

1404713

PRUDENTIAL CORPORATION HOLDINGS LIMITED

Annual Report and Accounts 1989



PRUDENTIAL CORPORATION HOLDINGS LIMITED

Incorporated in England Registered No: 1404713
Registered Office: 142 Holborn Bars, London EC1N 2NH

Annual report and accounts 1989

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PRUDENTIAL CORPORATION HOLDINGS LIMITED

DIRECTOR'S REPORT FOR THE YEAR ENDED 31 DECEMBER 1989

Principal activity and business review

The principal activity of the Company is that of a holding company. During the year there were changes in the Company's subsidiaries as set out in note 4 to the accounts on page 7. No significant changes are anticipated in the activities of the Company, or in its scale of operations, in the foreseeable future.

Accounts and dividends

The state of affairs of the Company at 31 December 1989 is shown in the balance sheet on page 3. The profit and loss account appears on page 2.

The director has declared a dividend of £500,000 for the year.

Ownership and director

The Company is a wholly owned subsidiary of Prudential Corporation plc which is also the sole director. There was no change during the year.

Director's interests

The director is exempted from notification by Section 324 (6) of the Companies Act 1985.

Auditors

The Company's auditors Deloitte Haskins & Sells are in the process of merging their practice with Coopers & Lybrand. In the meantime they have adopted Coopers & Lybrand Deloitte as their business name. The auditors' report will be signed in their new name. A resolution proposing the reappointment of Coopers & Lybrand Deloitte as auditors to the Company will be put to the Annual General Meeting.

By order of the board



P R Rawson
Secretary
22 March 1990

PRUDENTIAL CORPORATION HOLDINGS LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 1989

	Note	1989 £	1988 £
INCOME			
Income from shares in group companies		<u>500,000</u>	<u>1,400,000</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		500,000	1,400,000
Tax on profit on ordinary activities	2	<u>-</u>	<u>-</u>
PROFIT ON ORDINARY ACTIVITIES FOR THE YEAR AFTER TAXATION		500,000	1,400,000
Dividends proposed		<u>500,000</u>	<u>1,400,000</u>
RETAINED PROFIT FOR YEAR		<u>-</u>	<u>-</u>

PRUDENTIAL CORPORATION HOLDINGS LIMITED

BALANCE SHEET 31 DECEMBER 1989

	Note	1989 £	1988 £
FIXED ASSETS			
Investments:	3,4		
Shares in group companies		160,948,457	157,060,085
Loans to fellow subsidiaries		5,220,100	5,220,100
Shares in related companies		12,500	12,500
		<u>166,181,057</u>	<u>162,292,685</u>
CURRENT ASSETS			
Amounts owed by subsidiary companies		500,052	1,400,000
Cash at bank and in hand		7,034	7,084
		<u>507,086</u>	<u>1,407,084</u>
CREDITORS			
Amounts falling due within one year:			
Sundry creditors		649,280	813,000
Amounts owed to subsidiary companies		2,999,998	86,836
Final dividend		500,000	1,400,000
		<u>4,149,278</u>	<u>2,299,836</u>
NET CURRENT LIABILITIES		<u>3,642,192</u>	<u>892,752</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>162,538,865</u>	<u>161,399,933</u>
CREDITORS			
Amounts falling due after more than one year:			
Amounts owed to holding company and fellow subsidiaries		162,538,765	161,399,833
		<u>100</u>	<u>100</u>
CAPITAL AND RESERVES			
Called up share capital	5	<u>100</u>	<u>100</u>

The accounts on pages 2 to 8 were approved by the Director on 22 March 1990, and are signed for and on behalf of the Director by:



R E ARTUS

PRUDENTIAL CORPORATION HOLDINGS LIMITED

SOURCE AND APPLICATION OF FUNDS
FOR THE YEAR ENDED 31 DECEMBER 1989

	1989 £	1988 £
SOURCE OF FUNDS		
Profit on ordinary activities after taxation	500,000	1,400,000
Re-classification of short-term loan due to holding company as long-term loan	-	102,534,192
Long-term loans advanced	1,138,932	58,865,641
	<u>1,638,932</u>	<u>162,799,833</u>
APPLICATION OF FUNDS		
Re-classification of short-term loans due from fellow subsidiaries as long-term loans	-	5,220,100
Investment in subsidiaries	3,888,372	12,706,783
Investment in related company	-	12,500
Dividends paid	1,400,000	-
	<u>5,288,372</u>	<u>17,939,383</u>
	<u>(3,649,440)</u>	<u>144,860,450</u>
INCREASE/(DECREASE) IN WORKING CAPITAL		
Other creditors	163,720	426,474
Amounts owed to group companies	(2,913,162)	45,719,886
Re-classification of short-term loans as long-term loans	-	97,314,092
Amounts owed by group companies	(899,948)	1,399,998
Cash at bank and in hand	(50)	-
	<u>(3,649,440)</u>	<u>144,860,450</u>

PRUDENTIAL CORPORATION HOLDINGS LIMITED

NOTES ON THE ACCOUNTS

1. Accounting policies

- (a) The accounts are prepared under the historical cost convention.
- (b) Shares in group companies are shown at cost.
- (c) Dividends from group companies are included on an accruals basis. UK dividends are grossed up by the amount of the attaching tax credit.
- (d) Taxation is charged on all profits and income earned to date. Provision under the liability method is made for deferred taxation arising from timing differences, other than those considered likely to continue into the foreseeable future.
- (e) Foreign currency assets and liabilities are translated at rates of exchange ruling at the end of the year. Exchange adjustments are dealt with in the profit and loss account.

2. Taxation on profit on ordinary activities

There was no taxation charge for the year. Dividends received from group companies were on a group election basis.

PRUDENTIAL CORPORATION HOLDINGS LIMITED

NOTES ON THE ACCOUNTS (continued)

3. Fixed assets - Subsidiary companies

The principal subsidiary companies as at 31 December 1989, all wholly owned, are as follows:

<u>Name</u>	<u>Class of Shares held</u>	<u>Principal activity</u>	<u>Country of incorporation or registration</u>
* Jackson National Life Insurance Company	Common Shares US\$1.15	Life Insurance Company	USA
Brooke Holdings Inc	Common Shares US\$1.0	Holding Company	USA
Prudential Finance BV	Shares DFL400	Finance Company	The Netherlands
Prudential Corporation Australia	Shares A\$1	Holding Company	Australia
Prudential Services Limited	Ordinary f1 Shares	Service Company	England

* Not directly owned by the Company.

Other subsidiaries which do not materially affect the profit of the Company or the amount of its assets are not shown.

Group accounts have not been prepared as the Company is a wholly owned subsidiary of another body corporate incorporated in England. The Director is of the opinion that the value of the Company's interest in its subsidiaries is not less than the amount included in the balance sheet.

PRUDENTIAL CORPORATION HOLDINGS LIMITED

NOTES ON THE ACCOUNTS (continued)

4. Fixed asset investments

Movements during the year:

	Shares in group companies	Loans to fellow subsidiaries	Shares in related companies	Total
	£	£	£	£
Balance at beginning of year	157,060,085	5,220,100	12,500	162,292,685
Additional investment	3,736,458	-	-	3,736,458
Transfers from fellow subsidiaries	151,914	-	-	151,914
Balance at end of year	160,948,457	5,220,100	12,500	166,181,057

All investments are unquoted. The investment in shares in related companies represents a 50% ordinary share holding in a joint venture company, Prudential Travel Limited. This company is registered in England. At 31 December 1989 this company had retained profits of £1,524 and share capital of £25,000.

During the year the company acquired Prudential Finance (UK) plc, Prudential Services Limited and Prudential Corporation Asia Limited. In addition the cost of investment in the Prudential Mortgage Company Limited, which was previously a dormant company, was transferred from a fellow subsidiary.

5. Called up share capital

	1989 £	1988 £
Authorised, allotted, called up and fully-paid ordinary shares of £1 each	100	100
	<u>100</u>	<u>100</u>

PRUDENTIAL CORPORATION HOLDINGS LIMITED

NOTES ON THE ACCOUNTS (continued)

6. Ultimate holding company

The ultimate holding company is Prudential Corporation plc which is incorporated in England.

7. Guarantees

During the year the Company guaranteed all amounts due from Prudential Travel Limited to the International Air Transport Association.

8. Bank balances

A right of set off for bank overdrafts exists between the Company and certain other companies within the Prudential Group.

PRUDENTIAL CORPORATION HOLDINGS LIMITED

REPORT OF THE AUDITORS

TO THE MEMBERS OF PRUDENTIAL CORPORATION HOLDINGS LIMITED

We have audited the accounts on pages 2 to 8 in accordance with Auditing Standards.

In our opinion, the accounts give a true and fair view of the state of the Company's affairs at 31 December 1989 and of its results and source and application of funds for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

Coopers & Lybrand Deloitte

Coopers & Lybrand Deloitte
Chartered Accountants
London

22 March 1990