



Prudential Retirement Income Limited

Incorporated and registered in Scotland Registered number 47842
Registered Office PO Box 25, Craigforth, Stirling, FK9 4UE

**Annual FSA Insurance Returns for the year ended
31st December 2002**



(Appendices 1 , 3 , 4 , 6)

Prudential Retirement Income Limited

Year ended 31st December 2002

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Statement of solvency

Name of insurer **Prudential Retirement Income Limited**

Global business

Financial year ended **31st December 2002**

R9	Company registration number 47842	GL/UK/CM GL	Period ended			Units £000
			day	month	year	
			31	12	2002	
	As at the end of this financial year 1	As at the end of the previous year 2	Source			
			Form	Line	Column	

GENERAL INSURANCE BUSINESS**Available assets**

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

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

LONG TERM INSURANCE BUSINESS**Available assets**

Long term insurance business admissible assets	21	2414572	1056106	10 . 11
Other than long term insurance business assets allocated towards long term insurance business required minimum margin	22	160681	59617	See instructions 1 and 3
Total mathematical reserves (after distribution of surplus)	23	2398349	1042767	See instruction 4
Other insurance and non-insurance liabilities	24	16223	13339	See instruction 5
Available assets for long term insurance business required minimum margin (21+22-23-24)	25	160681	59617	

Implicit items admitted under Rule 2.10(5) as modified

Future profits	31			
Zillmerising	32			
Hidden reserves	33			

Total of available assets and implicit items (25+31+32+33)	34	160681	59617	
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Required minimum margin

Required minimum margin for long term insurance business	41	95934	41711	60 . 69
Explicit required minimum margin (1/6 x 41, or minimum guarantee fund if greater)	42	15989	6952	
Excess (deficiency) of available assets over explicit required minimum margin (25-42)	43	144692	52665	
Excess (deficiency) of available assets and implicit items over the required minimum margin (34-41)	44	64747	17906	

CONTINGENT LIABILITIES

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

Covering sheet to Form 9

Name of insurer **Prudential Retirement Income Limited**

Global business

Financial year ended **31st December 2002**

.....

G M Wood

Chief Executive

.....

D J Belsham

Director

.....

T J W Tookey

Director

London 26 March 2003

Analysis of the effect of financial engineering on long-term available assets

Name of insurer **Prudential Retirement Income Limited**

Global business

Financial year ended **31st December 2002**

	R9A	Company registration number 47842	GL/UK/CM GL	Period ended			Units £000
				day	month	year	
				31	12	2002	
		As at the end of this financial year 1	As at the end of the previous year 2	Source			
Required minimum margin for long term insurance business	11	95934		See instruction 2			
Excess (deficiency) of available assets and implicit items over the required minimum margin	12	64747		See instruction 3			
Total available assets and implicit items (11+12)	13	160681					
Analysed as follows:							
Value of implicit items	14			See instruction 5			
Financial reinsurance- ceded	15			See instruction 6			
Financial reinsurance- accepted	16			See instruction 7			
Outstanding contingent loans	17			See instruction 8			
Any other charges on future profits	18			See instruction 9			
Sum of financial engineering adjustments (14+15-16+17+18)	19						
Other assets (13-19)	20	160681					
Total available assets and implicit items (19+20)	21	160681					

Statement of net assetsName of insurer **Prudential Retirement Income Limited**

Global business

Financial year ended **31st December 2002**

	R10	Company registration number 47842	GL/UK/CM GL	Period ended			Units £000
				day	month	year	
				31	12	2002	
				As at the end of this financial year			Source
				1			Form
				As at the end of the previous year			Line
				2			Column
Long term insurance business - admissible assets	11	2414572	1056106	13	89	1	
Long term insurance business - liabilities and margins	12	2414572	1056106	14	59	1	
Other than Long term insurance business - admissible assets	21	160916	62627	13	89	1	
Other than Long term insurance business - liabilities	22	235	3010	15	69	1	
Net admissible assets (21-22)	23	160681	59617				
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 insurance 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	160681	59617				
Represented by:							
Paid up share capital (other than cumulative preference share capital)	51	225700	93700				
Amounts included in lines 24 to 27 above	52						
Amounts representing the balance of net assets	56	(65019)	(34083)				
Total (51 to 56) and equal to line 29 above	59	160681	59617				
Movement of balance of net assets for solvency purposes - as per line 56							
Balance brought forward at the beginning of the financial year	61	(34083)	(7003)	10	56	2	
Retained profit/(loss) for the financial year	62	(30736)	(27080)	16	59	1	
Movement in asset valuation differences	63	(200)		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	(65019)	(34083)				

Analysis of admissible assets

Name of insurer **Prudential Retirement Income Limited**
 Global business
 Financial year ended **31st December 2002**
 Category of assets **Total other than long term business assets**

		Company registration number	GL/UK/CM	Period ended			Units	Category of assets	
		R13	47842	GL	31	12	2002	£000	1
				day	month	year			
Investments						As at the end of this financial year 1	As at the end of the previous year 2		
Land and buildings						11			
Investments in group undertakings and participating interests	UK insurance business dependants	Shares		21					
		Debt securities issued by, and loans to, dependants		22					
	Other insurance dependants	Shares		23					
		Debt securities issued by, and loans to, dependants		24					
	Non-insurance dependants	Shares		25					
		Debt securities issued by, and loans to, dependants		26					
	Other group undertakings and participating interests	Shares		27					
		Debt securities issued by, and loans to, group undertakings		28					
		Participating interests		29					
		Debt securities issued by, and loans to, undertakings in which the insurer has a participating interest		30					
Total sheet 1 (11 to 30)						39			

Analysis of admissible assetsName of insurer **Prudential Retirement Income Limited**

Global business

Financial year ended **31st December 2002**Category of assets **Total other than long term business assets**

		Company registration number	GL/UK/CM	Period ended			Units	Category of assets	
		R13	47842	GL	31	12	2002	£000	1
Investments (continued)					As at the end of this financial year 1		As at the end of the previous year 2		
Deposits with ceding undertakings									
Assets held to cover linked liabilities									
Other financial investments	Equity shares			41					
	Other shares and other variable yield securities			42					
	Holdings in collective investment schemes			43					
	Rights under derivative contracts			44					
	Debt securities and other fixed income securities	Fixed interest	Approved securities	45	77836		15733		
			Other	46	31113		11864		
		Variable interest	Approved securities	47	19801		14785		
			Other	48	16629				
	Participation in investment pools			49					
	Loans secured by mortgages			50					
	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					
		Other		53					
	Deposits with approved credit institutions and approved financial institutions	Withdrawal subject to a time restriction of one month or less		54	457		813		
		Withdrawal subject to a time restriction of more than one month		55					
Other			56						
Deposits with ceding undertakings			57						
Assets held to match linked liabilities	Index linked		58						
	Property linked		59						
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	145836		43195			

Analysis of admissible assetsName of insurer **Prudential Retirement Income Limited**

Global business

Financial year ended **31st December 2002**Category of assets **Total other than long term business assets**

		Company registration number	GL/UK/CM	Period ended			Units	Category of assets	
		R13	47842	GL	31	12	2002	£000	1
				day	month	year			
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					
	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					
		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			5474	9796	
		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			7535	8937	
	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			2071	699	
	Deferred acquisition costs			85					
	Other prepayments and accrued income			86					
Deductions (under rules 4.14(2)(b) and 4.14(3)) from the aggregate value of assets				87					
Total sheet 3 (71 to 86 less 87)				88			15080	19432	
Grand total of admissible assets (39+69+88)				89			160916	62627	
Reconciliation to asset values determined in accordance with the insurance accounts rules									
Total admissible assets (as per line 89 above)				91			160916	62627	
Total assets in excess of the admissibility limits of Appendix 4.2 (as valued in accordance with those Rules before applying admissibility limits)				92					
Solvency margin deduction for subsidiary undertakings which are insurance undertakings				93					
Other differences in the valuation of assets (other than for assets not valued above)				94					
Assets of a type not valued above, (as valued in accordance with the insurance accounts rules)				95			200		
Total assets determined in accordance with the insurance accounts rules (91 to 95)				99			161116	62627	
Amounts included in line 89 attributable to debts due from related insurers, other than those under contracts of insurance or reinsurance				100			1	4	

Analysis of admissible assetsName of insurer **Prudential Retirement Income Limited**

Global business

Financial year ended **31st December 2002**Category of assets **Total long term business assets**

		Company registration number	GL/UK/CM	Period ended			Units	Category of assets	
		R13	47842	GL	31	12	2002	£000	10
					day	month	year		
Investments					As at the end of this financial year 1		As at the end of the previous year 2		
Land and buildings					11	63477		18321	
Investments in group undertakings and participating interests	UK insurance business dependants	Shares			21				
		Debt securities issued by, and loans to, dependants			22				
	Other insurance dependants	Shares			23				
		Debt securities issued by, and loans to, dependants			24				
	Non-insurance dependants	Shares			25				
		Debt securities issued by, and loans to, dependants			26				
	Other group undertakings and participating interests	Shares			27				
		Debt securities issued by, and loans to, group undertakings			28				
		Participating interests			29				
		Debt securities issued by, and loans to, undertakings in which the insurer has a participating interest			30				
Total sheet 1 (11 to 30)					39	63477		18321	

Analysis of admissible assetsName of insurer **Prudential Retirement Income Limited**

Global business

Financial year ended **31st December 2002**Category of assets **Total long term business assets**

		Company registration number	GL/UK/CM	Period ended			Units	Category of assets		
		R13	47842	GL	31	12	2002	£000	10	
						day	month	year		
Investments (continued)						As at the end of this financial year 1	As at the end of the previous year 2			
Deposits with ceding undertakings										
Assets held to cover linked liabilities										
Other financial investments	Equity shares				41					
	Other shares and other variable yield securities				42					
	Holdings in collective investment schemes				43					
	Rights under derivative contracts				44	107				
	Debt securities and other fixed income securities	Fixed interest	Approved securities		45	696821		144706		
			Other		46	899404		485484		
		Variable interest	Approved securities		47			2369		
			Other		48	9443		3657		
	Participation in investment pools				49					
	Loans secured by mortgages				50	4291		4323		
	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				
		Other				53	3894		1094	
	Deposits with approved credit institutions and approved financial institutions	Withdrawal subject to a time restriction of one month or less				54			6452	
		Withdrawal subject to a time restriction of more than one month				55				
	Other				56					
Deposits with ceding undertakings				57						
Assets held to match linked liabilities	Index linked				58	694181		373338		
	Property linked				59					
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	2308141		1021423			

Analysis of admissible assets

Name of insurer Prudential Retirement Income Limited

Global business

Financial year ended 31st December 2002

Category of assets Total long term business assets

	Company registration number	GL/UK/CM	Period ended			Units	Category of assets	
			day	month	year			
	R13	47842	GL	31	12	2002	£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		6399		1336
	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				
		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		2146		2238
		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		7161		
	Cash in hand			82				
Other assets (particulars to be specified by way of supplementary note)				83				
				84		27248		12788
Prepayments and accrued income	Accrued interest and rent			85				
	Deferred acquisition costs			86				
	Other prepayments and accrued income			87				
Deductions (under rules 4.14(2)(b) and 4.14(3)) from the aggregate value of assets				88		42954		16362
Total sheet 3 (71 to 86 less 87)				89		2414572		1056106
Grand total of admissible assets (39+69+88)								
Reconciliation to asset values determined in accordance with the insurance accounts rules								
Total admissible assets (as per line 89 above)				91		2414572		1056106
Total assets in excess of the admissibility limits of Appendix 4.2 (as valued in accordance with those Rules before applying admissibility limits)				92				
Solvency margin deduction for subsidiary undertakings which are insurance undertakings				93				
Other differences in the valuation of assets (other than for assets not valued above)				94		994		279
Assets of a type not valued above, (as valued in accordance with the insurance accounts rules)				95				
Total assets determined in accordance with the insurance accounts rules (91 to 95)				99		2415566		1056385
Amounts included in line 89 attributable to debts due from related insurers, other than those under contracts of insurance or reinsurance				100		1048		1013

