before taxation	<u>570,901</u>	<u>500,083</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 24.497% (31 December 2011 - 26.493%)	139,854	132,487
<b>Effects of:</b>		
Expenses not deductible for tax purposes	-	2,253
Depreciation in excess of capital allowances	2,020	217
Fiscal adjustments	1,040	-
Tax exempt income and investment gains/losses	-	(265)
Adjustments to tax charge in respect of previous periods	(434)	-
Other timing differences	(108)	118
Current tax charge for period	<u>142,372</u>	<u>134,810</u>

# **Noble Marine (Insurance Brokers) Limited**

## **Notes to the financial statements for the year ended 31 December 2012**

continued

### **8. Prior year adjustments**

In the prior year the company received commissions from insurance companies totalling £28,265 that related to the period when the company was under the ownership of the previous shareholders. In accordance with the Sale and Purchase Agreement with Royal & Sun Alliance Insurance plc these amounts were payable to the ex-shareholders.

In the prior year financial statements the commissions payable to the ex-shareholders were treated as exceptional commissions payable in the company profit and loss account.

Following further consideration of this matter, the directors are now of the view that the commissions payable should be treated as part of the cost of acquisition by Royal & Sun Alliance Insurance plc, albeit paid by Noble Marine (Insurance Brokers) Limited on their behalf. As such the cost has been moved from the company profit and loss account into amounts owed to the company by Royal & Sun Alliance Insurance plc, reported within debtors.

The impact of this adjustment is to increase profit before taxation in the prior year by £28,265, and to increase the corporation tax charge by £7,489. The impact on net assets is to increase these by £20,776.

### **9. Tangible fixed assets**

	<b>Tenants improvements £</b>	<b>Office equipment £</b>	<b>Computer equipment £</b>	<b>Motor vehicles £</b>	<b>Total £</b>
<b>Cost</b>					
At 1 January 2012	-	21,413	29,310	18,700	69,423
Additions	27,164	918	-	24,750	52,832
Disposals	-	-	-	(18,700)	(18,700)
At 31 December 2012	27,164	22,331	29,310	24,750	103,555
<b>Depreciation</b>					
At 1 January 2012	-	20,833	26,912	9,715	57,460
On disposals	-	-	-	(9,715)	(9,715)
Charge for the year	453	657	995	5,156	7,261
At 31 December 2012	453	21,490	27,907	5,156	55,006
<b>Net book values</b>					
At 31 December 2012	26,711	841	1,403	19,594	48,549
At 31 December 2011	-	580	2,398	8,985	11,963



**Noble Marine (Insurance Brokers) Limited**

**Notes to the financial statements  
for the year ended 31 December 2012**

continued

<b>10. Debtors</b>	<b>2012</b>	<b>Restated 2011</b>
	<b>£</b>	<b>£</b>
Trade debtors	27,465	54,494
Amounts owed by group undertakings	300,586	151,928
Other debtors	-	500
Deferred tax (Note 12)	5,564	-
	<u>333,615</u>	<u>206,922</u>
<b>11. Creditors: amounts falling due within one year</b>	<b>2012</b>	<b>Restated 2011</b>
	<b>£</b>	<b>£</b>
Trade creditors	93,294	101,641
Amounts owed to group undertaking	142,806	99,836
Corporation tax	-	34,974
Other taxes and social security costs	3,265	3,795
Accruals and deferred income	30,560	33,680
	<u>269,925</u>	<u>273,926</u>
<b>12. Provision for deferred taxation</b>	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
Decelerated capital allowances	5,564	-
Deferred tax asset	5,564	-
	<u>5,564</u>	<u>-</u>
Provision at 1 January 2012	-	-
Deferred tax credit in profit and loss account	5,564	-
Debtor at 31 December 2012	<u>5,564</u>	<u>-</u>

Deferred tax for the current year is based on a rate of 23%

**Noble Marine (Insurance Brokers) Limited**

**Notes to the financial statements  
for the year ended 31 December 2012**

continued

<b>13. Share capital</b>	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
<b>Allotted, called up and fully paid</b>		
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
<b>Equity shares</b>		
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
<b>14. Equity reserves</b>	<b>Profit and loss account</b>	<b>Total</b>
	<b>£</b>	<b>£</b>
<b>At 31 December 2011</b>		
as previously stated	589,064	589,064
Prior year adjustment (Note 8)	<u>20,776</u>	<u>20,776</u>
<b>At 1 January 2012 (restated)</b>	609,840	609,840
Profit for the year	<u>434,093</u>	<u>434,093</u>
<b>At 31 December 2012</b>	<u>1,043,933</u>	<u>1,043,933</u>
<b>15. Reconciliation of movements in shareholders' funds</b>	<b>2012</b>	<b>Restated 2011</b>
	<b>£</b>	<b>£</b>
<b>Opening shareholders' funds as previously stated</b>	590,064	245,567
Prior year adjustment (Note 8)	<u>20,776</u>	<u>-</u>
<b>Opening shareholders' funds (restated)</b>	610,840	245,567
Profit for the year	<u>434,093</u>	<u>365,273</u>
<b>Closing shareholders' funds</b>	<u>1,044,933</u>	<u>610,840</u>

**Noble Marine (Insurance Brokers) Limited**

**Notes to the financial statements  
for the year ended 31 December 2012**

continued

<b>16. Capital commitments</b>	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
Details of capital commitments at the accounting date are as follows		
Contracted for but not provided in the financial statements	<u>60,000</u>	<u>24,750</u>

**17. Related party transactions**

The company has taken advantage of the exemption afforded by Financial Reporting Standards 8 not to disclose transactions with wholly owned companies within the RSA Insurance Group, as the company's results are consolidated into the financial statements of RSA Insurance Group plc

**18. Ultimate parent undertaking**

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