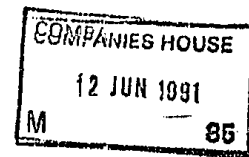


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PRUDENTIAL CORPORATION HOLDINGS LIMITED

Annual Report and Accounts 1990

PRUDENTIAL CORPORATION HOLDINGS LIMITED

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

Annual report and accounts 1990

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PRUDENTIAL CORPORATION HOLDINGS LIMITED

DIRECTOR'S REPORT FOR THE YEAR ENDED 31 DECEMBER 1990

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 investments as set out in note 3 to the accounts on page 5. 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 1990 is shown in the balance sheet on page 3. The profit and loss account appears on page 2.

The director has not declared a dividend 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, Coopers & Lybrand Deloitte, will retire at the conclusion of the Annual General Meeting.

A resolution proposing the appointment of Price Waterhouse as auditors to the Company will be put to the Annual General Meeting.

By order of the board



P R Rawson
Secretary
9 April 1991

PRUDENTIAL CORPORATION HOLDINGS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 1990

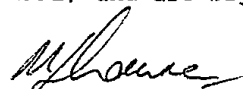
	Note	1990 £	1989 £
INCOME			
Income from shares in group undertakings		3,700,000	500,000
		<hr/>	<hr/>
PROFIT ON ORDINARY ACTIVITIES BEFORE AND AFTER TAX	2	3,700,000	500,000
Provisions for diminution in value of investments		(9,500,000)	-
		<hr/>	<hr/>
(LOSS)/PROFIT FOR THE FINANCIAL YEAR		(5,800,000)	500,000
Dividend		-	(500,000)
		<hr/>	<hr/>
RETAINED LOSS		(5,800,000)	-
		<hr/>	<hr/>

PRUDENTIAL CORPORATION HOLDINGS LIMITED

BALANCE SHEET 31 DECEMBER 1990

	Note	1990 £	1989 £
FIXED ASSETS			
Investments:	3,4		
Shares in group undertakings		216,829,563	160,948,457
Loans to group undertakings		5,220,100	5,220,100
Participating interests		12,500	12,500
		<u>222,062,163</u>	<u>166,181,057</u>
CURRENT ASSETS			
Amounts owed by group undertakings		3,700,052	500,052
Cash at bank and in hand		7,034	7,034
		<u>3,707,086</u>	<u>507,086</u>
CREDITORS			
Amounts falling due within one year:			
Sundry creditors		1,834,700	649,280
Amounts owed to group undertakings		894,340	2,999,998
Dividend		-	500,000
		<u>2,729,040</u>	<u>4,149,278</u>
NET CURRENT ASSETS/(LIABILITIES)		<u>978,046</u>	<u>(3,642,192)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>223,040,209</u>	<u>162,538,865</u>
CREDITORS			
Amounts falling due after more than one year:			
Amounts owed to group undertakings		228,840,109	162,538,765
		<u>(5,799,900)</u>	<u>100</u>
CAPITAL AND RESERVES			
Share capital	5	100	100
Retained loss		(5,800,000)	-
		<u>(5,799,900)</u>	<u>100</u>

The accounts on pages 2 to 7 were approved by the Director on 9 April 1991, and are signed for and on behalf of the Director by:


M J LAWRENCE

PRUDENTIAL CORPORATION HOLDINGS LIMITED

SOURCE AND APPLICATION OF FUNDS FOR THE YEAR ENDED 31 DECEMBER 1990

	1990 £	1989 £
SOURCE OF FUNDS		
(Loss)/profit for the financial year	(5,800,000)	500,000
Adjustment for item not involving the movement of funds		
Provisions for diminution in value of investments	9,500,000	-
	<u>3,700,000</u>	<u>500,000</u>
FUNDS FROM OTHER SOURCES		
Long-term loans	<u>66,301,344</u>	<u>1,138,932</u>
APPLICATION OF FUNDS		
Investment in group undertakings	64,181,106	3,888,372
Dividends paid	500,000	1,400,000
	<u>64,681,106</u>	<u>5,288,372</u>
	<u>5,320,238</u>	<u>(3,649,440)</u>
INCREASE/(DECREASE) IN WORKING CAPITAL		
Other creditors	14,580	163,720
Amounts owed to group undertakings	2,105,658	(2,913,162)
Amounts owed by group undertakings	3,200,000	(699,948)
Cash at bank and in hand	-	(50)
	<u>5,320,238</u>	<u>(3,649,440)</u>

PRUDENTIAL CORPORATION HOLDINGS LIMITED

NOTES ON THE ACCOUNTS

1. Accounting policies

- (a) The accounts are prepared under the historical cost convention and in accordance with applicable accounting standards.
- (b) Income from shares in group undertakings is included on an accruals basis.
- (c) Tax is charged on all profits and income earned to date. Provision under the liability method is made for deferred tax arising from timing differences, other than those considered likely to continue into the foreseeable future.
- (d) Shares in group undertakings are shown at cost less provisions for diminution in value.
- (e) Foreign currency assets and liabilities are translated at rates of exchange ruling at the end of the year.

2. Tax

There was no tax charge for the year. Income received from shares in group undertakings was on a group election basis.

3. Investments

Movements during the year are as follows. All investments are unlisted.

	Shares in group undertakings	Loans to group undertakings	Participating interests	Total
	£	£	£	£
Balance at beginning of year	160,948,457	5,220,100	12,500	166,181,057
Additional investment	64,181,006	-	-	64,181,006
Transfer from fellow subsidiary undertaking	100			100
Provisions for diminution in value	(8,300,000)	-	-	(8,300,000)
Balance at end of year	216,829,563	5,220,100	12,500	222,062,163

In addition a provision of £1,200,000 was made in respect of a deficiency of assets of a group undertaking. This provision is included in sundry creditors.

PRUDENTIAL CORPORATION HOLDINGS LIMITED

NOTES ON THE ACCOUNTS (continued)

During the year the Company invested further in Brooke Holdings Incorporated and in Prudential Corporation Australia Limited and acquired Prudential Finance Jersey Limited and Prudential Corporate Benefits Limited. In addition the investment in Prudential Staff Pensions Limited was transferred from a fellow subsidiary undertaking.

4. Group undertakings and participating interests

The principal group undertakings at 31 December 1990, all wholly owned, are as follows:

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

* Not directly owned by the Company.

Other undertakings 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 undertaking of another body corporate registered in England and Wales. The Director is of the opinion that the value of the Company's interests in its group undertakings are not less than the amount included in the balance sheet.

Participating interests represent the holding of all class "B" Ordinary shares in Prudential Travel Limited, a company registered in England and Wales.

PRUDENTIAL CORPORATION HOLDINGS LIMITED

NOTES ON THE ACCOUNTS (continued)

5. Share capital

	1990 £	1989 £
Authorised, issued and fully paid.		
100 ordinary shares of £1 each	100	100

6. Ultimate parent company

The ultimate parent company is Prudential Corporation plc, registered in England and Wales, which is the parent company which prepares group accounts, copies of which can be obtained from the Company Secretary at 1, Stephen Street, London W1P 2AP.

7. Guarantees

The Company has guaranteed any amounts due from Prudential Travel Limited to the International Air Transport Association.

8. Bank balances

Under the terms of the Company's arrangements with the Prudential Group's main UK banker, the bank has a right of set-off between credit balances and all overdrawn balances of those group companies with similar arrangements.

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 7 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 1990 and of its loss 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

9 April 1991

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