

Old Scottish Company Limited

Annual report and financial statements 2018



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Company Information

Board of Directors

Simon Jukes (resigned 14th June 2019)

Susan Lake

Michael Ludlow (appointed 11th June 2019)

Company Secretary

Jennifer Gandy

Independent Auditors

PricewaterhouseCoopers LLP

7 More London Riverside

London SE1 2RT

Registered Office

c/o Maclay Murray & Spens LLP

1 George Square

Glasgow

Scotland

G2 1AL

**Company Registration
Number**

SC006637

Directors' Report

The directors present their annual report together with the audited financial statements of Old Scottish Company Limited, (the Company), for the year ended 31 December 2018.

Business review and Principal activities

The Company, a former authorised carrier on all classes of general reinsurance business, completed its Solvent Scheme of Arrangement on 15 November 2006 and has not since conducted any reinsurance transactions. De-authorisation with the Financial Services Authority occurred on the 15 December 2009.

The immediate parent company is Swiss Re Europe Holdings S.A. and the ultimate parent company is Swiss Re Ltd.

For the purpose of these financial statements, Swiss Re Ltd and all its subsidiaries are referred to as Swiss Re or group undertakings.

The Company ceased to accept new business in 1997 and had been running off its existing liabilities until it entered into a Solvent Scheme of Arrangement, ("Scheme"), under section 425 of the Companies Act 1985, on 22 September 2005. The final claims submission date was on 20 January 2006 and the Company successfully crystallised all Scheme liabilities on 15 November 2006. Full and final payments have now been made to all Scheme Creditors in respect of their crystallised liabilities.

On 26th November 2015 the Board of Swiss Re GB Limited (SRGB) approved in principle the transfer of its subsidiary Old Scottish Company Limited, formerly known as The Mercantile & General Reinsurance Company Limited, to Swiss Re Europe Holdings S.A. (SREH) for consideration equivalent to its market value. The approval was subject to agreement of an appropriate market valuation basis between the Boards of SRGB and SREH. The transfer took place during 2016.

Future outlook

These financial statements have not been prepared on the going concern basis, as it is the intention of the Directors to liquidate the company within the next twelve months. No adjustments were necessary in these financial statements to reduce assets to their realisable values, to provide for liabilities arising from the decision or to reclassify fixed assets and long-term liabilities as current assets and liabilities.

Results and dividends

The company did not trade during the year or the preceding year and made neither a profit or a loss. There were also no other comprehensive income for the current financial year or the preceding financial year. Accordingly, neither a profit and loss account nor a statement of comprehensive income have been presented.

The shareholder's funds of the Company, as shown on page 9, total £530,806 (2017: £530,806). The directors recommend that no dividend be paid or proposed in respect for 2018 (2016: £nil).

Directors

The directors of the company who were in office during the year and up to the date of signing the financial statements are listed on page 3.

Directors' Indemnities

As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006.

Directors' Report

The indemnity was in force throughout the last financial year and is currently in force. The Company also benefited from the Directors' and Officers' liability insurance, purchased by a fellow Swiss Re Group company, in respect of itself and its Directors.

Small company exemption

The Company has met the conditions of qualifying as a small company and although it is a member of an ineligible group has taken advantage of the exemption of preparing a Strategic report in accordance with section 414B Companies Act 2006.

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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 period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

The directors 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.

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Directors' Report

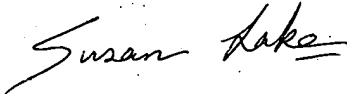
Independent Auditors

PricewaterhouseCoopers LLP have expressed their willingness to continue in office as auditors and accordingly a resolution to propose their re-appointment will be submitted at the annual general meeting.

Directors' report exemptions

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

On behalf of the Board

A handwritten signature in black ink, appearing to read 'Susan Lake', with a horizontal line drawn through the end of the signature.

Susan Lake

Director

24th June 2019

Independent auditors' report to the members of Old Scottish Company Limited

• Report on the audit of the financial statements

Opinion

In our opinion, Old Scottish Company Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its result for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the balance sheet as at 31 December 2018; the statement of changes in equity for the year ended 31 December 2018; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Emphasis of matter - financial statements prepared on a basis other than going concern

In forming our opinion on the financial statements, which is not modified, we draw attention to note 2 to the financial statements which describes the directors' reasons why the financial statements have been prepared on a basis other than going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the year ended 31 December 2018 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

Independent auditors' report to the members of Old Scottish Company Limited (continued)

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities in respect of financial statements set out on page 5, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also 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.

In preparing the financial statements, the directors are responsible for 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 the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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 an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

Philip Watson

Philip Watson (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
24 June 2019

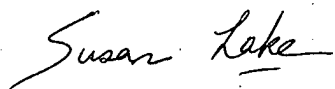
Balance Sheet

As at 31 December 2018

	Note	2018 £	2017 £
Current assets			
Debtors	8	530,806	530,806
Total assets		530,806	530,806
Capital and reserves			
Called up share capital	9	2	2
Profit and loss account		530,804	530,804
Total shareholder's funds		530,806	530,806

The notes on pages 11 to 13 form an integral part of these financial statements.

The financial statements on pages 9 to 13 were approved by the Board of Directors on 24th June 2019 and were signed on their behalf by:



Susan Lake
Director

Statement of Changes in Equity

For the year ended 31 December 2018

	Called up share capital £	Profit and loss account £	Total shareholder's funds £
Balance at 1 January 2017	2	530,804	530,806
Result for the financial year and total comprehensive result	-	-	-
Dividend paid	-	-	-
Balance at 31 December 2017	2	530,804	530,806
Balance at 1 January 2018	2	530,804	530,806
Result for the financial year and total comprehensive result	-	-	-
Dividend paid	-	-	-
Balance at 31 December 2018	2	530,804	530,806

Notes to the Financial Statements

1. Statement of Compliance

The individual financial statement of Old Scottish Company Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

2. Accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The company has adopted FRS 102 in these financial statements.

Basis of preparation

These financial statements have not been prepared on the going concern basis, it is the intention of the Directors to liquidate the company within the next twelve months. The financial statements have been prepared in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102").

The company is a private limited company incorporated in Scotland.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

The Company has taken advantage of certain exemptions available under FRS 102 paragraph 1.12 on the basis that it is a qualifying entity and it is included by full consolidation in the consolidated financial statements of the ultimate parent company, Swiss Re Ltd, registered in Switzerland, which are publicly available. The exemptions are as follows:

- preparation of a statement of cash flows (FRS 102 paragraph 1.12b);
- disclosure of key management personnel compensation in total (FRS 102 paragraph 1.12e).

Under FRS 102 Section 33 Related Parties the Company is exempt from disclosure of transactions between members of the Swiss Re Group, provided that any subsidiary which is a party to the transaction is wholly owned by a member of Swiss Re Group.

The following accounting policies have been applied consistently for all years presented in the financial statements in dealing with items which are considered material to the Company.

3. Critical accounting judgements and estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

For 2018 there are no estimations and assumptions that affect the financial statements.

Notes to the Financial Statements

4. Auditors' remuneration

The remuneration payable by the Company, excluding VAT, to its independent auditors, PricewaterhouseCoopers LLP, in respect of these financial statements, is shown below, together with fees payable in respect of other work.

	2018 £	2017 £
Fees payable for the Company's annual financial statements	1,906	1,906
Total	1,906	1,906

All amounts incurred by the Company in respect of auditors' remuneration are settled by Swiss Re Services Limited, a Swiss Re group subsidiary undertaking.

5. Result on ordinary activities before taxation

All administration, staff and pension costs, including audit fees, have been incurred by Swiss Re Services Limited, a fellow subsidiary undertaking, and all staff have service contracts with that Company.

6. Directors' emoluments

	2018 £	2017 £
Aggregate emoluments	519	1659
Pension contribution	49	145

The emoluments of two directors (2017: two directors) have been included. Retirement benefits are accruing to one director (2017: two directors) under a defined contribution scheme. All directors' emoluments were borne by Swiss Re Services Limited and Swiss Re Management Ltd, UK Branch fellow Swiss Re group subsidiary undertakings. One director (2017: one director) is entitled to shares under long term incentive schemes.

7. Employee information

The Company does not employ any staff (2017: nil) as all Reinsurance business unit staff are employed by Swiss Re Services Limited, a fellow group undertaking. No recharge has been made to the Company for the services provided by these staff.

Notes to the Financial Statements

8. Debtors

	2018 £	2017 £
Amounts owed by Group undertakings	530,806	530,806
Taxation and social security	-	-
Total	530,806	530,806

The amounts owed by group undertakings are unsecured, interest free, has no fixed date of repayment and is repayable on demand. Settlement is expected to occur upon liquidation of the Company via distribution of capital and excess reserves back to the parent undertaking.

9. Called up share capital

	2018 £	2017 £
Authorised		
110,288,002 £1 ordinary shares (2017: 110,288,002 £1 ordinary shares)	110,228,002	110,228,002
Allotted and called up and fully paid:		
Equity shares:		
2 £1 ordinary shares fully paid (2017: 2 £1 ordinary shares)	2	2

10. Immediate and ultimate parent company

The Company's immediate parent company is Swiss Re Europe Holdings S.A., registered in Luxembourg.

The ultimate parent undertaking and controlling party is Swiss Re Ltd, a company incorporated in Switzerland.

Swiss Re Ltd is the parent undertaking of the largest and smallest group of undertakings to consolidate these financial statements at 31 December 2018. The consolidated financial statements of Swiss Re Ltd are available from the following address:

Mythenquai 50/60
P.O. Box 8022
Zurich
Switzerland