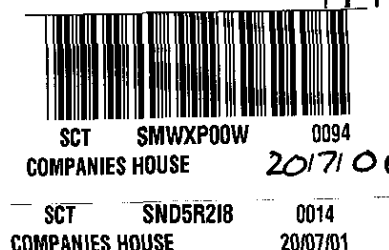


SA 59

Scottish Widows' Fund and Life Assurance Society



**Annual FSA Insurance Returns for the year ended
31st December 2000**



Accounts and statements pursuant to the Insurance Companies
Act 1982 and the Insurance Companies (Accounts and
Statements) Regulations 1996 (as amended)

(Schedules 1, 3, 4, 6)

Printed from FormGan™

Statement of solvencyName of company **Scottish Widows' Fund and Life Assurance Society**

Global business

Financial year ended **31st December 2000**

R9	Z2	GL	Period ended			Units
			day	month	year	
			31	12	2000	£000
		As at the end of this financial year	As at the end of the previous year		Source	
		1	2		< > ?	

GENERAL BUSINESS**Available assets**

Other than long term business assets allocated towards general business required minimum margin	11			See instructions 1 and 2
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Required minimum margin

Required minimum margin for general business	12			12 . 49
Excess (deficiency) of available assets over the required minimum margin (11-12)	13			

LONG TERM BUSINESS**Available assets**

Long term business admissible assets	21	500	25446482	10 . 11
Other than long term business assets allocated towards long term business required minimum margin	22			See instructions 1 and 3
Total mathematical reserves (after distribution of surplus)	23		18414102	See instruction 4
Other insurance and non-insurance liabilities	24		1228229	See instruction 5
Available assets for long term business required minimum margin (21+22-23-24)	25	500	5804151	

Implicit items admitted under regulation 23(5) of the Insurance Companies Regulations 1994

Future profits	31			
Zillmerising	32			
Hidden reserves	33			

Total of available assets and implicit items (25+31+32+33)	34	500	5804151	
--	----	-----	---------	--

Required minimum margin

Required minimum margin for long term business	41		805266	60 . 69
Explicit required minimum margin (1/6 x 41, or minimum guarantee fund if greater)	42	465	134211	
Excess (deficiency) of available assets over explicit required minimum margin (25-42)	43	35	5669940	
Excess (deficiency) of available assets and implicit items over the required minimum margin (34-41)	44	500	4998885	

CONTINGENT LIABILITIES

Quantifiable contingent liabilities in respect of other than long term business as shown in a supplementary note to Form 15	51			See instruction 6
Quantifiable contingent liabilities in respect of long term business as shown in a supplementary note to Form 14	52			See instruction 6

Name of company Scottish Widows' Fund and Life Assurance Society

Global business

Financial year ended 31st December 2000

Covering sheet to Form 9

.....
M D Ross
Director

.....
N Scott
Director

.....
C M Herd
Secretary

Statement of net assets

Name of company **Scottish Widows' Fund and Life Assurance Society**

Global business

Financial year ended **31st December 2000**

	R10	Z2	GL	Period ended			Units
				GL/UK/CM	day	month	year
					31	12	2000
							£000
		As at the end of this financial year 1	As at the end of the previous year 2	Source			
				<	>	?	
Long term business - admissible assets	11	500	25446482	13	89	1	
Long term business - liabilities and margins	12	500	25446482	14	59	1	

Other than Long term business - admissible assets	21			13	89	1	
Other than Long term business - liabilities	22			15	69	1	
Net admissible assets (21-22)	23						
Other assets allowed to be taken into account in covering the required minimum margin	Unpaid amounts (including share premium) on partly paid shares	24					
	Supplementary contributions for a mutual carrying on general business	25					
Liabilities allowed to be left out of account in covering the required minimum margin	Subordinated loan capital	26					
	Cumulative preference share capital	27					
Available assets (23 to 27)	29						

Represented by:

Paid up share capital (other than cumulative preference share capital)	51				
Amounts included in lines 24 to 27 above	52				
Amounts representing the balance of net assets	56				
Total (51 to 56) and equal to line 29 above	59				

Movement of balance of net assets for solvency purposes - as per line 56

Balance brought forward at the beginning of the financial year	61			10	56	2
Retained profit/(loss) for the financial year	62			16	59	1
Movement in asset valuation differences	63			See instruction 2		
Decrease/(increase) in the provision for adverse changes	64			See instruction 3		
Other movements (particulars to be specified by way of supplementary note)	65					
Balance carried forward at the end of the financial year (61 to 65)	69					

Analysis of admissible assets

Name of company **Scottish Widows' Fund and Life Assurance Society**

Global business

Financial year ended **31st December 2000**Category of assets **Total long term business assets**

			Company registration number	GL/UK/CM	Period ended			Units	Category of assets	
			R13	Z2	GL	31	12	2000	£000	10
						day	month	year		

Analysis of admissible assetsName of company **Scottish Widows' Fund and Life Assurance Society**

Global business

Financial year ended **31st December 2000**Category of assets **Total long term business assets**

		Company registration number	GL/UK/CM	Period ended day month year			Units	Category of assets	
		R13	Z2	GL	31	12	2000	£000	10
Investments (continued) Deposits with ceding undertakings Assets held to cover linked liabilities					As at the end of this financial year 1		As at the end of the previous year 2		
Other financial investments	Equity shares			41			11360582		
	Other shares and other variable yield securities			42					
	Holdings in collective investment schemes			43			823053		
	Rights under derivative contracts			44			3509		
	Debt securities and other fixed income securities	Fixed interest	Approved securities	45	500		5775607		
			Other	46			2466844		
		Variable interest	Approved securities	47			509600		
			Other	48			805288		
	Participation in investment pools			49					
	Loans secured by mortgages			50			5683		
	Other loans	Loans to public or local authorities and nationalised industries or undertakings		51					
		Loans secured by policies of insurance issued by the company		52			5324		
		Other		53					
	Deposits with approved credit institutions and approved financial institutions	Withdrawal subject to a time restriction of one month or less		54			696571		
		Withdrawal subject to a time restriction of more than one month		55			190000		
	Other			56					
Deposits with ceding undertakings			57						
Assets held to match linked liabilities	Index linked		58			180638			
	Property linked		59			169491			
Reinsurers' share of technical provisions	Provision for unearned premiums		60						
	Claims outstanding		61						
	Provision for unexpired risks		62						
	Other		63						
Total sheet 2 (41 to 63)			69	500		22992190			

Analysis of admissible assetsName of company **Scottish Widows' Fund and Life Assurance Society**

Global business

Financial year ended **31st December 2000**Category of assets **Total long term business assets**

		Company registration number	GL/UK/CM	Period ended day month year			Units	Category of assets	
		R13	Z2	GL	31	12	2000	£000	10
Debtors					As at the end of this financial year 1			As at the end of the previous year 2	
Other assets									
Debtors arising out of direct insurance operations	Policyholders			71				9896	
	Intermediaries			72					
Salvage and subrogation recoveries				73					
Debtors arising out of reinsurance operations	Due from ceding insurers and intermediaries under reinsurance business accepted			74					
	Due from reinsurers and intermediaries under reinsurance contracts ceded			75					
Other debtors	Due from dependants	Due in 12 months or less after the end of the financial year		76				42824	
		Due more than 12 months after the end of the financial year		77					
	Other	Due in 12 months or less after the end of the financial year		78				574868	
		Due more than 12 months after the end of the financial year		79					
Tangible assets				80					
Cash at bank and in hand	Deposits not subject to time restriction on withdrawal, with approved credit institutions and approved financial institutions and local authorities			81				16385	
	Cash in hand			82					
Other assets (particulars to be specified by way of supplementary note)				83					
Prepayments and accrued income	Accrued interest and rent			84				202299	
	Deferred acquisition costs			85					
	Other prepayments and accrued income			86				10887	
Deductions (under regulations 57(2)(b) and 57(3) of the Insurance Companies Regulations 1994) from the aggregate value of assets				87					
Total sheet 3 (71 to 86 less 87)				88				857159	
Grand total of admissible assets (39+69+88)				89	500			25446482	
Reconciliation to asset values determined in accordance with the shareholder accounts rules									
Total admissible assets (as per line 89 above)				91	500			25446482	
Total assets in excess of the admissibility limits of Schedule 12 of the Insurance Companies Regulations 1994, (as valued in accordance with those Regulations before applying admissibility limits)				92				69415	
Solvency margin deduction for insurance dependants				93				1097	
Other differences in the valuation of assets (other than for assets not valued above)				94				(3176)	
Assets of a type not valued above, (as valued in accordance with the shareholder accounts rules)				95					
Total assets determined in accordance with the shareholder accounts rules (91 to 95)				99	500			25513818	
Amounts included in line 89 attributable to debts due from related companies, other than those under contracts of insurance or reinsurance				100				141838	

Long term business liabilities and margins

Name of company **Scottish Widows' Fund and Life Assurance Society**

Global business

Financial year ended **31st December 2000**Category of assets **Total long term business assets**

		Company registration number	GL/UK/CM	Period ended			Units	Category of assets	
		R14	Z2	GL	31 day	12 month	2000 year	£000	10
				As at the end of this financial year 1	As at the end of the previous year 2		Source		
Mathematical reserves, after distribution of surplus		11			18414102		See Instruction 2		
Cash bonuses which had not been paid to policyholders prior to end of the financial year		12					See Instruction 3		
Balance of surplus/(valuation deficit)		13		500	85019		See Instruction 4		
Long term business fund carried forward (11 to 13)		14		500	18499121		See Instruction 5		
Claims outstanding which had fallen due for payment before the end of the financial year	Gross amount	15							
	Reinsurers' share	16							
	Net (15-16)	17							
Provisions for other risks and charges	Taxation	21							
	Other	22							
Deposits received from reinsurers		23							
Creditors and other liabilities	Arising out of insurance operations	Direct business	31		24215				
		Reinsurance accepted	32						
		Reinsurance ceded	33		3465				
	Debenture loans	Secured	34						
		Unsecured	35						
	Amounts owed to credit institutions		36						
	Other creditors	Taxation	37		285000				
		Other	38		911566				
Accruals and deferred income		39		3983					
Provision for adverse changes (calculated in accordance with regulation 61 of the Insurance Companies Regulations 1994)		41							
Total other insurance and non-insurance liabilities (17 to 41)		49		1228229					
Excess of the value of net admissible assets		51		5719132		See Instruction 6			
Total liabilities and margins		59		500	25446482				
Amounts included in line 59 attributable to liabilities to related companies, other than those under contracts of insurance or reinsurance		61		308547					
Amounts included in line 59 attributable to liabilities in respect of property linked benefits		62		169490					
Amount of any additional mathematical reserves included in line 51 which have been taken into account in the appointed actuary's certificate		63				See Instruction 7			

Long term business : Revenue accountName of company **Scottish Widows' Fund and Life Assurance Society**

Global business

Ordinary business

Financial year ended **31st December 2000**Name and number of fund **Ordinary Long Term 1**

Company registration number	GL/UK/CM	Period ended			Units	OB/IB	No of fund/ Summary	No of part of Fund	
		day	month	year					
R40	Z2	GL	31	12	2000	£000	OB	1	0
Items to be shown net of reinsurance ceded						The financial year 1	Previous year 2		
Earned premiums						11	292892	1977887	
Investment income receivable before deduction of tax						12	142547	932281	
Increase (decrease) in the value of non-linked assets brought into account						13	(18126)	(757061)	
Increase (decrease) in the value of linked assets						14	(3167)	31071	
Other income						15		229	
Total income (11 to 15)						19	414146	2184407	
Claims incurred						21	348286	1135432	
Expenses payable						22	33576	244705	
Interest payable before deduction of tax						23	4776	43371	
Taxation						24	12250	95719	
Other expenditure						25	18513879		
Transfer to (from) non technical account						26			
Total expenditure (21 to 26)						29	18912767	1519227	
Increase (decrease) in fund in financial year (19-29)						39	(18498621)	665180	
Fund brought forward						49	18499121	17833941	
Fund carried forward (39+49)						59	500	18499121	

Long term business : Analysis of premiums and expenses

Name of company **Scottish Widows' Fund and Life Assurance Society**

Global business

Ordinary business

Financial year ended **31st December 2000**Name and number of fund **Ordinary Long Term 1**

		Company registration number	GL/UK/CM	Period ended			Units	OB/IB	No of fund/ Summary	No of part of Fund	
				day	month	year					
		R41	Z2	GL	31	12	2000	£000	OB	1	0
					Gross		Payable to or recoverable from reinsurers		Net of reinsurance (1-2) 3		
					1		2		3		
Earned premiums in the financial year	Life assurance and general annuity contracts	Single premium	11	91910			5473		86437		
		Regular premium	12	93781			5521		88280		
	Pension business contracts	Single premium	13	85741			23063		62678		
		Regular premium	14	87974			33051		54923		
	Permanent health contracts	Single premium	15	273			3		270		
		Regular premium	16	381			57		324		
	Other contracts	Single premium	17								
		Regular premium	18								
	Total premiums	Single premium	19	177924			28539		149385		
		Regular premium	29	182136			38629		143507		
Total premiums at lines 19 and 29 attributable to	UK contracts	31	352086			67168		284918			
	Overseas contracts	32	7974					7974			
Expenses payable in the financial year	Commission payable in connection with acquisition of business		41	12648					12648		
	Other commission payable		42	3777					3777		
	Management expenses in connection with acquisition of business		43	10413					10413		
	Management expenses in connection with maintenance of business		44	4393					4393		
	Other management expenses		45	2345					2345		
	Total expenses (41 to 45)		49	33576					33576		
	Total expenses at line 49 attributable to	UK contracts	51	33207					33207		
		Overseas contracts	52	369					369		

Long term business : Analysis of claimsName of company **Scottish Widows' Fund and Life Assurance Society**

Global business

Ordinary business

Financial year ended **31st December 2000**Name and number of fund **Ordinary Long Term 1**

		Company registration number	GL/UK/CM	Period ended			Units	OB/IB	No of fund/ Summary	No of part of Fund	
		R42	Z2	GL	31 day	12 month	2000 year	£000	OB	1	0
Claims incurred in the financial year					Gross 1		Recoverable from reinsurers 2		Net of reinsurance (1-2) 3		
Life assurance and annuity contracts	On death			11	21725		6603		15122		
	By way of lump sums on maturity			12	46788		1575		45213		
	By way of annuity payments			13	7849				7849		
	By way of payments arising from other insured events			14	241				241		
	On surrender or partial surrender			15	21010		7533		13477		
	Total life assurance and annuity claims (11 to 15)			19	97613		15711		81902		
Pension business contracts	On death			21	5576		2302		3274		
	By way of lump sums on vesting			22	42572		12825		29747		
	By way of vested annuity payments			23	40902				40902		
	On surrender or partial surrender			24	199262		6801		192461		
	Total pension business claims (21 to 24)			29	288312		21928		266384		
Permanent health contracts	By way of lump sums			31							
	By way of periodical payments			32							
	Total permanent health claims (31+32)			39							
Other contracts	By way of lump sums			41							
	By way of periodical payments			42							
	Total claims (41+42)			49							
Total claims (19+29+39+49)				59	385925		37639		348286		
Total claims at line 59 attributable to	UK contracts			61	385732		37639		348093		
	Overseas contracts			62	193				193		

Long term business : Aggregate revenue account for internal linked fundsName of company **Scottish Widows' Fund and Life Assurance Society**

Global business

Ordinary business

Financial year ended **31st December 2000**Name and number of fund **Ordinary Long Term 1**

	Company registration number	GL/UK/CM	Period ended			Units	OB/IB	No of fund/ Summary	No of part of Fund	
			day	month	year					
	R44	Z2	GL	31	12	2000	£000	OB	1	0
Value of total creation of units						11	745			
Investment income attributable to the funds before deduction of tax						12	391			
Increase (decrease) in the value of investments in the financial year						13	(3397)			
Other income						14				
Total income (11 to 14)						19	(2261)			
Value of total cancellation of units						21	3518			
Charges for management						22	101			
Charges in respect of tax on investment income						23	56			
Taxation on realised capital gains						24	394			
Increase (decrease) in amount set aside for tax on capital gains not yet realised						25	(1130)			
Other expenditure						26	151488			
Total expenditure (21 to 26)						29	154427			
Increase (decrease) in funds in financial year (19-29)						39	(156688)			
Internal linked funds brought forward						49	156688			
Internal linked funds carried forward (39+49)						59				

Long term business : Summary of changes in ordinary long term business

Name of company **Scottish Widows' Fund and Life Assurance Society**

Global business

United Kingdom business

Non-linked

Financial year ended **31st December 2000**

		Company registration number	GL/UK/CM	Period ended			Units	UK/OS	NL/LN	
				day	month	year				
		R46	Z2	GL	31	12	2000	£000	UK	NL
		Life assurance and general annuity		Pensions business		Permanent health		Other business		
		No of contracts	Annual premiums	No of contracts	Annual premiums	No of contracts	Annual premiums	No of contracts	Annual premiums	
		1	2	3	4	5	6	7	8	
In force at beginning of year	11	1195518	451930	610431	253756	3212	1246			
New business and increases	12	11757	3213	3669	3922	320	150			
Net transfers and other alterations 'on'	13									
Total 'on' (12+13)	19	11757	3213	3669	3922	320	150			
Deaths	21	727	243	606	54					
Other insured events	22	3	4							
Maturities	23	2501	924	927	348					
Surrenders	24	1830	858	862	340	18	13			
Forfeitures	25	906	336	30	9					
Conversions to paid-up policies for reduced benefits	26		70		3577					
Net transfers, expiries and other alterations 'off'	27	1201308	452708	611675	253350	3514	1383			
Total 'off' (21 to 27)	29	1207275	455143	614100	257678	3532	1396			
In force at end of year (11+19-29)	39									

Long term business : Summary of changes in ordinary long term businessName of company **Scottish Widows' Fund and Life Assurance Society**

Global business

United Kingdom business

Linked

Financial year ended **31st December 2000**

		Company registration number		GL/UK/CM		Period ended			Units	UK/OS	NL/LN
						day	month	year			
		R46	Z2	GL		31	12	2000	£000	UK	LN
		Life assurance and general annuity		Pensions business		Permanent health		Other business			
		No of contracts	Annual premiums	No of contracts	Annual premiums	No of contracts	Annual premiums	No of contracts	Annual premiums		
		1	2	3	4	5	6	7	8		
In force at beginning of year	11	86568	37226	124099	110497						
New business and increases	12	556	813	3400	6560						
Net transfers and other alterations 'on'	13										
Total 'on' (12+13)	19	556	813	3400	6560						
Deaths	21	62	4	44	42						
Other insured events	22	1	5								
Maturities	23	497	173	134	154						
Surrenders	24	206	142	156	63						
Forfeitures	25	35	23								
Conversions to paid-up policies for reduced benefits	26		19		2927						
Net transfers, expiries and other alterations 'off'	27	86323	37673	127165	113871						
Total 'off' (21 to 27)	29	87124	38039	127499	117057						
In force at end of year (11+19-29)	39										

Long term business : Summary of changes in ordinary long term business

Name of company **Scottish Widows' Fund and Life Assurance Society**

Global business

Overseas business

Non-linked

Financial year ended **31st December 2000**

		Company registration number		GL/UK/CM		Period ended			Units		UK/OS		NL/LN	
		R46		Z2		GL		31	12	2000	£000	OS	NL	
		Life assurance and general annuity		Pensions business		Permanent health		Other business						
		No of contracts	Annual premiums	No of contracts	Annual premiums	No of contracts	Annual premiums	No of contracts	Annual premiums	No of contracts	Annual premiums	No of contracts	Annual premiums	
		1	2	3	4	5	6	7	8					
In force at beginning of year		11	1752											
New business and increases		12	138											
Net transfers and other alterations 'on'		13												
Total 'on' (12+13)		19	138											
Deaths		21												
Other insured events		22												
Maturities		23												
Surrenders		24	3											
Forfeitures		25												
Conversions to paid-up policies for reduced benefits		26												
Net transfers, expiries and other alterations 'off'		27	1887											
Total 'off' (21 to 27)		29	1890											
In force at end of year (11+19-29)		39												

Long term business : Analysis of new ordinary long term business

Name of company **Scottish Widows' Fund and Life Assurance Society**

Global business

Financial year ended **31st December 2000**

Company registration number	Period ended				Units
	GLUKCM	day	month	year	
R47	Z2	GL	31	12	2000
					£000

Type of insurance	Single premium contracts				Regular premium contracts			
	No of contracts	Premiums	Sums assured, annuities per annum or other measures of benefit	No of contracts	Annual premiums	Sums assured, annuities per annum or other measures of benefit		
1	2	3	4	5	6	7		
UK DIRECT WRITTEN BUSINESS								
Life Assurance & General Annuity Business								
Accumulating With-Profits Policies	2512	67315	67389					
Unlised With Profits Bond				354	508			
House Purchase Savings Plan				281	252			
Regular Savings Plan				9	13			
Lifetime Protection Plan								
Sub total: Accumulating With-Profits Policies	2512	67315	67389	644	773			
Non-Linked With-Profits Policies								
Versatile Endowment Plan				644	836	14286		
Sub total: Non-Linked With-Profits Policies				644	836	14286		
Non-Linked Non-Profit Policies								
Term assurance				7957	1604	429860		
Sub total: Non-Linked Non-Profit Policies				7957	1604	429860		
Other Linked Contracts								
Whole life assurance (SP increments)	128	219	210					
Investment Bond		4565	4527					
Investment Bond (SP increments)		27	26					
Endowment insurance					9	424		

Long term business : Analysis of new ordinary long term business

Name of company **Scottish Widows' Fund and Life Assurance Society**

Global business

Financial year ended **31st December 2000**

Company registration number	GLUKUCM			Period ended			Units
	day	month	year	day	month	year	
R47	Z2	GL		31	12	2000	£000

Type of insurance	Single premium contracts			Regular premium contracts		
	No of contracts	Premiums	Sums assured, annuities per annum or other measures of benefit	No of contracts	Annual premiums	Sums assured, annuities per annum or other measures of benefit
1	2	3	4	5	6	7
House Purchase Savings Plan				255	467	36837
Regular Savings Plan				167	328	8321
Lifetime Protection Plan				6	9	1172
Sub total: Other Linked Contracts	128	4811	4763	428	813	46754
Total: Life Assurance & General Annuity Business	2640	72126	72152	9673	4026	490900

Long term business : Analysis of new ordinary long term business

Name of company **Scottish Widows' Fund and Life Assurance Society**

Global business

Financial year ended **31st December 2000**

Financial year ended		31st December 2000		Company registration number		GL/UK/CM		Period ended			Units						
				R47		Z2		GL		31		12		2000		£000	

Long term business : Analysis of new ordinary long term business

Name of company **Scottish Widows' Fund and Life Assurance Society**

Global business

Financial year ended **31st December 2000**

Company registration number	Period ended			Units		
	GLUK/CM	day	month	year	£000	
R47	Z2	GL	31	12	2000	

Type of insurance	Single premium contracts			Regular premium contracts		
	No of contracts	Premiums	Sums assured, annuities per annum or other measures of benefit	No of contracts	Annual premiums	Sums assured, annuities per annum or other measures of benefit
1	2	3	4	5	6	7
Group life						
Group contingent pension					18	12956
Contingent annuity					10	232 pa
					2	9 pa
Sub total: Non-Linked Non-Profit Policies	1011	27770	2289 pa	504	346	67337
Index Linked Contracts						
Annuity in payment	45	1127	71 pa			
Sub total: Index Linked Contracts	45	1127	71 pa			
Other Linked Contracts						
Deferred annuity					320	
Deferred annuity (SP increments)						
Individual Unlited Pensions	219	3753				
Individual Unlited Pensions (SP increments)		6353		2964		
Income Drawdown Plan	38	3809				
Phased Retirement Plan	15	3999				
Phased Retirement Plan (SP increments)		3429				
Trustee Investment Bond	24	344				
Trustee Investment Bond (SP increments)		2990				
Annuity in payment	94	22	101 pa			
		1375				

Long term business : Analysis of new ordinary long term business

Name of company **Scottish Widows' Fund and Life Assurance Society**

Global business

Financial year ended **31st December 2000**

Financial year ended		31st December 2000		Company registration number		GL/JUK/CM			Period ended			Units			
				R47		Z2		GL		31 12		2000		£000	
Type of insurance		Single premium contracts				Regular premium contracts									
		No of contracts	Premiums	Sums assured, annuities per annum or other measures of benefit	No of contracts	Annual premiums	Sums assured, annuities per annum or other measures of benefit								
1		2	3	4	5	6	7								
Sub total: Other Linked Contracts		390	26074	101 pa	2964	6560									
Total: Pension Business		2277	96800	3797 pa 6702 omb	4738	11643	67337 9889 pa 8561 omb								

Long term business : Analysis of new ordinary long term business

Name of company **Scottish Widows' Fund and Life Assurance Society**

Global business

Financial year ended **31st December 2000**

Company registration number	GL/UK/CM	Period ended			Units
		day	month	year	
R47	Z2	GL	31	12	2000
					£000

Type of insurance	Single premium contracts			Regular premium contracts		
	No of contracts	Premiums	Sums assured, annuities per annum or other measures of benefit	No of contracts	Annual premiums	Sums assured, annuities per annum or other measures of benefit
1	2	3	4	5	6	7
Permanent Health Insurance Non-Linked Non-Profit Policies Care Plan Disability Income Plan Critical Illness Plan	11	272	147 pa	51 183 75	58 67 25	478 pa 2384 pa 5227
Sub total: Non-Linked Non-Profit Policies	11	272	147 pa	309	150	5227 2862 pa
Total: Permanent Health Insurance	11	272	147 pa	309	150	5227 2862 pa
Total: UK Direct Written Business	4928	189198	72162 3944 pa 6702 omb	14720	15819	563464 12751 pa 8861 omb

Long term business : Analysis of new ordinary long term business

Name of company **Scottish Widows' Fund and Life Assurance Society**

Global business

Financial year ended **31st December 2000**

Company registration number	Period ended				Units
	GLUUK/CM	day	month	year	
R47	Z2	GL	31	12	2000
					£000

Type of Insurance	Single premium contracts			Regular premium contracts			
	No of contracts	Premiums	Sums assured, annuities per annum or other measures of benefit	No of contracts	Annual premiums	Sums assured, annuities per annum or other measures of benefit	
1	2	3	4	5	6	7	
UK REINSURANCE ACCEPTED							
Pension Business							
Non-Linked Non-Profit Policies							
Annuity in payment	53	487	39 pa				
Sub total: Non-Linked Non-Profit Policies	53	487	39 pa				
Index Linked Contracts							
Annuity in payment	1	5					
Sub total: Index Linked Contracts	1	5					
Total: Pension Business	54	492	39 pa				
Total: UK Reinsurance Accepted	54	492	39 pa				

Long term business : Analysis of new ordinary long term business

Name of company **Scottish Widows' Fund and Life Assurance Society**

Global business

Financial year ended **31st December 2000**

Company registration number	Period ended			Units	
	GLUKJCM	day	month	year	£000
R47	Z2	GL	31	12	2000

Type of insurance	Single premium contracts			Regular premium contracts		
	No of contracts	Premiums	Sums assured, annuities per annum or other measures of benefit	No of contracts	Annual premiums	Sums assured, annuities per annum or other measures of benefit
1	2	3	4	5	6	7
OVERSEAS DIRECT WRITTEN BUSINESS						
Life Assurance & General Annuity Business	138	8234	8149			
Accumulating With-Profits Policies						
Jersey With Profits Bond						
Sub total: Accumulating With-Profits Policies	138	8234	8149			
Total: Life Assurance & General Annuity Business	138	8234	8149			
Total: Overseas Direct Written Business	138	8234	8149			

Name of Company Scottish Widows' Fund and Life Assurance Society

Global business

Financial year ended 31 December 2000

Supplementary Notes to Schedules 1 and 3

1001 Reconciliation of Form 13 Line 99 to draft Companies Act accounts

	2000
	£000
Line 99 on Form 13	<u>500</u>
Total Assets in accordance with draft Companies Act accounts	<u>500</u>

1308 Classification of investments – long term business

No investments are held within the specified categories.

1309 Value of hybrid securities

No hybrid securities are held.

1310 Offsetting – long term business

There has not been any offsetting of amounts in Form 13.

1311 Counterparty limits

Not applicable.

1312 Exposure to large counterparties

Not applicable.

Name of Company Scottish Widows' Fund and Life Assurance Society

Global business

Financial year ended 31 December 2000

Supplementary Notes to Schedules 1 and 3

1318 Section 68 Order

The Company has requested an order under section 68 of the Insurance Companies Act 1982 to lodge an abbreviated set of returns in respect of the year ended 31 December 2000.

During the financial year, the Scottish Widows' Fund and Life Assurance Society ("the Company") transferred the majority of its assets and liabilities to Scottish Widows plc and Scottish Widows Annuities Limited, both wholly owned subsidiaries of the Lloyds TSB Group. The transfer of business was effected by a scheme pursuant to section 49 of, and Part 1 of Schedule 2C to, the Insurance Companies Act 1982.

1401 Provision for adverse changes

No provision has been made for adverse changes.

1402 Other liabilities

- (a) No charge has been made on the assets of the company to secure the liabilities of any other person.
- (b) No provision has been made for capital gains tax.
- (c) There are no contingent liabilities.
- (d) The company has given no guarantees, indemnities or contractual commitments in respect of related companies.
- (e) There are no other fundamental uncertainties.

1500 Liabilities other than long term business

We have omitted Form 15 because, during the period of trading to 3 March 2000, the Company traded as a mutual company carrying on long term business only.

1600 Profit and loss account (non technical account)

We have omitted Form 16 because Scottish Widows does not have a shareholder fund.

Name of Company Scottish Widows' Fund and Life Assurance Society

Global business

Financial year ended 31 December 2000

Supplementary Notes to Schedules 1 and 3

1700 Form omitted from the Return

No derivative contracts are held.

4001 Brought forward amounts

There is no difference between the fund brought forward this year and that carried forward last year.

4002 Other expenditure

Other expenditure represents the transfer out of the company of the closing value of the long term business fund on 3 March 2000.

4003 Allocation of investment income

This note is not applicable as the Company does not have a non technical account.

4004 Transfer of reserves

There has been no movement of contracts from one fund to another.

4005 Basis of translation of foreign currency

Revenue transactions and those relating to the acquisition and realisation of investments have been translated at rates of exchange ruling at the time of the respective transactions.

4006 Basis of apportionment between long term funds

Not applicable.

4008 Management services

Arrangements were in force under which Scottish Widows Investment Management Limited provided investment management services to the Company and under which Scottish Widows Services Limited provided management and administration services to the Company.

Name of Company Scottish Widows' Fund and Life Assurance Society

Global business

Financial year ended 31 December 2000

Supplementary Notes to Schedules 1 and 3

4300 Form omitted from the Return

At the year end the Company did not transact property linked business.

4402 Other expenditure

Other expenditure represents the transfer out of the Company of the closing value of the internal linked funds on 3 March 2000.

4500 Form omitted from the Return

At the year end the Company did not transact property linked business.

5500 Form omitted from the Return

At the year end the Company did not transact property linked business.

Supplementary Notes to Schedule 4

4701 Double counting of contracts

The total number of non-linked contracts shown exceeds the actual number by the following:-

United Kingdom

Life Assurance and General Annuity	202
Pension Business	1,555

The total number of linked contracts shown does not exceed the actual number.

Name of Company - Scottish Widows' Fund and Life Assurance Society

Financial period ended 31 December 2000

Appointed Actuary's Certificate

I certify -

- (a) that no insurance liabilities remain, following the transfer on 3 March 2000 of the Company's long term business to Scottish Widows plc and Scottish Widows Annuities Limited.
- (b) that the Company has maintained sufficient admissible assets to cover its required minimum solvency margin of £465,000 at the end of the financial year.

28 June 2001

A M Eastwood
Appointed Actuary

Name of Company Scottish Widows' Fund and Life Assurance Society

Global business

Financial year ended 31 December 2000

Directors' Certificate required by regulation 28 (a) of the Insurance Companies (Accounts and Statements) Regulations 1996

We certify:

- 1 (a) that in relation to the part of this return comprising Forms 9, 10, 13 to 17 and 40 to 45 (including the supplementary notes thereto):
 - (i) the return has been prepared in accordance with the Insurance Companies (Accounts and Statements) Regulations 1996;
 - (ii) proper accounting records have been maintained and adequate information has been obtained by Scottish Widows' Fund and Life Assurance Society ("the Company"); and
 - (iii) an appropriate system of control has been established and maintained by the Company over its transactions and records;
- (b) that in respect of the Company business which is not excluded by Regulation 32 of the Insurance Companies Regulations 1994 the assets held throughout the financial year enabled the Company to comply with Regulations 27 to 31 (matching and localisation) of those Regulations.
- 2 that the margin of solvency required by section 32 of the Insurance Companies Act 1982 has been maintained throughout the financial year.
- 3 (a) that any amount payable from or receivable by the long term business funds in respect of services rendered by or to any other business carried on by the Company or by a person who, for the purpose of section 31 of the Insurance Companies Act 1982, is connected with it or is a subordinate company of it has been determined and where appropriate apportioned on terms which are believed to be no less than fair to those funds, and any exchange of assets representing such funds for other assets of the Company have been made at fair market value;
- (b) that there are no guarantees given by the Company which are outstanding at the end of the financial period;

Name of Company Scottish Widows' Fund and Life Assurance Society

Global business

Financial year ended 31 December 2000

**Directors' Certificate required by regulation 28 (a) of the Insurance Companies
(Accounts and Statements) Regulations 1996**

- (c) that in respect of each internal linked fund, the investment policy and practice of the Company was during the financial year consistent with any representations made to policyholders or potential policyholders of the Company;
 - (d) that the returns in respect of long term business are not distorted by agreements between the Company and any other company carrying on insurance business with which the Company has financial, commercial or administrative links or by any arrangements which could affect the apportionment of expenses and income; and
 - (e) that the Company has fully complied with the requirement of section 31A of the Insurance Companies Act 1982.
- 4 (a) that the systems of control established and maintained by the Company in respect of its business complied at the end of the financial year with the following published guidance:
- (i) Prudential Guidance Note 1994/6 "Systems of control over the investments (and counterparty exposure) of insurance companies with particular reference to the use of derivatives"; and
 - (ii) Money Laundering - Guidance Notes for Insurance and Retail Products (revised June 1997) issued by the Joint Money Laundering Steering Group
- and it is reasonable to believe that those systems continued to so comply subsequently and will continue to so comply in future;
- (b) that the return has been prepared in accordance with the following published guidance:
- (i) Prudential Guidance Note 1995/1 "Guidance notes on the valuation of assets regulations";

Name of Company Scottish Widows' Fund and Life Assurance Society

Global business

Financial year ended 31 December 2000

**Directors' Certificate required by regulation 28 (a) of the Insurance Companies
(Accounts and Statements) Regulations 1996**

- (ii) Prudential Guidance Note 1995/3 "Use of derivative contracts in insurance funds"; and
- (iii) Prudential Guidance Note 1998/1 " The preparation of annual returns to the Insurance Directorate of H M Treasury".

.....
M D Ross
Director

.....
N Scott
Director

.....
C M Herd
Secretary

4 July 2001

Returns under Insurance Companies Legislation

Name of Company Scottish Widows' Fund and Life Assurance Society

Global business

Financial year ended 31 December 2000

Report of the auditors to the directors pursuant to regulation 29 of the Insurance Companies (Accounts and Statements) Regulations 1996

We have examined the following documents prepared by the company pursuant to section 17 of the Insurance Companies Act 1982 ("the Act") and the Insurance Companies (Accounts and Statements) Regulations 1996 ("the Regulations"):

- Forms 9, 10, 13 to 17 and 40 to 45 (including the supplementary notes thereto) ("the Forms");
- the certificate signed in accordance with regulation 28(a) on pages 28 to 30 ("the Certificate").

In the case of the Certificate, our examination did not extend to:

- (a) paragraph 3(c) concerning the investment policy and practice of internal linked funds required by paragraph 4(d) of Schedule 6; and
- (b) paragraph 4(a) in so far as it relates to controls with respect to Money Laundering.

Respective responsibilities of the company and its auditors

The company is responsible for the preparation of an annual return (including the Forms and Certificate) under the provisions of the Act and the Regulations. Under regulation 5, the Forms are required to be prepared in the manner specified by the Regulations and to state fairly the information provided on the basis required by the Regulations.

It is our responsibility to form an independent opinion as to whether the Forms meet these requirements, and in the case of the Certificate whether it was or was not unreasonable for the persons giving the Certificate to have made the statements therein, and to report our opinions to you.

Basis of opinion

We conducted our work in accordance with Practice Note 20 "The audit of insurers in the United Kingdom" issued by the Auditing Practices Board. Our work included examination, on a test basis, of evidence relevant to the amounts and disclosures in the Forms.

Returns under Insurance Companies Legislation

Name of Company Scottish Widows' Fund and Life Assurance Society

Global business

Financial year ended 31 December 2000

Report of the auditors to the directors pursuant to regulation 29 of the Insurance Companies (Accounts and Statements) Regulations 1996

It also included an assessment of the significant estimates and judgements made by the company in the preparation of the Forms.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Forms are free from material misstatement, whether caused by fraud or other irregularity or error, and comply with regulation 5.

In the case of the Certificate, the work performed involved a review of the procedures undertaken by the signatories to enable them to make the statements therein, and does not extend to an evaluation of the effectiveness of the company's internal control systems.

In giving our opinion we have relied on:

- the certificate of the actuary on page 27 with respect to the mathematical reserves and the required minimum margin.

Opinion

In our opinion:

- (a) the Forms fairly state the information provided on the basis required by the Regulations and have been properly prepared in accordance with the provisions of those Regulations; and
- (b) according to the information and explanations received by us:
 - (i) the Certificate has been properly prepared in accordance with the provisions of the Regulations; and
 - (ii) it was not unreasonable for the persons giving the Certificate to have made the statements therein.

PricewaterhouseCoopers
Edinburgh
Chartered Accountants and Registered Auditors
4 July 2001