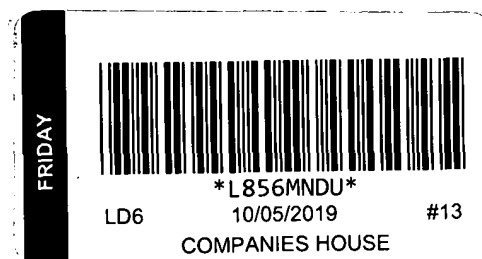


ROTHESAY ASSURANCE LIMITED

**ANNUAL REPORT, REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 DECEMBER 2018



Strategic Report

The Directors present their Annual Report and the financial statements for Rothesay Assurance Limited, registered number 06054422, (the Company or RAL) for the year ended 31 December 2018. Comparative information has been presented for the year ended 31 December 2017.

1. Principal activities

On 1 December 2015, the Company transferred its long term business to Rothesay Life Plc (RLP), pursuant to Part VII of the Financial Services Market Act 2000 following Court approval and no longer writes insurance business. The Prudential Regulation Authority (the PRA) and the Financial Conduct Authority (the FCA) approved the cancellation of all permissions on 3 October 2016. The Company's financial statements have therefore not been prepared on a going concern basis.

Prior to the transfer, the principal activity of the Company was to provide bulk annuity and other bespoke insurance solutions tailored to meet the specific needs of our clients which included defined benefit pension plans and annuity providers.

On 28 December 2017, RAL repaid £2.6m of share capital and reserves to its parent, Rothesay Life Plc, leaving £1.00 share capital in the Company in preparation for liquidation proceedings.

The Company operates as part of the Rothesay Holdco UK Limited Group (the Group).

2. Review of the business

Business summary

The Company made a profit before tax in the year ended 31 December 2018 of £nil (profit before tax in the year ended 31 December 2017: £5,212). The statement of comprehensive income for the year is set out on pages 5. The Company has reported total assets of £1 (2017: £876).

Risk management

As a closed company which is now essentially dormant, the Company has minimal exposure to risk. The Company is reliant on the Group to meet any expenses incurred before it is liquidated.

Strategic Report (continued)

2. Review of the business (continued)

Key Performance Indicators

Given the transfer of the long term business the Company's Directors are of the opinion that analysis using key performance indicators is not necessary for an understanding of the performance of the business.

Future outlook

Liquidation proceedings began during 2017. Accordingly, the going concern basis of preparation is not appropriate and these financial statements have been prepared on a basis other than going concern. No adjustments were necessary in these financial statements to reduce assets to their realisable values, to provide for liabilities arising from the decision and to reclassify fixed assets and long-term liabilities as current assets and liabilities.

3. Date of authorisation of issue

The financial statements were authorised for issue by the Board of Directors on 9 May 2019.

ON BEHALF OF THE BOARD



A.M. Stoker

Director

9 May 2019

Report of the Directors

The Directors present their Annual Report and financial statements for Rothesay Assurance Limited, registered number 06054422, for the year ended 31 December 2018. Comparative information has been presented for the year ended 31 December 2017.

1. Results

The Company's results for the year are set out in the statement of comprehensive income on page 5.

2. Dividends

The Directors have not recommended the payment of interim dividends during the year ended 31 December 2018 (2017: £nil). The Directors have not recommended the payment of a final ordinary dividend in respect of the year ended 31 December 2018 (2017: £nil).

3. Registered office

The registered office and principal place of business for the Company is Level 25, The Leadenhall Building, 122 Leadenhall Street, London, EC3V 4AB.

4. Directors

The Directors of the Company who served throughout the year and to the date of this report, except where noted, were:

Name	Appointed	Resigned
R. King		23 March 2018
A. Loudiadis		
A. Stoker		

Report of the Directors (continued)

5. Statement of Directors' responsibilities

The Directors are responsible for preparing the Strategic Report, Report of the Directors and the financial statements in accordance with applicable laws and regulations. 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 International Financial Reporting Standards (IFRSs) as adopted by the EU. 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 then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable IFRSs as adopted by the EU have been followed, subject to any material departures disclosed and explained in the financial statements; 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. 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.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

6. Date of authorisation of issue

The financial statements were authorised for issue by the Board of Directors on 9 May 2019.

ON BEHALF OF THE BOARD



A.M. Stoker

Director

9 May 2019

ROTHESAY ASSURANCE LIMITED

Statement of comprehensive income

Discontinued operations for the year ended 31 December 2018	Note	2018 £	2017 £
Income			
Investment return	2	-	5,971
Total revenue		-	5,971
Expenses			
Operating expenses	3	-	(759)
Total operating expenses		-	(759)
Profit before tax		-	5,212
Income tax expense	6	-	-
Profit for the financial year		-	5,212

All income and expenses are related to operations which were discontinued on 1 December 2015.

The statement of comprehensive income includes all income and expenses for the year. The Company has no items required to be reported in other comprehensive income, therefore a separate comprehensive income statement has not been presented.

Notes 1 – 13 form an integral part of these financial statements.

ROTHESAY ASSURANCE LIMITED

Statement of financial position

As at 31 December 2018	Note	2018 £	2017 £
Assets			
Accrued interest and prepayments		-	475
Receivables	7	1	-
Cash and cash equivalents	8	-	401
Total assets		1	876
Equity			
Share capital	10	1	1
Accumulated losses		-	-
Total equity		1	1
Liabilities			
Other payables	9	-	875
Total equity and liabilities		1	876

Notes 1 – 13 form an integral part of these financial statements.

For the year ending 31 December 2018 the Company was entitled to exemption from audit under Section 477 of the Companies Act 2006 relating to small companies. The members have not required the Company to obtain an audit of its accounts for the year in question in accordance with Section 476.

The Directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts. The accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the Board of Directors on 9 May 2019 and signed on its behalf by:



A.M. Stoker

Director

9 May 2019

ROTHESAY ASSURANCE LIMITED

Statement of changes in equity

For the year ended 31 December 2018

	Share capital	Accumulated losses	Total equity
	£	£	£
As at 1 January 2018	1	-	1
As at 31 December 2018	1	-	1

For the year ended 31 December 2017

	Share capital	Accumulated losses	Total equity
	£	£	£
As at 1 January 2017	412,079,999	(409,400,692)	2,679,307
Profit for the financial year	-	5,212	5,212
Repayment of share capital	(412,079,998)	409,395,480	(2,684,518)
As at 31 December 2017	1	-	1

ROTHESAY ASSURANCE LIMITED

Cash flow statement

For the year ended 31 December 2018	Note	2018 £	2017 £
Cash flows from operating activities			
Profit for the financial year		-	5,212
Adjustments for non cash movements in net profit for the year			
Interest income	2	-	(5,970)
Net (increase)/decrease in operational assets			
Financial investments		-	2,669,814
Receivables	7	(1)	-
Net (decrease)/increase in operational liabilities			
Payables		(875)	875
Net cash (outflows)/ inflows from operating activities		(876)	2,669,931
Interest received		475	6,011
Net cash flows from operating activities		(401)	2,675,942
Net cash outflow from financing activities			
Repayment of share capital		-	(2,684,518)
Net cash outflow from financing activities		-	(2,684,518)
Net decrease in cash and cash equivalents		(401)	(8,576)
Cash and cash equivalents at 1 January	8	401	8,977
Cash and cash equivalents at 31 December	8	-	401

Notes to the financial statements

1. General information and basis of preparation

(a) General information

RAL is a registered limited company incorporated, and domiciled in the United Kingdom. The Company's registered office and principal place of business is Level 25, The Leadenhall Building, 122 Leadenhall Street, London, EC3V 4AB.

All accounting policies, where relevant, have been included within the specific note disclosures.

(b) Basis of preparation

The financial statements of the Company have been prepared and approved by the Directors in accordance with IFRSs as adopted by the EU and those parts of the Companies Act 2006 applicable to those reporting under IFRS. Neither changes to standards nor proposed changes to standards are expected to affect RAL.

The financial statements of the Company are presented in sterling (£).

The Company presents its statement of financial position broadly in order of liquidity.

Assets and liabilities are offset and the net amount reported in the statement of financial position only when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liability simultaneously. Income and expenses are not offset in the statement of comprehensive income unless required or permitted by IFRS.

On 1 December 2015, the long term business of the Company was transferred by way of a Part VII transfer under the Financial Services and Markets Act 2000 to Rothesay Life Plc and the Company ceased to trade. It is the Directors intention to continue liquidation proceedings during 2019. Accordingly, the going concern basis of preparation is not appropriate and these financial statements have been prepared on a basis other than going concern. No adjustments were necessary in these financial statements to reduce assets to their realisable values, to provide for liabilities arising from the decision and to reclassify fixed assets and long-term liabilities as current assets and liabilities.

ROTHESAY ASSURANCE LIMITED

Notes to the financial statements (continued)

2. Investment return

Investment return comprises all investment income, realised investment gains and losses and movements in unrealised gains and losses. Dividends on money market securities held in collective investment schemes are included as investment income on the date the units are created. Interest is accounted for on an accruals basis.

Realised gains and losses on investments carried at fair value are calculated as the difference between net sales proceeds and purchase price. Movements in unrealised gains and losses on investments represent the difference between the fair value at the statement of financial position date and their purchase price.

	2018	2017
	£	£
Interest income on financial investments at fair value through profit and loss	-	5,970
Total investment return	-	5,970

3. Operating expenses

This note gives further details of items included in the operating expenses section of the statement of comprehensive income which has been included in arriving at the profit before tax:

	2018	2017
	£	£
Administrative expenses	-	759
Total operating expenses	-	759

ROTHESAY ASSURANCE LIMITED

Notes to the financial statements (continued)

4. Employee information

All persons involved in the Company's operations are employed by a group undertaking, Rothesay Pensions Management Limited (RPML). The charges made by RPML for all services provided (personnel and other) to the Company were included in the management fee charged by the group undertaking to the Company's parent, RLP.

Directors' emoluments in respect of qualifying services to the Company were as follows:

	2018	2017
	£	£
Aggregate emoluments	17,747	12,149
Company pension contributions to money purchase schemes	131	131
Total Directors emoluments	17,878	12,280

In accordance with the Companies Act 2006, Directors' emoluments above represent the proportion of total emoluments paid or payable in respect of qualifying services. This total does not include the value of equity awards in accordance with the provisions of Schedule 5 of SI 2008/410.

During 2018 Directors received no emoluments for non-qualifying services which are required to be disclosed.

Two Directors have been granted shares in respect of long term incentive schemes. No Directors have exercised options during the year.

5. Auditors' remuneration

Fees paid and payable to the Company's auditors in prior year, which were borne by another group undertaking, are as follows:

	2018	2017
	£	£
Remuneration receivable by the Company's auditors for the audit of the company financial statements	-	6,700
Total audit	-	6,700

ROTHESAY ASSURANCE LIMITED

Notes to the financial statements (continued)

6. Income tax expense

Income tax assets and liabilities for the current period and prior years were measured at the amount expected to be recovered from or paid to the taxation authorities, or paid to or recovered from other group companies in respect of group relief surrendered or received. The tax rates and laws used to compute the amount were those that were enacted or substantively enacted by the financial statement date.

Reconciliation of the total tax charge

The tax expense in the statement of comprehensive income for the year and the standard rate of corporation tax in the UK of 19.00% (2017: 19.25%) is reconciled below:

	2018 £	2017 £
Profit before taxation	-	5,212
Tax calculated at UK standard rate of corporation tax of 19.00% (2017: 19.25%)	-	1,003
Utilisation of losses surrendered by Group undertaking	-	(1,003)
Total tax expense reported in the statement of comprehensive income	-	-

7. Receivables

	2018 £	2017 £
Other receivables	1	-
Total receivables	1	-

8. Cash and cash equivalents

The cash at bank and in hand at the year end is as follows:

	2018 £	2017 £
Cash at bank and in hand	-	401
Total cash and cash equivalents	-	401

9. Other payables

	2018 £	2017 £
Amounts due to group undertakings	-	875
Total other payables	-	875

Notes to the financial statements (continued)

10. Share capital

At 31 December 2018 and 31 December 2017 share capital comprised:

	2018		2017	
	No.	£	No.	£
Authorised share capital (ordinary shares of £1 each)	1	1	1	1

On 28 December 2017 the Board of Directors approved the repayment of the Company's share capital, leaving one ordinary share of £1.00. The action was taken in preparation for the liquidation of RAL.

11. Financial risk

As a closed company which is now essentially dormant, the Company has minimal exposure to risk.

12. Related party disclosures

Ultimate parent company

At the balance sheet date, the immediate parent company was RLP, and the ultimate parent company was RHUK, which is incorporated in the United Kingdom. Group financial statements are prepared for RHUK, copies of which can be obtained from the Company Secretary, Level 25, The Leadenhall Building, 122 Leadenhall Street, London, EC3V 4AB.

13. Financial contingent liabilities

There were no commitments and contingencies outstanding at the year end (31 December 2017: £nil).