



# **Prudential Annuities Limited**

Returns under the Insurance Companies Act 1982 and the  
Insurance Companies (Accounts and Statements)  
Regulations 1996 (as amended)

For the year ended 31 December 1999

**SCHEDULES 1, 3, 4 AND 6**

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

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# Prudential Annuities Limited

Year ended 31st December 1999

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## Statement of solvency

Name of company **Prudential Annuities Limited**

Global business

Financial year ended **31st December 1999**

R9	Company registration number 2554213	GL/UK/CM GL	Period ended			Units £000
			day	month	year	
			31	12	1999	
	As at the end of this financial year 1	As at the end of the previous year 2	Source			
			Form	Line	Column	

**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	10128938	8667303	10 . 11
Other than long term business assets allocated towards long term business required minimum margin	22	535949	397449	See instructions 1 and 3
Total mathematical reserves (after distribution of surplus)	23	10069737	8604184	See instruction 4
Other insurance and non-insurance liabilities	24	59201	63119	See instruction 5
Available assets for long term business required minimum margin (21+22-23-24)	25	535949	397449	

**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	535949	397449	
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**Required minimum margin**

Required minimum margin for long term business	41	402788	344152	60 . 69
Explicit required minimum margin (1/6 x 41, or minimum guarantee fund if greater)	42	67131	57359	
Excess (deficiency) of available assets over explicit required minimum margin (25-42)	43	468818	340090	
Excess (deficiency) of available assets and implicit items over the required minimum margin (34-41)	44	133161	53297	

**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

**Covering sheet to Form 9**

Name of company      **Prudential Annuities Limited**

Global business

Financial year ended    **31st December 1999**

.....      **J K Elbourne**                      **Director**

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

.....      **S Windridge**                      **Secretary**

**June 2000**

## Statement of net assets

Name of company **Prudential Annuities Limited**

Global business

Financial year ended **31st December 1999**

	R10	Company registration number 2554213	GLUK/CM GL	Period ended			Units £000		
				day	month	year			
				31	12	1999			
				As at the end of this financial year			Source		
				1			2		
				As at the end of the previous year			Form	Line	Column
Long term business - admissible assets	11	10128938	8667303	13	89	1			
Long term business - liabilities and margins	12	10128938	8667303	14	59	1			
Other than Long term business - admissible assets	21	535990	405322	13	89	1			
Other than Long term business - liabilities	22	41	7873	15	69	1			
Net admissible assets (21-22)	23	535949	397449						
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	535949	397449						

## Represented by:

Paid up share capital (other than cumulative preference share capital)	51	550000	400000			
Amounts included in lines 24 to 27 above	52					
Amounts representing the balance of net assets	56	(14051)	(2551)			
Total (51 to 56) and equal to line 29 above	59	535949	397449			

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

Balance brought forward at the beginning of the financial year	61	(2551)	(45324)	10	56	2
Retained profit/(loss) for the financial year	62	(11500)	42773	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	(14051)	(2551)			

## Analysis of admissible assets

Name of company **Prudential Annuities Limited**

Global business

Financial year ended **31st December 1999**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	1999	£000	1
					As at the end of this financial year 1		As at the end of the previous year 2		
<b>Investments</b>									
<b>Land and buildings</b>					<b>11</b>				
Investments in group undertakings and participating interests	UK insurance dependants	Shares		<b>21</b>					
		Debt securities issued by, and loans to, dependants		<b>22</b>					
	Other insurance dependants	Shares		<b>23</b>					
		Debt securities issued by, and loans to, dependants		<b>24</b>					
	Non-insurance dependants	Shares		<b>25</b>					
		Debt securities issued by, and loans to, dependants		<b>26</b>					
	Other group undertakings and participating interests	Shares		<b>27</b>					
		Debt securities issued by, and loans to, group undertakings		<b>28</b>					
		Participating interests		<b>29</b>					
		Debt securities issued by, and loans to, undertakings in which the company has a participating interest		<b>30</b>					
<b>Total sheet 1 (11 to 30)</b>					<b>39</b>				

## Analysis of admissible assets

Name of company **Prudential Annuities Limited**

Global business

Financial year ended **31st December 1999**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	1999	£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					
	Debt securities and other fixed income securities	Fixed interest	Approved securities		45			61165	93735
			Other		46			158113	32540
		Variable interest	Approved securities		47			184486	157397
			Other		48			30436	59145
	Participation in investment pools			49					
	Loans secured by mortgages			50			4791		
	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			1815	
		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			440806	342817		

## Analysis of admissible assets

Name of company **Prudential Annuities Limited**

Global business

Financial year ended **31st December 1999**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	1999	£000	1
				As at the end of this financial year			As at the end of the previous year		
				1			2		
<b>Debtors</b>									
<b>Other assets</b>									
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	14381		76		
		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	75942		59343		
	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	4861		3086		
	Deferred acquisition costs			85					
	Other prepayments and accrued income			86					
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	95184		62505		
Grand total of admissible assets (39+69+88)				89	535990		405322		
<b>Reconciliation to asset values determined in accordance with the shareholder accounts rules</b>									
Total admissible assets (as per line 89 above)				91	535990		405322		
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					
Solvency margin deduction for insurance dependants				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 shareholder accounts rules)				95					
Total assets determined in accordance with the shareholder accounts rules (91 to 95)				99	535990		405322		
Amounts included in line 89 attributable to debts due from related companies, other than those under contracts of insurance or reinsurance				100	37		76		

## Analysis of admissible assets

Name of company **Prudential Annuities Limited**

Global business

Financial year ended **31st December 1999**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	1999	£000	10
					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 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 company has a participating interest			30				
Total sheet 1 (11 to 30)					39				

## Analysis of admissible assets

Name of company **Prudential Annuities Limited**

Global business

Financial year ended **31st December 1999**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	1999	£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		30930		
	Debt securities and other fixed income securities	Fixed interest	Approved securities		45		785944	926180	
			Other		46		7175632	6410029	
		Variable interest	Approved securities		47			45323	
			Other		48		3776	26388	
	Participation in investment pools				49				
	Loans secured by mortgages				50		246167	329319	
	Other loans	Loans to public or local authorities and nationalised industries or undertakings			51		4986	5780	
		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		18702	81582	
		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		1619515	618705		
	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		9885652	8443306		

## Analysis of admissible assets

Name of company **Prudential Annuities Limited**

Global business

Financial year ended **31st December 1999**Category of assets **Total 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>1999</b>	<b>£000</b>	<b>10</b>
<b>Debtors</b>							<b>As at the end of this financial year 1</b>	<b>As at the end of the previous year 2</b>
<b>Other assets</b>								
Debtors arising out of direct insurance operations	Policyholders			<b>71</b>		<b>14</b>		<b>22</b>
	Intermediaries			<b>72</b>				
Salvage and subrogation recoveries				<b>73</b>				
Debtors arising out of reinsurance operations	Due from ceding insurers and intermediaries under reinsurance business accepted			<b>74</b>		<b>364</b>		<b>2300</b>
	Due from reinsurers and intermediaries under reinsurance contracts ceded			<b>75</b>				
Other debtors	Due from dependants	Due in 12 months or less after the end of the financial year		<b>76</b>				
		Due more than 12 months after the end of the financial year		<b>77</b>				
	Other	Due in 12 months or less after the end of the financial year		<b>78</b>		<b>9418</b>		<b>23816</b>
		Due more than 12 months after the end of the financial year		<b>79</b>				
Tangible assets			<b>80</b>					
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			<b>81</b>				
	Cash in hand			<b>82</b>				
Other assets (particulars to be specified by way of supplementary note)				<b>83</b>				
Prepayments and accrued income	Accrued interest and rent			<b>84</b>		<b>233490</b>		<b>197859</b>
	Deferred acquisition costs			<b>85</b>				
	Other prepayments and accrued income			<b>86</b>				
Deductions (under regulations 57(2)(b) and 57(3) of the Insurance Companies Regulations 1994) from the aggregate value of assets				<b>87</b>				
Total sheet 3 (71 to 86 less 87)				<b>88</b>		<b>243286</b>		<b>223997</b>
Grand total of admissible assets (39+69+88)				<b>89</b>		<b>10128938</b>		<b>8667303</b>
<b>Reconciliation to asset values determined in accordance with the shareholder accounts rules</b>								
Total admissible assets (as per line 89 above)				<b>91</b>		<b>10128938</b>		<b>8667303</b>
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)				<b>92</b>				
Solvency margin deduction for insurance dependants				<b>93</b>				
Other differences in the valuation of assets (other than for assets not valued above)				<b>94</b>				<b>71</b>
Assets of a type not valued above, (as valued in accordance with the shareholder accounts rules)				<b>95</b>				
Total assets determined in accordance with the shareholder accounts rules (91 to 95)				<b>99</b>		<b>10128938</b>		<b>8667374</b>
Amounts included in line 89 attributable to debts due from related companies, other than those under contracts of insurance or reinsurance				<b>100</b>		<b>216</b>		<b>6027</b>

