

Prudential Pensions Limited

Incorporated in England and Wales Registered No. 992726
Abbey Gardens, Kings Road, Reading RG1 3AH
Registered Office 142 Holborn Bars, London EC1 2NH

**Annual FSA Insurance Returns for the year ended
31st December 1998**



Accounts and statements pursuant to the Insurance Companies
Act 1982 and the Insurance Companies (Accounts and
Statements) Regulations 1996 (as amended)

(Schedules 1 , 3 , 4 , 6)

Prudential Pensions Limited

Year ended 31st December 1998

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Statement of solvency

Name of company **Prudential Pensions Limited**

Global business

Financial year ended **31st December 1998**

R9	Company registration number 992726	GL/UK/CM GL	Period ended			Units £000
			day	month	year	
			31	12	1998	
	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	3238209	2687092	10 . 11
Other than long term business assets allocated towards long term business required minimum margin	22	8842	4727	See instructions 1 and 3
Total mathematical reserves (after distribution of surplus)	23	3214198	2654744	See instruction 4
Other insurance and non-insurance liabilities	24	19851	32348	See instruction 5
Available assets for long term business required minimum margin (21+22-23-24)	25	13002	4727	

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	13002	4727	
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Required minimum margin

Required minimum margin for long term business	41	3599	3191	60 . 69
Explicit required minimum margin (1/6 x 41, or minimum guarantee fund if greater)	42	600	546	
Excess (deficiency) of available assets over explicit required minimum margin (25-42)	43	12402	4181	
Excess (deficiency) of available assets and implicit items over the required minimum margin (34-41)	44	9403	1536	

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

Returns under Insurance Companies Legislation

Covering sheet to Form 9

Name of company **Prudential Pensions Limited**

Global business

Financial year ended **31st December 1998**

Frank Schinella
.....

Frank Schinella

Director

Adam Rutherford
.....

Adam Rutherford

Secretary

.....

London, 18 June 1999

Statement of net assets

Name of company **Prudential Pensions Limited**

Global business

Financial year ended **31st December 1998**

	R10	Company registration number 992726	GL/UK/CM GL	Period ended			Units £000
				day	month	year	
				31	12	1998	
		As at the end of this financial year 1		As at the end of the previous year 2	Source		
					Form	Line	Column
Long term business - admissible assets	11	3238209		2687092	13	89	1
Long term business - liabilities and margins	12	3238209		2687092	14	59	1

Other than Long term business - admissible assets	21	11002		7682	13	89	1
Other than Long term business - liabilities	22	2160		2955	15	69	1
Net admissible assets (21-22)	23	8842		4727			
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	8842		4727			

Represented by:

Paid up share capital (other than cumulative preference share capital)	51	6000		1000			
Amounts included in lines 24 to 27 above	52						
Amounts representing the balance of net assets	56	2842		3727			
Total (51 to 56) and equal to line 29 above	59	8842		4727			

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

Balance brought forward at the beginning of the financial year	61	3727		5289	10	56	2
Retained profit/(loss) for the financial year	62	(712)		(1562)	16	59	1
Movement in asset valuation differences	63	(173)			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	2842		3727			

Analysis of admissible assets

Name of company **Prudential Pensions Limited**
 Global business
 Financial year ended **31st December 1998**
 Category of assets **Total other than long term business assets**

		Company registration number	GL/UK/CM	Period ended			Units	Category of assets	
		R13	992726	GL	31	12	1998	£000	1
					day	month	year	As at the end of this financial year 1	As at the end of the previous year 2
Investments									
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 Pensions Limited

Global business

Financial year ended 31st December 1998

Category of assets Total other than long term business assets

		Company registration number	GL/UK/CM	Period ended			Units	Category of assets	
		R13	992726	GL	31	12	1998	£000	1
					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					
	Debt securities and other fixed income securities	Fixed interest	Approved securities		45				
			Other		46				
		Variable interest	Approved securities		47				
			Other		48				
	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	10500		7103	
		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	10500		7103		

Analysis of admissible assets

Name of company Prudential Pensions Limited

Global business

Financial year ended 31st December 1998

Category of assets Total other than long term business assets

		Company registration number	GL/UK/CM	Period ended			Units	Category of assets	
		R13	992726	GL	31	12	1998	£000	1
				day	month	year			
Debtors							As at the end of this financial year	As at the end of the previous year	
Other assets							1	2	
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			325		
		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			174	504	
	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			3	75	
	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			502	579	
Grand total of admissible assets (39+69+88)				89			11002	7682	
Reconciliation to asset values determined in accordance with the shareholder accounts rules									
Total admissible assets (as per line 89 above)				91			11002	7682	
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			173		
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			11175	7682	
Amounts included in line 89 attributable to debts due from related companies, other than those under contracts of insurance or reinsurance				100			319		

Analysis of admissible assets

Name of company **Prudential Pensions Limited**

Global business

Financial year ended **31st December 1998**Category of assets **Ordinary Long Term**

		Company registration number	GL/UK/CM	Period ended			Units	Category of assets	
				day	month	year			
		R13	992726	GL	31	12	1998	£000	11
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 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 Pensions Limited**

Global business

Financial year ended **31st December 1998**Category of assets **Ordinary Long Term**

		Company registration number	GL/UK/CM	Period ended			Units	Category of assets	
		R13	992726	GL	31	12	1998	£000	11
					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				
	Debt securities and other fixed income securities	Fixed interest	Approved securities		45		2179		1767
			Other		46				
		Variable interest	Approved securities		47				
			Other		48				
	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		18000		10397
		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		3217314		2669448	
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		3237493		2681612	

Analysis of admissible assets

Name of company **Prudential Pensions Limited**

Global business

Financial year ended **31st December 1998**Category of assets **Ordinary Long Term**

		Company registration number	GL/UK/CM	Period ended			Units	Category of assets	
		R13	992726	GL	31	12	1998	£000	11
				day			month	year	
Debtors							As at the end of this financial year	As at the end of the previous year	
Other assets							1	2	
Debtors arising out of direct insurance operations	Policyholders			71				290	
	Intermediaries			72					
Salvage and subrogation recoveries				73					
Debtors arising out of reinsurance operations	Due from ceding insurers and intermediaries under reinsurance business accepted			74				4324	
	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				747	
		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	693				
	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	23			119	
	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	716			5480	
Grand total of admissible assets (39+69+88)				89	3238209			2687092	
Reconciliation to asset values determined in accordance with the shareholder accounts rules									
Total admissible assets (as per line 89 above)				91	3238209			2687092	
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	3238209			2687092	
Amounts included in line 89 attributable to debts due from related companies, other than those under contracts of insurance or reinsurance				100				557	

Long term business liabilities and margins

Name of company **Prudential Pensions Limited**

Global business

Financial year ended **31st December 1998**Category of assets **Ordinary Long Term**

	Company registration number	GL/UK/CM	Period ended			Units	Category of assets
			day	month	year		
	R14	992726	GL	31	12	1998	£000 11
			As at the end of this financial year 1	As at the end of the previous year 2	Source		
Mathematical reserves, after distribution of surplus	11	3214198	2654744	See Instruction 2			
Cash bonuses which had not been paid to policyholders prior to end of the financial year	12			See Instruction 3			
Balance of surplus/(valuation deficit)	13	4160		See Instruction 4			
Long term business fund carried forward (11 to 13)	14	3218358	2654744	See Instruction 5			
Claims outstanding which had fallen due for payment before the end of the financial year	Gross amount	15	6289	5723			
	Reinsurers' share	16					
	Net (15-16)	17	6289	5723			
Provisions for other risks and charges	Taxation	21					
	Other	22					
Deposits received from reinsurers	23						
Creditors and other liabilities	Arising out of insurance operations	Direct business	31	3197			
		Reinsurance accepted	32	4094			
		Reinsurance ceded	33				
	Debenture loans	Secured	34				
		Unsecured	35				
	Amounts owed to credit institutions	36		8042			
	Other creditors	Taxation	37				
		Other	38	6271	18404		
Accruals and deferred income	39		179				
Provision for adverse changes (calculated in accordance with regulation 61 of the Insurance Companies Regulations 1994)	41						
Total other insurance and non-insurance liabilities (17 to 41)	49	19851	32348				
Excess of the value of net admissible assets	51			See Instruction 6			
Total liabilities and margins	59	3238209	2687092				
Amounts included in line 59 attributable to liabilities to related companies, other than those under contracts of insurance or reinsurance	61	278	710				
Amounts included in line 59 attributable to liabilities in respect of property linked benefits	62	3211321	2652253				
Amount of any additional mathematical reserves included in line 51 which have been taken into account in the appointed actuary's certificate	63			See Instruction 7			