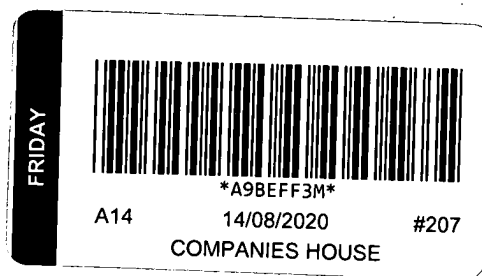


Registered Number: 02145778

R&SA Marketing Services Limited

Annual Report and Accounts

For the year ended 31 December 2019



R&SA Marketing Services Limited

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R&SA Marketing Services Limited

Company Information

Directors

Kenneth Leitch

Kay Martin

Timothy Payne

Secretary

Roysun Limited

Registered Office

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

Auditor

KPMG LLP
15 Canada Square
Canary Wharf
London
E14 5GL

R&SA Marketing Services Limited

Directors' report

For the year ended 31 December 2019

R&SA Marketing Services Limited (the 'Company') is a part of RSA Insurance Group plc (the 'Group').

The directors present their annual report on the affairs of the Company and the audited financial statements for the year ended 31 December 2019.

Principal activity

The Company had been dormant in recent years but resumed trading on the 27 March 2019. The principal activity of the Company is to provide customers of Royal & Sun Alliance Insurance plc with sales and policy servicing as well as the provision and servicing of telematics boxes.

Business review

The results for the Company show a profit on ordinary activities before tax of £1,225,928 (2018: £nil) for the year. The shareholder's funds of the Company were £1,275,928 as at 31 December 2019 (31 December 2018: £50,000).

Key performance indicators ('KPIs')

The Company's main KPIs are focussed on customer satisfaction ratings and profitability.

Future outlook

There are not expected to be any changes to the Company's activities.

Principal risks and uncertainties

The principal risks and uncertainties of the Company relate to the Company's exposure to amounts due from other companies within the Group. This risk is managed in accordance with Group policies. The principal risks and uncertainties of the Group, which include those of the Company, are set out in the Risk management note of the 2020 Interim condensed Financial Statements of the Group, which do not form part of this report.

The outbreak of the COVID-19 pandemic during 2020 has caused significant and unprecedented global uncertainty and market volatility. The subsequent lockdown measures imposed by the UK government resulted in a temporary pause on writing new business and the cancellation of driving tests both of which have impacted the company's profitability. The directors are continuing to closely monitor the situation as lockdown measures are eased and continue to take action to mitigate emerging risks.

Financial Risk Management

The Company's financial risks are managed and monitored at a Group level. The risk management of the Group, which includes that of the Company, is set out in the risk management sections on pages 40 to 43 of the 2019 Annual Report and Accounts of the Group, which does not form part of this report. The directors consider that there is a minimal level of financial risk associated with the Company's assets and liabilities due to the nature of the Company's activities.

Directors

The names of the current directors are listed on page 1. From 1 January 2019 to date the following changes have taken place:

Director	Resigned	Appointed
David Coughlan	29 April 2019	
Nabila Leather	31 July 2020	
Robert Flynn	31 July 2020	
Kay Martin		23 July 2020
Timothy Payne		23 July 2020

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 shares of the Company.

Dividends

No interim dividends were paid during the year (2018: £nil). The directors did not recommend payment of a final dividend in respect of the year ended 31 December 2019 (2018: £nil).

Political donations

The Company did not make any political donations during the financial year (2018: £nil).

R&SA Marketing Services Limited

Directors' report (continued) For the year ended 31 December 2019

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 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. The directors and officers of the Company and its subsidiaries also have the benefit of Directors & Officers insurance which provides cover in respect of legal actions brought against them.

Post Balance Sheet Events

The World Health Organisation declared COVID-19 a global pandemic at 11 March 2020 and the UK Prime Minister initiated the UK lock down on 23 March 2020. This is considered a significant event that is expected to lead to a material adverse impact on the UK economy. The implications of COVID-19 are indicative of conditions that arose after the balance sheet date and as such is a subsequent event that does not give rise to any adjustments in either the 2019 financial performance or the balance sheet as at 31 December 2019. There are no material impacts to these financial statements arising in the post-balance sheet period that require disclosure.

Going concern

In considering the appropriateness of the going concern basis, the Board have considered profit forecasts until 31 December 2021, the liquidity of the Company and the ongoing impact of COVID-19 to both the future financial performance and the current balance sheet position. The Board's review also included an assessment of the Group going concern statement as reported in the 2020 interim condensed financial statements.

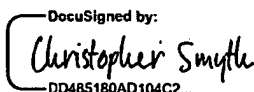
Based on this review no material uncertainties that would require disclosure have been identified in relation to the ability of the Company to remain a going concern for at least the next twelve months, from both the date of the balance sheet and the approval of the financial statements.

It is therefore concluded that the going concern basis is appropriate for the preparation of the 2019 financial statements.

Strategic Report

The Company has taken advantage of the exemption in section 414A(2) of the Companies Act 2006 (strategic report and directors' report Regulations 2013) from the requirement to prepare a strategic report on the basis that it would be entitled to prepare accounts for the year in accordance with the small companies regime but for being a member of an ineligible group.

The Directors' Report was approved by the Board of Directors and was signed by order of the Board on its behalf by:

DocuSigned by:

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Christopher Smyth
For and on behalf of Roysun Limited
Secretary

6 August 2020

R&SA Marketing Services Limited

Statement of directors' responsibilities in respect of the Directors' report and the Financial statements

The directors are responsible for preparing the 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.

Independent auditor's report to the members of R&SA Marketing Services Limited

Opinion

We have audited the financial statements of R&SA Marketing Services Limited ("the Company") for the year ended 31 December 2019 which comprise the Statement of total comprehensive income, Balance sheet, Statement of changes in equity 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 2019 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

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

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 a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the Company's business model, and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

Directors' report

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

Our responsibility is to read 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 directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has 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; and
- 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.

Other matter - prior period financial statements

We note that the prior period financial statements were not audited. Consequently ISAs (UK) require the auditor to state that the corresponding figures contained within these financial statements are unaudited. Our opinion is not modified in respect of this matter.

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.

Independent auditor's report to the members of R&SA Marketing Services Limited

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.

A fuller description of our responsibilities is provided on the FRC's website at 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 Katsouris (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
15 Canada Square
Canary Wharf
London
E14 5GL

6 August 2020

R&SA Marketing Services Limited**Statement of total comprehensive income**

for the year ended 31 December 2019

	Notes	2019 £	2018 £
Turnover	2	8,566,169	-
Operating expenses		<u>(7,340,241)</u>	-
Profit on ordinary activities before tax		1,225,928	-
Taxation on profit on ordinary activities	6	-	-
Profit for the financial year		<u>1,225,928</u>	-

There have been no recognised gains or losses during the reporting period other than those recorded in the statement of comprehensive income. Accordingly, no statement of other comprehensive income is presented.

The attached notes on pages 10 to 12 form an integral part of these accounts.

R&SA Marketing Services Limited**Statement of Changes in Equity**
for the year ended 31 December 2019

	Called up share capital	Retained earnings	Shareholders' funds
	£	£	£
Balance at 1 January 2018	50,000	-	50,000
Profit for the financial year			
Balance at 1 January 2019	50,000	-	50,000
Profit for the financial year	-	1,225,928	1,225,928
Balance at 31 December 2019	50,000	1,225,928	1,275,928

The attached notes on pages 10 to 12 form an integral part of these accounts.


Registered Number: 02145778
R&SA Marketing Services Limited

Balance Sheet
as at year ended 31 December 2019

	Notes	2019 £	2018 £
Current Assets			
Debtors: amounts falling due within one year	7	980,485	50,000
Cash at bank and in hand		985,843	-
		1,966,328	50,000
Creditors: amounts falling due within one year	8	(690,400)	-
		1,275,928	50,000
Net Current Assets		1,275,928	50,000
Total assets less current liabilities		1,275,928	50,000
Capital and Reserves			
Called up share capital	9	50,000	50,000
Retained Earnings		1,225,928	-
Shareholders' funds		1,275,928	50,000

The attached notes on pages 10 to 12 form an integral part of these accounts.

The financial statements were approved on 6 August 2020 by the Board of Directors and are signed on its behalf by:

DocuSigned by:

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Kay Martin
Director

R&SA Marketing Services Limited Notes to the accounts

1. Basis of preparation

The Company is a wholly owned subsidiary of Royal Insurance Holdings Limited and is incorporated and domiciled in the UK. 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. RSA Insurance Group plc has prepared its consolidated financial statements under IFRS as adopted by the EU since its date of transition to IFRS at 1 January 2004.

The financial statements have been prepared in accordance with Financial Reporting Standard 101 (FRS 101) *Reduced Disclosure Framework* and in compliance with the Companies Act 2006. The financial statements are prepared on a historical cost basis. Where other bases are applied, these are identified in the relevant accounting policy.

The financial statements have been prepared on the going concern basis. In considering the appropriateness of the going concern basis, the Board have considered profit forecasts until 31 December 2021, the liquidity of the Company and the ongoing impact of COVID-19 to both the future financial performance and the current balance sheet position. The Board's review also included an assessment of the Group going concern statement as reported in the 2020 interim condensed financial statements.

The Company's financial statements are presented in pound sterling (£), which is also the Company's functional currency.

In preparing the financial statements, the Company applies the recognition, measurement and disclosure of International Financial Reporting Standards as adopted by the EU ('Adopted IFRS'), but makes amendments where necessary in order to comply with Companies Act 2006. The Company has set out below where advantage of FRS 101 exemptions has been taken.

The exemptions used by the Company are as follows:

- Cash Flow Statement and related notes;
- The effects of new but not yet effective IFRSs; and
- Disclosures in respect of transactions between two or more wholly owned subsidiaries of the group.

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 disclosure:-

- Certain disclosures required by IFRS 13 *Fair Value Measurement*.
- The disclosures required by IFRS 7 *Financial Instrument Disclosures*.

Selection of significant accounting policies

The significant accounting policies used in the preparation of these financial statements, as set out below, have been applied consistently to all periods presented, unless otherwise stated.

(i) Turnover

Turnover represents policy administration fees and income from the telematics box. These fees are recognised upfront.

(ii) Operating expenses

Operating expenses relate to the supply of telematics boxes, which are recognised in the period when the expense is incurred, along with call centre costs and administrative expenses.

(iii) Taxation and deferred tax

Taxation and deferred tax is recognised in the statement of comprehensive income, 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.

(iv) Cash at bank and in hand

Cash at bank and in hand are short term, highly liquid investments that are subject to insignificant changes in value and are readily convertible into known amounts of cash.

(v) Amounts owed from group undertakings

The Company account for amounts owed from other group undertakings at amortised cost and determines an expected credit loss based on those default events that are possible within 12 months after the reporting date, or where the credit risk has increased significantly since initial recognition on the basis of all possible default events over the life of debt.

R&SA Marketing Services Limited

Notes to the accounts

2. Turnover

	2019	2018
	£	£
Policy administration fees	2,254,788	-
Telematics box income	6,311,381	-
	8,566,169	-

All turnover is generated from business conducted within the UK and is derived from the Company's principal activity.

Further information on the Company's turnover is disclosed within the accounting policy above.

3. Auditor's remuneration

Fees payable to KPMG LLP for the audit of the Company's accounts for the year ended 31 December 2019 were £25,000 (31 December 2018: £nil) which were borne by Royal & Sun Alliance Insurance plc, a fellow subsidiary of RSA Insurance Group plc.

4. Directors' emoluments

None of the directors received remuneration from the Company during the year (2018: none). The directors were remunerated by Royal & Sun Alliance Insurance plc for their services to the RSA Group as a whole. They were not remunerated for their services as directors of this Company directly. This is consistent with previous years.

5. Employees and staff costs

The Company did not employ anyone during the period (2018: none). All administrative duties are performed by employees of Royal & Sun Alliance Insurance plc at a cost to the Company of £708,688 (2018: £nil).

6. Taxation

The UK corporation tax for the current year is based on a rate of 19.0% (2018: 19.0%).

Reconciliation of the total tax charge

The tax charge for the year is less than 19.0% (2018: less than 19.0%) due to the items set out in the reconciliation below.

	2019	2018
	£	£
Profit on ordinary activities before tax	1,225,928	-
Tax at the UK rate of 19.0% (2018: 19.0%)	232,926	-
<i>Factors affecting charge:</i>		
Group relief received	(232,926)	-
Total tax charge	-	-

The Company has no deferred tax assets or liabilities at 31 December 2019 or 31 December 2018.

7. Debtors: amounts falling due within one year

	2019	2018
	£	£
VAT debtor	212,075	-
Amounts owed by group undertakings	768,410	50,000
	980,485	50,000

R&SA Marketing Services Limited Notes to the accounts

8. Creditors: amounts falling due within one year

	2019	2018
	£	£
Accruals and deferred income	690,400	-

9. Share capital

	2019	2018
	£	£
Allotted, issued and fully paid		
50,000 Ordinary shares at £1 each (2018: 50,000 Ordinary shares at £1 each)	50,000	50,000
	50,000	50,000

10. Parent companies

The Company's immediate parent company is Royal Insurance Holdings Limited, a company incorporated in England and Wales. Their registered address is St Mark's Court, Chart Way, Horsham, West Sussex, RH12 1XL.

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.