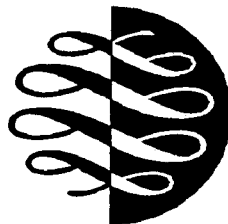




# **Prudential Annuities Limited**

Incorporated and Registered in England and Wales Registered number 2554213  
Registered Office 142 Holborn Bars London EC1N 2NH

**Annual FSA Insurance Returns for the year ended  
31st December 2001**



**Returns under the Accounts and Statements Rules**

**(Appendices 1 , 3 , 4 , 6 )**

# Returns under the Accounts and Statements Rules

## Prudential Annuities Limited

Year ended 31st December 2001

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**Statement of solvency**Name of insurer **Prudential Annuities Limited**

Global business

Financial year ended **31st December 2001**

R9	Company registration number	GL/UK/CM	Period ended			Units
			day	month	year	
	2554213	GL	31	12	2001	£000
	As at the end of this financial year	As at the end of the previous year	Source			
	1	2	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	11888099	11169047	10 . 11
Other than long term insurance business assets allocated towards long term insurance business required minimum margin	22	572322	564346	See instructions 1 and 3
Total mathematical reserves (after distribution of surplus)	23	11802004	11066571	See instruction 4
Other insurance and non-insurance liabilities	24	55922	97297	See instruction 5
Available assets for long term insurance business required minimum margin (21+22-23-24)	25	602495	569525	

**Implicit items admitted under Rule 2.10 [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	602495	569525	
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**Required minimum margin**

Required minimum margin for long term insurance business	41	472065	442858	60 . 69
Explicit required minimum margin (1/6 x 41, or minimum guarantee fund if greater)	42	78678	73810	
Excess (deficiency) of available assets over explicit required minimum margin (25-42)	43	523817	495715	
Excess (deficiency) of available assets and implicit items over the required minimum margin (34-41)	44	130430	126667	

**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 Annuities Limited**

Global business

Financial year ended **31st December 2001**

..... **G M Wood** **Chief Executive**

..... **D J Belsham** **Director**

..... **M J Moores** **Director**

**London 24 April 2002**

**Statement of net assets**Name of insurer **Prudential Annuities Limited**

Global business

Financial year ended **31st December 2001**

	R10	Company registration number	GL/UK/CM	Period ended			Units
		2554213	GL	day	month	year	£000
				31	12	2001	
		As at the end of this financial year 1	As at the end of the previous year 2	Source			
				Form	Line	Column	
Long term insurance business - admissible assets	11	11888099	11169047	13	89	1	
Long term insurance business - liabilities and margins	12	11888099	11169047	14	59	1	
Other than Long term insurance business - admissible assets	21	575923	570513	13	89	1	
Other than Long term insurance business - liabilities	22	3601	6167	15	69	1	
Net admissible assets (21-22)	23	572322	564346				
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	572322	564346				

**Represented by:**

Paid up share capital (other than cumulative preference share capital)	51	550000	550000			
Amounts included in lines 24 to 27 above	52					
Amounts representing the balance of net assets	56	22322	14346			
Total (51 to 56) and equal to line 29 above	59	572322	564346			

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

Balance brought forward at the beginning of the financial year	61	14346	(14051)	10	56	2
Retained profit/(loss) for the financial year	62	9646	28397	16	59	1
Movement in asset valuation differences	63	(1670)		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	22322	14346			

**Analysis of admissible assets**Name of insurer **Prudential Annuities Limited**

Global business

Financial year ended **31st December 2001**Category of assets **Total other than long term business assets**

		Company registration number	GL/UK/CM	Period ended			Units	Category of assets	
		R13	2554213	GL	31	12	2001	£000	1
					day	month	year		
<b>Investments</b>					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 assets**Name of insurer **Prudential Annuities Limited**

Global business

Financial year ended **31st December 2001**Category of assets **Total other than long term business assets**

		Company registration number	GL/UK/CM	Period ended			Units	Category of assets		
		R13	2554213	GL	31	12	2001	£000	1	
				day month year						
<b>Investments (continued)</b>				As at the end of this financial year 1			As at the end of the previous year 2			
<b>Deposits with ceding undertakings</b>										
<b>Assets held to cover linked liabilities</b>										
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	2947			2251		
	Debt securities and other fixed income securities	Fixed interest	Approved securities		45	162887			148301	
			Other		46	105488			171620	
		Variable interest	Approved securities		47	84245			126447	
			Other		48	160524			102458	
	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	1397				
		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	517488			551077			

**Analysis of admissible assets**Name of insurer **Prudential Annuities Limited**

Global business

Financial year ended **31st December 2001**Category of assets **Total other than long term business assets**

	Company registration number	GL/UK/CM	Period ended			Units	Category of assets	
			day	month	year			
	<b>R13</b>	<b>2554213</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>2001</b>	<b>£000</b>	<b>1</b>
<b>Debtors</b>								
<b>Other assets</b>								
						<b>As at the end of this financial year 1</b>		<b>As at the end of the previous year 2</b>
<b>Debtors arising out of direct insurance operations</b>	<b>Policyholders</b>		<b>71</b>					
	<b>Intermediaries</b>		<b>72</b>					
<b>Salvage and subrogation recoveries</b>			<b>73</b>					
<b>Debtors arising out of reinsurance operations</b>	<b>Due from ceding insurers and intermediaries under reinsurance business accepted</b>		<b>74</b>					
	<b>Due from reinsurers and intermediaries under reinsurance contracts ceded</b>		<b>75</b>					
<b>Other debtors</b>	<b>Due from dependants</b>	<b>Due in 12 months or less after the end of the financial year</b>	<b>76</b>					
		<b>Due more than 12 months after the end of the financial year</b>	<b>77</b>					
	<b>Other</b>	<b>Due in 12 months or less after the end of the financial year</b>	<b>78</b>			<b>311</b>		<b>486</b>
		<b>Due more than 12 months after the end of the financial year</b>	<b>79</b>					
<b>Tangible assets</b>		<b>80</b>						
<b>Cash at bank and in hand</b>	<b>Deposits not subject to time restriction on withdrawal, with approved credit institutions and approved financial institutions and local authorities</b>		<b>81</b>			<b>52241</b>		<b>11134</b>
	<b>Cash in hand</b>		<b>82</b>					
<b>Other assets (particulars to be specified by way of supplementary note)</b>			<b>83</b>					
<b>Prepayments and accrued income</b>	<b>Accrued interest and rent</b>		<b>84</b>			<b>5883</b>		<b>7816</b>
	<b>Deferred acquisition costs</b>		<b>85</b>					
	<b>Other prepayments and accrued income</b>		<b>86</b>					
<b>Deductions (under rules 4.14(2)(b) and 4.14(3)) [regulations 57(2)(b) and 57(3) of the Insurance Companies Regulations 1994] from the aggregate value of assets</b>			<b>87</b>					
<b>Total sheet 3 (71 to 86 less 87)</b>			<b>88</b>			<b>58435</b>		<b>19436</b>
<b>Grand total of admissible assets (39+69+88)</b>			<b>89</b>			<b>575923</b>		<b>570513</b>
<b>Reconciliation to asset values determined in accordance with the shareholder accounts rules</b>								
<b>Total admissible assets (as per line 89 above)</b>			<b>91</b>			<b>575923</b>		<b>570513</b>
<b>Total assets in excess of the admissibility limits of Appendix 4.2, [Schedule 12 of the Insurance Companies Regulations 1994] (as valued in accordance with those Rules before applying admissibility limits)</b>			<b>92</b>					
<b>Solvency margin deduction for insurance dependants</b>			<b>93</b>					
<b>Other differences in the valuation of assets (other than for assets not valued above)</b>			<b>94</b>					
<b>Assets of a type not valued above, (as valued in accordance with the shareholder accounts rules)</b>			<b>95</b>			<b>1670</b>		
<b>Total assets determined in accordance with the shareholder accounts rules (91 to 95)</b>			<b>99</b>			<b>577593</b>		<b>570513</b>
<b>Amounts included in line 89 attributable to debts due from related insurers, other than those under contracts of insurance or reinsurance</b>			<b>100</b>			<b>7</b>		<b>26</b>

**Analysis of admissible assets**Name of insurer **Prudential Annuities Limited**

Global business

Financial year ended **31st December 2001**Category of assets **Total long term business assets**

		Company registration number	GL/UK/CM	Period ended			Units	Category of assets	
		R13	2554213	GL	day	month	year	£000	10
<b>Investments</b>					As at the end of this financial year 1		As at the end of the previous year 2		
Land and buildings					11	164645		120016	
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	164645		120016	

**Analysis of admissible assets**Name of insurer **Prudential Annuities Limited**

Global business

Financial year ended **31st December 2001**Category of assets **Total long term business assets**

		Company registration number	GL/UK/CM	Period ended			Units	Category of assets	
		R13	2554213	GL	31	12	2001	£000	10
					day	month	year		
<b>Investments (continued)</b>					As at the end of this financial year 1		As at the end of the previous year 2		
<b>Deposits with ceding undertakings</b>									
<b>Assets held to cover linked liabilities</b>									
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		39592	6177	
	Debt securities and other fixed income securities	Fixed interest	Approved securities		45		1334520	864211	
			Other		46		7928823	7856559	
		Variable interest	Approved securities		47				
			Other		48				
	Participation in investment pools				49				
	Loans secured by mortgages				50		290315	242407	
	Other loans	Loans to public or local authorities and nationalised industries or undertakings			51		5050	5010	
		Loans secured by policies of insurance issued by the company			52				
		Other			53		55036	23320	
	Deposits with approved credit institutions and approved financial institutions	Withdrawal subject to a time restriction of one month or less			54		39031	16765	
		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		1796671	1654054		
	Property linked			59					
Reinsurers' share of technical provisions	Provision for unearned premiums			60					
	Claims outstanding			61					
	Provision for unexpired risks			62					
	Other			63					
<b>Total sheet 2 (41 to 63)</b>				<b>69</b>		<b>11489038</b>	<b>10668503</b>		

**Analysis of admissible assets**Name of insurer **Prudential Annuities Limited**

Global business

Financial year ended **31st December 2001**Category of assets **Total long term business assets**

	Company registration number	GL/UK/CM	Period ended			Units	Category of assets	
			day	month	year			
	R13	2554213	GL	31	12	2001	£000	10
<b>Debtors</b>								
<b>Other assets</b>								
						As at the end of this financial year 1		As at the end of the previous year 2
Debtors arising out of direct insurance operations	Policyholders			71		418		
	Intermediaries			72				
Salvage and subrogation recoveries				73				
Debtors arising out of reinsurance operations	Due from ceding insurers and intermediaries under reinsurance business accepted			74		6321		2271
	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		16164		57740
		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				91916
	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		189146		217130
	Deferred acquisition costs			85				
	Other prepayments and accrued income			86		22367		11471
Deductions (under rules 4.14(2)(b) and 4.14(3) [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		234416		380528
Grand total of admissible assets (39+69+88)				89		11888099		11169047
<b>Reconciliation to asset values determined in accordance with the shareholder accounts rules</b>								
Total admissible assets (as per line 89 above)				91		11888099		11169047
Total assets in excess of the admissibility limits of Appendix 4.2, [Schedule 12 of the Insurance Companies Regulations 1994] (as valued in accordance with those Rules before applying admissibility limits)				92				
Solvency margin deduction for insurance dependants				93				
Other differences in the valuation of assets (other than for assets not valued above)				94		2923		100
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		11891022		11169147
Amounts included in line 89 attributable to debts due from related insurers, other than those under contracts of insurance or reinsurance				100		20		12093

