



# Prudential Holborn Pensions Limited

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AC1445

## Annual Returns for the year ended 31st December 2000

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 Holborn Pensions Limited****Year ended 31st December 2000****Contents**

	Page
<b>Schedule 1</b>	
Form 9 Statement of solvency	1
Form 10 Statement of net assets	3
Form 13 Analysis of admissible assets	4
Form 14 Long term business liabilities and margins	10
Form 15 Liabilities (other than long term business)	11
Form 16 Profit and loss account (non-technical account)	12
<b>Schedule 3</b>	
Form 40 Long term business: Revenue account	13
Form 41 Long term business: Analysis of premiums and expenses	14
Form 42 Long term business: Analysis of claims	15
Form 43 Long term business: Summarised balance sheet for internal linked funds	16
Form 44 Long term business: Aggregate revenue account for internal linked funds	18
Form 45 Long term business: Supplementary information for internal linked funds	19
Notes to Schedules 1 and 3	20
Regulation 23 Statement on Derivative Contracts	25
Regulation 24 Statement on Shareholder Controllers	26
Statement of Information on Appointed Actuary	27
<b>Schedule 6</b>	
Directors' Certificate	29
Appointed Actuary's Certificate	32
Auditors' Report	33
<b>Schedule 4</b>	
Valuation Report	35
Form 46 Long term business: Summary of changes in ordinary long term business	51
Form 47 Long term business: Analysis of new ordinary long term business	53
Form 48 Long term business: Expected income from admissible assets not held to match liabilities in respect of linked benefits	55
Form 49 Long term business: Analysis of admissible fixed interest and variable interest and variable yield securities not held to match liabilities in respect of linked benefits	56
Form 51 Long term business: Valuation summary of non-linked contracts (other than accumulating with-profits policies)	57
Form 53 Long term business: Valuation summary of property linked contracts	59
Form 54 Long term business: Valuation summary of index linked contracts	63
Form 55 Long term business: Analysis of units in internal funds and direct holdings of assets matching liabilities in respect of property linked benefits	64
Form 57 Long term business: Matching rectangle	68
Form 58 Long term business: Valuation result and distribution of surplus	73
Form 60 Required minimum margin	74
Notes to Schedule 4	75

## Statement of solvency

Name of company **Prudential Holborn Pensions Limited**

Global business

Financial year ended **31st December 2000**

R9	Company registration number 1347088	GL/UK/CM GL	Period ended			Units £000
			day	month	year	
			31	12	2000	
		As at the end of this financial year	As at the end of the previous year		Source	
		1	2		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	513429	551278	10 . 11
Other than long term business assets allocated towards long term business required minimum margin	22	9952	9369	See instructions 1 and 3
Total mathematical reserves (after distribution of surplus)	23	509633	547433	See instruction 4
Other insurance and non-insurance liabilities	24	3796	3845	See instruction 5
Available assets for long term business required minimum margin (21+22-23-24)	25	9952	9369	

## 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	9952	9369	
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## Required minimum margin

Required minimum margin for long term business	41	3737	3839	60 . 69
Explicit required minimum margin (1/6 x 41, or minimum guarantee fund if greater)	42	623	640	
Excess (deficiency) of available assets over explicit required minimum margin (25-42)	43	9329	8729	
Excess (deficiency) of available assets and implicit items over the required minimum margin (34-41)	44	6215	5530	

## 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 Holborn Pensions Limited**

Global business

Financial year ended **31st December 2000**

..... **A R Cook** **Chief Executive**

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

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

**June 2001**

## Statement of net assets

Name of company **Prudential Holborn Pensions Limited**

Global business

Financial year ended **31st December 2000**

	R10	Company registration number 1347088	GL/UK/CM GL	Period ended			Units £000
				day	month	year	
				31	12	2000	
		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	513429	551278	13	89	1	
Long term business - liabilities and margins	12	513429	551278	14	59	1	

Other than Long term business - admissible assets	21	12925	9716	13	89	1	
Other than Long term business - liabilities	22	2973	347	15	69	1	
Net admissible assets (21-22)	23	9952	9369				
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	9952	9369				

## Represented by:

Paid up share capital (other than cumulative preference share capital)	51	8000	8000				
Amounts included in lines 24 to 27 above	52						
Amounts representing the balance of net assets	56	1952	1369				
Total (51 to 56) and equal to line 29 above	59	9952	9369				

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

Balance brought forward at the beginning of the financial year	61	1369	456	10	56	2	
Retained profit/(loss) for the financial year	62	279	388	16	59	1	
Movement in asset valuation differences	63	304	526	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	1952	1369				

## Analysis of admissible assets

Name of company **Prudential Holborn Pensions Limited**

Global business

Financial year ended **31st December 2000**Category of assets **Total other than long term business assets**

			Company registration number	GL/UK/CM	Period ended			Units	Category of assets	
			R13	1347088	GL	31	12	2000	£000	1
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					37
		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				37

## Analysis of admissible assets

Name of company **Prudential Holborn Pensions Limited**

Global business

Financial year ended **31st December 2000**Category of assets **Total other than long term business assets**

		Company registration number	GL/UK/CM	Period ended day month year			Units	Category of assets	
		R13	1347088	GL	31	12	2000	£000	1
Investments (continued) Deposits with ceding undertakings Assets held to cover linked liabilities					As at the end of this financial year 1		As at the end of the previous year 2		
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					39
	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			247		427
		Other		53					
	Deposits with approved credit institutions and approved financial institutions	Withdrawal subject to a time restriction of one month or less		54			10896		7460
		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			11143		7926

**Analysis of admissible assets**Name of company **Prudential Holborn Pensions Limited**

Global business

Financial year ended **31st December 2000**Category of assets **Total other than long term business assets**

		Company registration number	GL/UK/CM	Period ended day month year			Units	Category of assets	
		R13	1347088	GL	31	12	2000	£000	1
<b>Debtors</b>					As at the end of this financial year 1		As at the end of the previous year 2		
<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			252		
		Due more than 12 months after the end of the financial year		79	1263		1191		
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	479		246		
	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	40		64		
	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	1782		1753		
Grand total of admissible assets (39+69+88)				89	12925		9716		
<b>Reconciliation to asset values determined in accordance with the shareholder accounts rules</b>									
Total admissible assets (as per line 89 above)				91	12925		9716		
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	577		881		
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	13502		10597		
Amounts included in line 89 attributable to debts due from related companies, other than those under contracts of insurance or reinsurance				100			60		



## Analysis of admissible assets

Name of company **Prudential Holborn Pensions Limited**

Global business

Financial year ended **31st December 2000**Category of assets **Total long term business assets**

			Company registration number	GL/UK/CM	Period ended			Units	Category of assets	
			R13	1347088	GL	31	12	2000	£000	10
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 Holborn Pensions Limited**

Global business

Financial year ended **31st December 2000**Category of assets **Total long term business assets**

		Company registration number	GL/UK/CM	Period ended			Units	Category of assets	
		R13	1347088	GL	31	12	2000	£000	10
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	3699		3610		
			Other	46	12720		12704		
		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	6604		5540		
		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	489480		527334			
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	512503		549188			

## Analysis of admissible assets

Name of company **Prudential Holborn Pensions Limited**

Global business

Financial year ended **31st December 2000**Category of assets **Total long term business assets**

Category of assets		Company registration number		GL/UK/CM	Period ended			Units	Category of assets
		day	month		year				
		R13	1347088	GL	31	12	2000	£000	10
Debtors					As at the end of this financial year 1			As at the end of the previous year 2	
Other assets									
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				66
		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	653			1742
	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	273			282
	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	926			2090
Grand total of admissible assets (39+69+88)					89	513429			551278
Reconciliation to asset values determined in accordance with the shareholder accounts rules									
Total admissible assets (as per line 89 above)					91	513429			551278
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	513429			551278
Amounts included in line 89 attributable to debts due from related companies, other than those under contracts of insurance or reinsurance					100				

**Long term business liabilities and margins**Name of company **Prudential Holborn Pensions Limited**

Global business

Financial year ended **31st December 2000**Category of assets **Total long term business assets**

		Company registration number	GL/UK/CM	Period ended			Units	Category of assets		
		R14	1347088	GL	31	12	2000	£000	10	
				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	509633	547433	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			See instruction 4					
Long term business fund carried forward (11 to 13)		14	509633	547433	See instruction 5					
Claims outstanding which had fallen due for payment before the end of the financial year	Gross amount	15	403	612						
	Reinsurers' share	16								
	Net (15-16)	17	403	612						
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	74	57					
		Reinsurance accepted	32							
		Reinsurance ceded	33							
	Debenture loans	Secured	34							
		Unsecured	35							
	Amounts owed to credit institutions		36							
	Other creditors	Taxation	37							
		Other	38	3319	3176					
Accruals and deferred income		39								
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	3796	3845						
Excess of the value of net admissible assets		51			See instruction 6					
Total liabilities and margins		59	513429	551278						
Amounts included in line 59 attributable to liabilities to related companies, other than those under contracts of insurance or reinsurance		61	1999	2337						
Amounts included in line 59 attributable to liabilities in respect of property linked benefits		62	488516	526703						
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					

## Liabilities (other than long term business)

Name of company **Prudential Holborn Pensions Limited**

Global business

Financial year ended **31st December 2000**

		Company registration number	GL/UK/CM	Period ended			Units		
		R15	1347088	GL	31	12	2000	£000	
				day month year					
				As at the end of this financial year 1			As at the end of the previous year 2		
Technical provisions (gross amount)	Provision for unearned premiums		11						
	Claims outstanding		12						
	Provision for unexpired risks		13						
	Equalisation provisions	Credit business	14						
		Other than credit business	15						
	Other		16						
	Total (11 to 16)		19						
Provisions for other risks and charges	Taxation		21						
	Other		22						
Deposits received from reinsurers			31						
Creditors	Arising out of insurance operations	Direct business	41						
		Reinsurance accepted	42						
		Reinsurance ceded	43						
	Debenture loans	Secured	44						
		Unsecured	45						
	Amounts owed to credit institutions		46						
	Other creditors	Taxation	47	1473			347		
		Recommended dividend	48	1500					
		Other	49						
Accruals and deferred income			51						
Total (19 to 51)			59	2973			347		
Provision for adverse changes (calculated in accordance with regulation 61 of the Insurance Companies Regulations 1994)			61						
Cumulative preference share capital			62						
Subordinated loan capital			63						
Total (59 to 63)			69	2973			347		
Amounts included in line 69 attributable to liabilities to related companies, other than those under contracts of insurance or reinsurance				71					

**Profit and loss account (non-technical account)**Name of company **Prudential Holborn Pensions Limited**

Global business

Financial year ended **31st December 2000**

		Company registration number	GL/UK/CM	Period ended			Units	
		R16	1347088	GL	31	12	2000	£000
			This financial year	Previous year	Source			
			1	2	Form	Line	Column	
Transfer (to)/from the general business technical account	From Form 20	11			20 . 59			
	Equalisation provisions	12						
Transfer from the long term business revenue account		13	1788	(106)	40 . 26			
Investment income	Income	14	615	553				
	Value re-adjustments on investments	15						
	Gains on the realisation of investments	16						
Investment charges	Investment management charges, including interest	17						
	Value re-adjustments on investments	18						
	Loss on the realisation of investments	19						
Allocated investment return transferred to the general business technical account		20			20 . 51			
Other income and charges (particulars to be specified by way of supplementary note)		21						
Profit or loss on ordinary activities before tax (11+12+13+14+15+16-17-18-19-20+21)		29	2403	447				
Tax on profit or loss on ordinary activities		31	624	59				
Profit or loss on ordinary activities after tax (29-31)		39	1779	388				
Extraordinary profit or loss (particulars to be specified by way of supplementary note)		41						
Tax on extraordinary profit or loss		42						
Other taxes not shown under the preceding items		43						
Profit or loss for the financial year (39+41-(42+43))		49	1779	388				
Dividends (paid and proposed)		51	1500					
Profit or loss retained for the financial year (49-51)		59	279	388				

## Long term business : Revenue account

Name of company **Prudential Holborn Pensions Limited**

Global business

Ordinary business

Financial year ended **31st December 2000**Name and number of fund **Ordinary Long Term 1**

Company registration number	GL/UK/CM	Period ended			Units	OB/IB	No of fund/ Summary	No of part of Fund	
		day	month	year					
R40	1347088	GL	31	12	2000	£000	OB	1	0
Items to be shown net of reinsurance ceded						The financial year 1	Previous year 2		
Earned premiums						11	23866	28569	
Investment income receivable before deduction of tax						12	18267	14498	
Increase (decrease) in the value of non-linked assets brought into account						13	105	(342)	
Increase (decrease) in the value of linked assets						14	(21335)	64837	
Other income						15			
Total income (11 to 15)						19	20903	107562	
Claims incurred						21	53035	56474	
Expenses payable						22	3921	5146	
Interest payable before deduction of tax						23	23	22	
Taxation						24	(64)	213	
Other expenditure						25			
Transfer to (from) non technical account						26	1788	(106)	
Total expenditure (21 to 26)						29	58703	61749	
Increase (decrease) in fund in financial year (19-29)						39	(37800)	45813	
Fund brought forward						49	547433	501620	
Fund carried forward (39+49)						59	509633	547433	

## Long term business : Analysis of premiums and expenses

Name of company **Prudential Holborn Pensions Limited**

Global business

Ordinary business

Financial year ended **31st December 2000**Name and number of fund **Ordinary Long Term 1**

		Company registration number	GL/UK/CM	Period ended			Units	OB/IB	No of fund/ Summary	No of part of Fund	
		R41	1347088	GL	31	12	2000	£000	OB	1	0
					Gross		Payable to or recoverable from reinsurers		Net of reinsurance (1-2)		
					1		2		3		
Earned premiums in the financial year	Life assurance and general annuity contracts	Single premium			11						
		Regular premium			12						
	Pension business contracts	Single premium			13	24321	3446	20875			
		Regular premium			14	2991	2991				
	Permanent health contracts	Single premium			15						
		Regular premium			16						
	Other contracts	Single premium			17						
		Regular premium			18						
	Total premiums	Single premium			19	24321	3446	20875			
		Regular premium			29	2991	2991				
Total premiums at lines 19 and 29 attributable to	UK contracts			31	27312	3446	23866				
	Overseas contracts			32							
Expenses payable in the financial year	Commission payable in connection with acquisition of business				41						
	Other commission payable				42	48		48			
	Management expenses in connection with acquisition of business				43						
	Management expenses in connection with maintenance of business				44	3723		3723			
	Other management expenses				45	150		150			
	Total expenses (41 to 45)				49	3921		3921			
	Total expenses at line 49 attributable to	UK contracts			51	3921		3921			
		Overseas contracts			52						



## Long term business : Analysis of claims

Name of company **Prudential Holborn Pensions Limited**

Global business

Ordinary business

Financial year ended **31st December 2000**Name and number of fund **Ordinary Long Term 1**

		Company registration number	GL/UK/CM	Period ended			Units	OB/IB	No of fund/ Summary	No of part of Fund	
		R42	1347088	GL	31	12	2000	£000	OB	1	0
Claims incurred in the financial year					Gross		Recoverable from reinsurers		Net of reinsurance (1-2) 3		
					1		2				
Life assurance and annuity contracts	On death				11						
	By way of lump sums on maturity				12						
	By way of annuity payments				13						
	By way of payments arising from other insured events				14						
	On surrender or partial surrender				15						
	Total life assurance and annuity claims (11 to 15)				19						
Pension business contracts	On death				21	1555				1555	
	By way of lump sums on vesting				22	22606				22606	
	By way of vested annuity payments				23	4451	4427			24	
	On surrender or partial surrender				24	28850				28850	
	Total pension business claims (21 to 24)				29	57462	4427			53035	
Permanent health contracts	By way of lump sums				31						
	By way of periodical payments				32						
	Total permanent health claims (31+32)				39						
Other contracts	By way of lump sums				41						
	By way of periodical payments				42						
	Total claims (41+42)				49						
Total claims (19+29+39+49)					59	57462	4427			53035	
Total claims at line 59 attributable to		UK contracts			61	57462	4427			53035	
		Overseas contracts			62						

**Long term business : Summarised balance sheet for internal linked funds**

Name of company  
Prudential Holborn Pensions Limited

## Global business

## Ordinary business

Financial year ended  
31st December 2000[illegible]16

**Long term business : Summarised balance sheet for internal linked funds**

Name of company

Prudential Holborn Pensions Limited

## Global business

## Ordinary business

Financial year ended  
31st December 2000 Name and number of fund | Ordinary Long Term 1 |

Name and number of fund Ordinary Long term 1									
R43	1347088	GL	31	12	2000	£000	OB	1	0
Name of fund	Directly held assets	Investment in other internal linked funds of the company	Total assets (2+3)	Provision for tax on unrealised capital gains	Secured and unsecured loans	Other liabilities	Net asset value (4-5-6-7)		
1	2	3	4	5	6	7	8		
Managed	314081	10802	324883			18	324865		
International Money	1877		1877				1877		
North American	5101		5101				5101		
Pacific Market	3662		3662				3662		
Property	23264		23264			710	22554		
Premier Income	121	.	121			.	121		
Small Companies	4696		4696				4696		
Special Situations	2173		2173				2173		
UK Growth	1640		1640				1640		
Total	489479	10802	500281			964	499317		

**Long term business : Aggregate revenue account for internal linked funds**Name of company **Prudential Holborn Pensions Limited**

Global business

Ordinary business

Financial year ended **31st December 2000**Name and number of fund **Ordinary Long Term 1**

	Company registration number	GL/UK/CM	Period ended			Units	OB/IB	No of fund/ Summary	No of part of Fund	
			day	month	year					
	R44	1347088	GL	31	12	2000	£000	OB	1	0
Value of total creation of units						11	23436			
Investment income attributable to the funds before deduction of tax						12	16867			
Increase (decrease) in the value of investments in the financial year						13	(21335)			
Other income						14				
Total income (11 to 14)						19	18968			
Value of total cancellation of units						21	52006			
Charges for management						22	5150			
Charges in respect of tax on investment income						23				
Taxation on realised capital gains						24				
Increase (decrease) in amount set aside for tax on capital gains not yet realised						25				
Other expenditure						26				
Total expenditure (21 to 26)						29	57156			
Increase (decrease) in funds in financial year (19-29)						39	(38188)			
Internal linked funds brought forward						49	526703			
Internal linked funds carried forward (39+49)						59	488515			

## Long term business : Supplementary information for internal linked funds

Name of company **Prudential Holborn Pensions Limited**

Global business

Ordinary business

Financial year ended **31st December 2000**Name and number of fund **Ordinary Long Term 1**

	Company registration number	GL/UK/CM	Period ended			Units	OB/IB	No of fund	No of part of Fund
			day	month	year				
			R45	1347088	GL				
Name of fund		Amount of taxable unrealised capital gain or loss	Percentage provision for tax on unrealised capital gains	Percentage provision for tax on realised capital gains	Liquidity percentage	Valuation price per unit			
1	2	3	4	5	6				
Cash					46.59	3.518000			
10Global Growth				.	0.04	2.440000			
Equity Income					0.04	3.603000			
Equity					(1.03)	24.082000			
European					0.11	4.050000			
Equity Unit Trust					(0.65)	2.038000			
Fixed Interest					70.67	11.637000			
Global Equity					3.63	6.265000			
High Income					0.05	3.015000			
Index Linked Gilt					99.21	4.837000			
International Small Companies					1.07	3.200000			
International Growth					1.11	3.000000			
Japanese					(2.85)	1.413000			
Managed					20.36	15.371000			
International Money					(2.14)	3.635000			
North American				.	(3.25)	3.088000			
Pacific Market					1.37	2.176000			
Property					4.03	6.919000			
Premier Income					1.27	1.598000			
Small Companies					(0.69)	3.359000			
Special Situations					(2.67)	2.927000			
UK Growth					(0.33)	2.847000			
					0.00				

# PRUDENTIAL HOLBORN PENSIONS LIMITED

Financial Year ended 31 December 2000

## Notes to Schedules 1 and 3

### Form 9

0903 Other Orders under Section 68, Insurance Companies Act 1982 (as amended)

The Secretary of State, on the application of the Company, has issued to the Company an order under Section 68 of the Insurance Companies Act 1982 directing that Section 31(2)(c) of the Insurance Companies Act 1982 shall not apply to the Company's reinsurance agreements with Prudential Annuities Limited and Prudential Assurance Company Limited.

### Form 10

1001 Reconciliation to shareholder assets

	2000	1999
	£'000s	£'000s
<i>Net assets per Annual return</i>		
line 99 on Form 13 (Other than Long Term Business)	13,502	10,597
line 59 on Form 15	<u>(2,973)</u>	<u>(347)</u>
	10,529	10,250
<i>Per shareholder accounts</i>		
Capital + reserves	<u>15,999</u>	<u>15,418</u>
Difference	<u>(5,470)</u>	<u>(5,168)</u>
Analysed as follows:		
Additional Reserves held in long term fund	(5,470)	(5,200)
Look Through value of subsidiary Clifford (Jersey) Ltd	<u>Nil</u>	<u>32</u>
	<u>(5,470)</u>	<u>(5,168)</u>

# **PRUDENTIAL HOLBORN PENSIONS LIMITED**

**Financial Year ended 31 December 2000**

**Notes to Schedules 1 and 3 (continued)**

## **Form 13**

Notes 1304 to 1306 apply to the other than long term business fund.

### **1304 Statement on Set-Off**

Amounts due to or from the Company have been set off to the extent permitted by generally accepted accounting principles.

### **1305 Maximum Counterparty Limits**

The Company's investment guidelines set maximum counterparty limits in order to maintain the admissibility of assets in accordance with Schedule 12 of the Insurance Companies Regulations 1994 with the exception of loans to policyholders and the Company's main working capital bank accounts held with an approved institution. The limits were not breached throughout the financial year. In respect of the Company's main working capital bank accounts within both the other than long-term and long-term funds, the balances are permitted to exceed the Schedule 12 limit of 20% with an approved counterparty. This is to allow for the efficient management of daily working capital requirements of the Company. The balances are reviewed daily and compared to expected cashflows to ensure the Company is technically solvent.

### **1306 Counterparty exposures at year end**

Counterparty exposures at year end greater than five percent of the long term business amount were held with approved counterparties and were valued at £11,375,000.

Notes 1310 to 1318 apply to the long term business fund.

### **1310 Statement on set-off**

Amounts due to or from the Company have been set off to the extent permitted by generally accepted accounting principles.

## **PRUDENTIAL HOLBORN PENSIONS LIMITED**

**Financial Year ended 31 December 2000**

### **Notes to Schedules 1 and 3 (continued)**

#### **1311 Maximum Counterparty Limits**

The company's investment guidelines set maximum counterparty limits in order to maintain the admissibility of assets in accordance with Schedule 12 of the Insurance Companies Regulations 1994. The company's investments satisfied the Regulations throughout the year.

#### **1312 Counterparty Exposures at Year End**

Counterparty exposures at year end greater than five percent of the long term business amount were held with approved counterparties and were valued at £19,977,000.

### **Form 14**

#### **1401 Provision for Adverse Changes**

No derivatives were held by the long term fund at any time during the year and therefore no provision for adverse changes is required.

#### **1402 Details of charges over assets, etc.**

- (a) There were no charges attributable to the long term business assets.
- (b) The long term fund does not attract tax, and therefore no provision, potential or otherwise, has been made for any liability to tax which might arise if the company disposed of its assets at the values stated in this return.
- (c) There were no contingent liabilities at the year end.
- (d) There were no guarantees, indemnities or other contractual commitments other than in the ordinary course of insurance business in respect of related companies.
- (e) There were no fundamental uncertainties.

### **Form 15**

#### **1501 Provision for Adverse Changes**

No derivatives were held by the other than long term fund at any time during the year and therefore no provision for adverse changes is required.



## **PRUDENTIAL HOLBORN PENSIONS LIMITED**

**Financial Year ended 31 December 2000**

### **Notes to Schedules 1 and 3 (continued)**

1502 Details of charges over assets, etc.

- (a) There were no charges attributable to the other than long term business assets.
- (b) There was no potential tax liability arising in the other than long term fund.
- (c) There were no contingent liabilities at the year end.
- (d) 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 undertakings with similar arrangements.
- (e) There were no fundamental uncertainties.

### **Form 16**

1601 Foreign Currencies

Foreign currency transactions are translated at year end exchange rates, except that certain revenue transactions are translated at rates ruling at the transaction dates.

### **Form 17**

1700 Derivative Contracts

As all figures, including comparatives, are zero for the other than long term and long term fund, form 17 has been omitted.

### **Form 40**

4008 Provision of Management Services

The Company was provided throughout the year with day to day management services by Prudential Portfolio Managers Limited, Prudential Investment Products Limited, Prudential Services Limited, Prudential Financial Services Limited and The Prudential Assurance Company Limited, all group companies.

## **PRUDENTIAL HOLBORN PENSIONS LIMITED**

**Financial Year ended 31 December 2000**

### **Notes to Schedules 1 and 3 (continued)**

#### **4009 Investment Management Expenses**

Investment management expenses and the rebate of the fund management charge to The Prudential Assurance Company Limited for the year amounted to £2,493,000 (1999: £3,134,000).

#### **Form 43**

#### **4301 Valuation of Linked Assets**

These assets are included at market value or, in the case of properties, on the basis of an annual external professional valuation by DTZ Debenham Thorpe, Chartered Surveyors. Securities are valued at a market bid price except where a linked fund is priced on a full offer basis in which case the securities are valued on an offer basis. In accordance with the policy document, an appropriate adjustment is made to the linked asset prices to account for buying or selling expenses.

# **PRUDENTIAL HOLBORN PENSIONS LIMITED**

**Financial Year ended 31 December 2000**

## **Regulation 23 Statement on Derivative Contracts**

**a. Investment Guidelines**

During 2000, investment guidelines allowed the use of derivative contracts in the Fixed Interest, Index Linked Gilts and Managed internal linked funds. The derivatives and use thereof was restricted to that permitted by Part I of Schedule 10 to the Insurance Companies Regulations 1994. The use of derivatives was not permitted in the non-linked funds.

Derivatives are limited to: exchange traded warrants; exchange traded index or stock futures; forward currency contracts; hedging of overseas holdings into £ sterling; partly paid shares; and convertible bonds. Derivatives must be listed or with an approved counterparty and must be capable of being readily closed out at a price the basis of which is pre-determined. Exchange traded index and stock futures must be based on underlying assets which are themselves permitted links.

**b. Derivatives where exercise is unlikely**

Derivatives used in the internal linked funds were entered into only if they would have been reasonably likely to be exercised.

**c. Quantification of derivatives in (b) above**

No such contracts were used by the company.

**d. Effect on Form 13 of exercising derivatives where it would be prudent to assume options would be exercised**

The only derivatives in Form 13 relate to property linked assets and are included in line 59 of Form 13. These figures would not change significantly if derivatives were exercised.

**e. Effect on Form 13 of exercising all derivatives**

The position described in (d) above would have been unchanged.

**f. Effect on Form 13 during the financial year**

The position described in (d) and (e) above would have been unchanged.

**g. Maximum loss which would be incurred by the Company**

The only derivatives relate to property linked assets and the Company is not exposed to any loss on derivative contracts.

**h. Derivatives not falling within regulation 55 of, or Schedule 10 to, the Insurance Companies Regulations**

All the derivatives held fell within paragraph 15 of Schedule 10 to the Insurance Companies Regulations.

**i. Consideration received for granting rights under derivative contracts**

The investment guidelines did not allow the writing of options.

## **PRUDENTIAL HOLBORN PENSIONS LIMITED**

**Financial Year ended 31 December 2000**

### **Regulation 24 Statement on Shareholder Controllers**

The following companies were shareholder controllers of Prudential Holborn Pensions Limited for the year: Prudential Financial Services Limited, being its immediate holding company, holding 100% of its issued share capital; and Prudential plc, being its ultimate holding company, holding 100% of the issued share capital of Prudential Financial Services Limited.

## PRUDENTIAL HOLBORN PENSIONS LIMITED

Financial Year ended 31 December 2000

### Statement of information on the Appointed Actuary required by Regulation 31 of the Insurance Companies (Accounts and Statements) Regulations 1996

In the paragraphs below, references to "the year" are references to the part-year ending 31 October 2000, and the details relate to A.C. Smith.

- 1 (a) Throughout the year the Actuary held options granted under the Prudential Savings Related Share Option Scheme to subscribe for shares in Prudential plc as follows:

<u>Number of Shares</u>	<u>Exercise Price</u>	<u>Exercise Dates</u>
1930	505p	Between December 2000 and May 2001

These options lapsed when the Actuary left employment, but his new employer agreed to compensate him for any loss he incurred as a result of not being able to exercise the options.

- (b) The Actuary and his wife are the life assured and beneficiary under the following policies effected with Scottish Amicable Life Assurance Society.

<u>Type</u>	<u>Minimum Death Benefit</u>	<u>Annual Premium</u>	<u>Maturity</u>
	£	£	
With Profit Low Cost Endowment	33,000	293	2022
With Profit Low Cost Endowment	40,000	401	2022

The Actuary and his wife have a policy of home insurance with Prudential Assurance Company Ltd.

The Actuary's wife has cash on deposit with the Egg Division of Prudential Banking plc.

- (c) The aggregate amount of remuneration and the value of other benefits under the Actuary's contract of employment with Craigforth Services Limited from 1 January 2000 to 31 October 2000 was £76,862.
- (d) The Actuary is a member of the Scottish Amicable Staff Pension Scheme.

- 2 The Company made a request to the Actuary to furnish particulars in relation to this Statement and the information above has been furnished by him.

## **PRUDENTIAL HOLBORN PENSIONS LIMITED**

**Financial Year ended 31 December 2000**

### **Statement of information on the Appointed Actuary required by Regulation 31 of the Insurance Companies (Accounts and Statements) Regulations 1996**

In the paragraphs below, references to "the year" are references to the year ended 31 December 2000, and the details relate to P. S. K Hawes.

- 1(a) The Appointed Actuary participates in the Prudential Savings Related Share Option Scheme. At the beginning and end of the year he held options in respect of 4,831 shares. No options were exercised in the year.

The Appointed Actuary and his wife owned 14,928 shares in Prudential Corporation plc, at the beginning of the year, and 15,134 shares at the end of the year.

The Appointed Actuary acquired 470 shares in Egg plc during the year.

- 1(b) During the year the Appointed Actuary and his wife held the following insurance policies issued by the Prudential Assurance Company Ltd.

- endowment assurances and attaching term assurance, with a combined with profit sum assured of £58,540, a minimum death benefit before bonuses of £120,000, and a total annual premium of £3,090.
- one home insurance policy;
- one car insurance policy.

and, at the end of the year, the following PEPs administered by M&G Financial Services Ltd.,

- 6,961 units in M&G British Opportunities Trust Fund
- 29,429 units in M&G Dividend Fund

- 1(c)(i) The remuneration and value of other benefits under the Actuary's contract of service with The Prudential Assurance Company Ltd, amounted to £104,609 for the year.

(iii)Not applicable.

- 1(d) The Actuary is a member of the Prudential Staff Pension Scheme.

- 2 The Company made a request to the Actuary to furnish particulars in relation to this Statement and the information above has been furnished by him.

**PRUDENTIAL HOLBORN PENSIONS LIMITED**

**Financial Year ended 31 December 2000**

**Certificate required by Regulation 28(a) of the Insurance Companies (Accounts and Statements) Regulations 1996**

We certify that:

1. (a) in relation to the part of this return comprising Forms 9, 10, 13 to 17 and 40 to 45, (including the supplementary notes thereto) and the statements required by regulations 23 and 24 of the Insurance Companies (Accounts and Statements) Regulations 1996:
  - I. the return has been prepared in accordance with the Regulations;
  - II. proper accounting records have been maintained and adequate information has been obtained by the Company; and
  - III. an appropriate system of control has been established and maintained by the Company over its transactions and records;
- (b) in respect of the Company's business which is not excluded by Regulation 32 of the Insurance Companies Regulations 1994, the assets held throughout the financial year enabled the Company to comply with regulations 27 to 31 (matching and localisation) of those Regulations; and
- (c) in relation to the statement required by regulation 31 of the Insurance Companies (Accounts and Statements) Regulations 1996 that:
  - I. for the purpose of preparing the statement, proper accounts and records have been maintained; and
  - II. the information given has been ascertained in conformity with that regulation.

## **PRUDENTIAL HOLBORN PENSIONS LIMITED**

**Financial Year ended 31 December 2000**

### **Certificate required by Regulation 28(a) (continued)**

2. the margin of solvency required by section 32 of the Insurance Companies Act 1982 was maintained throughout the financial year.
  
3.
  - (a) the requirements of sections 28 to 31 of the Insurance Companies Act 1982 as modified by the order referred to in supplementary note 0903 have been fully complied with and in particular that, subject to the provisions of section 29(2) to (4) and section 30, assets attributable to long-term business, the income arising therefrom, the proceeds of any realisation of such assets and any other income or proceeds allocated to the long-term business fund have not been applied otherwise than for the purpose of the long-term business;
  
  - (b) any amount payable from or receivable by the long term business fund in respect of services rendered by or to any other business carried on by the Company or by a person who, for the purposes of section 31 of the Insurance Companies Act 1982, is connected with it or is a subordinate company of it has been determined and where appropriate apportioned on terms which are believed to be no less than fair to those funds, and any exchange of assets representing such fund for other assets of the Company have been made at fair market value;
  
  - (c) no guarantees have been given by the Company of the performance by a related company of a contract binding on the related company which would fall to be met by any long term business fund;
  
  - (d) in respect of each internal linked fund, the investment policy and practice of the Company was during the financial year consistent with any representations made to policyholders or potential policyholders of the Company;
  
  - (e) the return in respect of long term business is not distorted by agreements between the Company and any other company carrying on insurance business or by any arrangements which could affect the apportionment of expenses and income; and
  
  - (f) the Company has fully complied with the requirement of section 31a of the Insurance Companies Act 1982.



# **PRUDENTIAL HOLBORN PENSIONS LIMITED**

**Financial Year ended 31 December 2000**

## **Certificate required by Regulation 28(a) (continued)**

4. (a) the systems of control established and maintained by the Company in respect of its business complied at the end of the financial year with the following published guidance:

- Prudential Guidance Note 1994/6 - Systems of control over the investments (and counterparty exposure) of insurance companies with particular reference to the use of derivatives; and
- Money Laundering - Guidance Note for the financial sector issued by the Joint Money Laundering Steering Group in April 1999.

and it is reasonable to believe that those systems continued to so comply subsequently and will continue to so comply in future; and

(b) the return has been prepared in accordance with the following published guidance:

- Prudential Guidance Note 1995/1 - Guidance for insurance companies and auditors on the Valuation of Assets Regulations;
- Prudential Guidance Note 1995/3 - The use of derivatives in insurance funds; and
- Prudential Guidance Note 1998/1 - The preparation of annual returns.

A R Cook  
Chief Executive

M J Moores  
Director

D J Belsham  
Director

June 2001

# **PRUDENTIAL HOLBORN PENSIONS LIMITED**

**Financial Year ended 31 December 2000**

## **Appointed Actuary's Certificate**

I certify that:

- (a)
  - (i) in my opinion, proper records have been kept by the Company adequate for the purpose of the valuation of the liabilities of its long term business;
  - (ii) the mathematical reserves shown in Form 14 constitute proper provision at the end of the financial year for the liabilities (including all liabilities arising from deposit back arrangements, but excluding other liabilities which had fallen due before the end of the financial year) including any increase in those liabilities arising from a distribution of surplus as a result of an investigation as at 31 December 2000 into the financial condition of the long term business;
  - (iii) for the purpose of paragraph (ii) above, the liabilities have been assessed in accordance with Part IX of the Insurance Companies Regulations 1994 (as amended) in the context of assets valued in accordance with Part VIII of those Regulations, as shown in Form 13;
  - (iv) the guidance notes "Actuaries and Long-Term Insurance Business (GN1)" and "Additional Guidance for Appointed Actuaries and Appropriate Actuaries (GN8)", issued by the Institute of Actuaries and the Faculty of Actuaries and dated December 1998 and March 2001 respectively, have been complied with;
  - (v) in my opinion, premiums for contracts entered into during the financial year and the income earned thereon are sufficient, on reasonable actuarial assumptions, and taking into account the other financial resources of the Company that are available for the purpose, to enable the Company to meet its commitments in respect of those contracts and, in particular, to establish adequate mathematical reserves;
- (b) the amount of required minimum margin applicable to the Company's long term business immediately following the end of the financial year (including any amounts resulting from any increase in liabilities arising from a distribution of surplus as a result of the investigation into the financial condition of the long term business) is £3,737,000.

P S K Hawes  
Appointed Actuary

June 2001

# **PRUDENTIAL HOLBORN PENSIONS LIMITED**

**Financial Year ended 31 December 2000**

## **Report of the auditors to the directors pursuant to Regulation 29 of the Insurance Companies (Accounts and Statements) Regulations 1996**

We have examined the documents prepared by the Company pursuant to section 17 of the Insurance Companies Act 1982 (the Act) and the Insurance Companies (Accounts and Statements) Regulations 1996 (the Regulations):

- Forms 9, 10, 13 to 17 and 40 to 45 (including the supplementary notes thereto) ("the Forms");
- the statement required by regulation 23 on page 25 ("the statement"); and
- the certificate signed in accordance with regulation 28(a) on pages 29 to 31 ("the certificate").

In the case of the certificate, our examination did not extend to:

- (a) Paragraph 1 in relation to the statements required by regulations 24 and 31.
- (b) Sub-paragraph (d) of Paragraph 4 to Schedule 6, concerning the investment policy and practice of internal linked funds; and
- (c) Paragraph 5 to Schedule 6 in so far as it relates to controls with respect to Money Laundering.

### **Respective responsibilities of the Company and its auditors**

The Company is responsible for the preparation of the return (including the Forms, statement and certificate) under the provisions of the Act and the Regulations. The requirements of the Act have been modified by Orders issued under section 68 of the Act referred to in supplementary note 0903 on page 20. Under regulation 5 the Forms and statements are required to be prepared in the manner specified by the Regulations and to state fairly the information provided on the basis required by the Regulations.

It is our responsibility to form an independent opinion as to whether the Forms and statements meet these requirements, and in the case of the certificate whether it was or was not unreasonable for the persons giving the certificate to have made the statements therein, and to report our opinions to you.

### **Bases of opinions**

We conducted our audit in accordance with Practice Note 20: 'The Audit of Insurers in the United Kingdom' issued by the Auditing Practices Board."

## **PRUDENTIAL HOLBORN PENSIONS LIMITED**

**Financial Year ended 31 December 2000**

### **Report of the auditors (continued)**

Our work included examination, on a test basis, of evidence relevant to the amounts and disclosures in the Forms and statement. The evidence included that previously obtained by us relating to the audit of the financial statements of the Company for the financial year on which we reported on 12 April 2000. It also included an assessment of the significant estimates and judgements made by the Company in the preparation of the Forms and statement.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Forms and statement are free from material misstatement, whether caused by fraud or other irregularity or error and comply with regulation 5.

In the case of the certificate, the work performed involved a review of the procedures undertaken by the signatories to enable them to make the statements therein, and does not extend to an evaluation of the effectiveness of the Company's internal control systems.

In giving our opinion we have relied on the certificate of the appointed actuary on page 32 with respect to the mathematical reserves and the required minimum margin.

### **Opinions**

*In our opinion:*

- (a) the Forms and statement fairly state the information provided on the basis required by the Regulations as modified and
- (b) according to the information and explanations received by us:
  - (i) the certificate has been properly prepared in accordance with the provisions of the Regulations; and
  - (ii) it was not unreasonable for the persons giving the certificate to have made the statements therein.

KPMG Audit Plc  
Registered Auditor  
London  
June 2001

# PRUDENTIAL HOLBORN PENSIONS LIMITED

## Schedule 4

### VALUATION REPORT ON PRUDENTIAL HOLBORN PENSIONS LIMITED

1. The investigation relates to 31 December 2000.
2. The previous investigation related to 31 December 1999.
3. The valuation conforms with regulation 64 of the Insurance Companies Regulations 1994 (as amended).
- 4.(1)

(a) Not applicable

(b) As stated in 5.(1) below, linked policies have the option of investing in the Guaranteed Fund.

(c) Annuities in payment arise from the options available in the linked contracts.

Descriptions of non-linked contracts not fully described by the entry in column 1 of Form 51 are as follows:-

#### Level term assurance

This benefit is available under the Personal Pension Account and Executive Pension Plan, and consists of a fixed amount of temporary life assurance terminating not later than the normal retirement date of the member.

For temporary assurance in conjunction with the Executive Pension Plan, there is an option to increase the sum assured annually in line with increases in the Retail Prices Index without further evidence of health.

#### Waiver of premium benefit

This is available only to holders of a Flexible Retirement Plan or Personal Pension Account payable by regular premiums, in return for an additional premium. The waiver operates in the event of incapacity to work through accident or illness, the first six months of incapacity being excluded. Benefits normally cease at age 60.

5. (1) Categories of in force linked business are as follows:-

(i) Flexible Retirement Plan

(a) Flexible Retirement Plan

(b) These policies are United Kingdom, pension, direct written, unit linked deferred annuity contracts.

(c) Frequency of premiums can be regular or single.

## PRUDENTIAL HOLBORN PENSIONS LIMITED

### Schedule 4 (continued)

- (d) A percentage of each premium paid (excluding any service charge) is invested in the Guaranteed Fund or in units of one or more of the Linked funds.

In the event of death before the commencement of the pension, the full bid value of the Linked fund units allocated and the Guaranteed Fund value held (including accumulated interest) is paid.

Under Mark 2 regular premium contracts, after 10 yearly (or 120 monthly) premiums have been paid, all benefits otherwise payable under the policy are increased by a guaranteed bonus of 2.5%.

Under Mark 1 regular premium contracts, on retirement before the selected retirement age specified in the policy the accumulated fund is reduced by an amount equivalent to a percentage of the fund value purchased by the first year's contribution. Specimen percentages are:

Number of years to selected retirement age	Percentage of fund value purchased by first year's premium
1	5.6
2	10.7
3	15.4
4	19.8
5	24.0
10	41.6
15	54.9
20	65.2

Under Mark 2 regular premium contracts, on retirement before the annuity date specified in the policy, the accumulated fund is reduced by an amount equivalent to a percentage of the fund value purchased by premiums in the first two years. Specimen percentages are:

Number of years to annuity date	Percentages of fund value purchased by first two years' premiums
1	3.5
2	6.9
3	10.1
4	13.3
5	16.4

The Guaranteed Fund is a non-unitised fund currently invested in short dated securities and loans. A rate of interest is published daily and money allocated to the fund is increased appropriately after one year. No other guarantees are given.

The reserve for the Guarantee Fund is shown in column 14 of Form 53.

- (e) There are no guaranteed investment returns other than that described in (d) above in respect of the Guaranteed Fund.
- (f) For the internal linked funds there is an initial charge equal to the difference between the bid price and the offer price (the 'bid/offer spread') which is never greater than 5% of the offer price plus a rounding adjustment not exceeding 0.1p. The Company deducts from each of the internal linked funds a fund management charge of a percentage of the bid value of the units of that fund, excluding the bid value of any units held by that fund in any other fund. This percentage for all the funds is 1/12% per month. The management charge of each of these funds can be varied at the discretion of the Company up to a maximum of 9/96% per month in respect of units attributed to the Flexible Retirement Plan Mark 1 policies and without limitation in respect of units attributed to other policies.

# PRUDENTIAL HOLBORN PENSIONS LIMITED

## Schedule 4 (continued)

For the Guaranteed Fund any portion of premium deemed invested in the fund is reduced by 5% as an initial management charge.

Under Mark 1 regular premium contracts, 5% of the units allocated or investment resulting from premiums paid in the first policy year is cancelled at each policy anniversary during deferment, as an initial management charge.

Under Mark 2 regular premium contracts, 3.5% of the units allocated or investment resulting from premiums paid in the first and second policy years is cancelled at each policy anniversary during deferment, as an initial management charge. Reductions in premium before two full years' premiums have been paid, but where at least one year's premiums have been paid, will give rise to a discontinuance charge of up to 25% of the fund secured by the discontinued element of the premium.

Specimen percentages of premium invested prior to April 2001 are as follows:

Mark 1 - single premium 99%

Mark 1 - regular premium

Investment Allocation	Premium payment term (in years)					
	10 or more	9	8	7	6	5
Annual	100%	99%	98%	97%	96%	95%
Monthly	97%	96%	95%	94%	93%	92%

From the 11th year onwards, 105% (102% for monthly plans) of each premium paid (excluding any service charge) is invested, provided that premiums have been maintained at the initial level for the first 10 years.

If premiums are continued after the selected retirement age, 100% of each premium is invested (97% for monthly plans).

Mark 2A - single premium

Premium under £2,500	98%
Premium of £2,500 or more	99%

From 1 October 1984, the allocation is 100% for premiums of £5,000 or more.

Mark 2B - single premium

Premium under £2,500	97%
Premium £2,500 or more	98%

Mark 2 - regular premium (excluding service charge)

Investment Allocation	Age next birthday at entry					
	up to 55	56	57	58	59	60-65
	100%	99%	98%	97%	96%	95%

All premiums received on or after 1 April 2001 have 105.27% invested.

The following premium charges apply to premiums invested prior to 1 April 2001: FRP1 : £10 p.a. per plan if the premium per plan is between £100 p.a. and £299.99 p.a. or £1 per month per plan if the premium per plan is between £10 per month and £29.99 per month. FRP2 : £1.50 per month per plan or £15 p.a. per plan if the premium is below £500.

Premium charges do not apply to premiums received on or after 1 April 2001.

# PRUDENTIAL HOLBORN PENSIONS LIMITED

## Schedule 4 (continued)

(g) The bid offer spread is limited to 5%. The fund management charge can be varied at the company's discretion up to a maximum of 9/96% per month in respect of units attributed to the Flexible Retirement Plan Mark 1 policies and without limitation in respect of units attributed to other policies.

(h) See (d) above. The treatment of transfer values is the same as for early retirements.

(i) The Company maintains the following internal linked funds:

Cash Pension  
Equity Income Pension  
Equity Pension  
Equity Unit Trust Pension  
European Pension  
Fixed Interest Pension  
Global Equity Pension  
Global Growth Pension  
High Income Pension  
Index-Linked Gilt Pension  
International Growth Pension  
International Money Pension  
International Small Companies Pension  
Japanese Pension  
Managed Pension  
North American Pension  
Pacific Markets Pension  
Premier Income Pension  
Property Pension  
Small Companies Pension  
Special Situations Pension  
UK Growth Pension

The general nature of the investments of each Prudential Holborn Pensions Limited internal linked fund is as follows.

Cash Pension:	Direct investment in short term money market deposits and instruments.
Equity Pension:	Ordinary shares of companies in the United Kingdom either directly or through Prudential Unit Trusts.
Fixed Interest Pension:	Direct investment in UK Government gilt-edged securities and other fixed-interest securities.
Global Equity Pension:	Ordinary shares quoted on international stock exchanges through Prudential Unit Trusts.
Index Linked Gilt Pension:	Direct investment in UK Government index-linked securities.
International Money Pension:	Cash and short term deposits in foreign currencies through Prudential Currency Fund.
Managed Pension:	Ordinary shares in companies in the UK and overseas, fixed interest and index-linked securities, property and cash either directly or through other Prudential Pension Funds or Prudential Unit Trusts.
Property Pension:	Direct investment in commercial, industrial and agricultural properties, development projects and property modernisation programmes.



## PRUDENTIAL HOLBORN PENSIONS LIMITED

### Schedule 4 (continued)

The following funds invest in Prudential Unit Trusts:

Equity Income Pension:	UK stocks and shares and fixed interest securities
Equity Unit Trust Pension:	Principally UK stocks and shares
European Pension:	Stocks and shares of European companies (excluding UK)
Global Growth Pension:	Ordinary stocks and shares of international companies
High Income Pension:	UK stocks and shares and fixed interest securities
International Growth Pension:	Mainly international stocks and shares
International Small Companies Pension:	Mainly international stocks and shares
Japanese Pension:	Japanese stocks and shares
North American Pension:	United States and Canadian stocks and shares
Pacific Market Pension:	Investment primarily in the major Pacific markets (excluding Japan)
Premier Income Pension:	Mainly fixed interest securities
Small Companies Pension:	Stocks and shares of relatively small companies, principally in the UK
Special Situations Pension:	Principally UK stocks and shares
UK Growth Pension:	Principally UK stocks and shares

Investment dealing costs are charged to the respective funds.

- (j) For regular premium contracts under the Flexible Retirement Plan Mark 1 units (or investments in the Guaranteed Fund) are created in respect of the first year's premiums by multiplying the allocated units (or investments) by an endowment assurance factor with a term of the number of years to the selected retirement age and a rate of interest of 5%. For premiums paid after the first year the units created equal the allocated units.

For regular premium contracts under Flexible Retirement Plan Mark 2, units are created in respect of the first two years premiums by multiplying the allocated units by an endowment assurance factor with a term of the number of years to the annuity date specified in the policy and a rate of interest of 3.5%. For premiums paid after the first two years the units created equal the allocated units.

For single premium contracts units (or investments) are created in respect of all units allocated.

- (k) The contract was not open to new business in the year to the valuation date.
- (l) There were no increases to rates of charges applied generally to contracts during the report period.

# PRUDENTIAL HOLBORN PENSIONS LIMITED

## Schedule 4 (continued)

### (ii) Personal Pension Account

#### (a) Personal Pension Account

(b) These policies are United Kingdom, pension, direct written, unit linked deferred annuity contracts.

(c) Frequency of premium can be regular or single.

(d) Mark 1 policies are similar to policies written under the Flexible Retirement Plan Mark 2 except that:

The guaranteed bonus after 10 yearly (or 120 monthly) premiums have been paid is 2% of the benefits otherwise payable.

The reduction in fund value in the event of early retirement for policies effected prior to 1 January 1999 is as for Flexible Retirement Plan Mark 1. A reduction does not apply to top-ups effected on or after 1 January 1999. For Mark 2 policies the guaranteed bonus after 10 yearly premiums have been paid does not apply. There is no reduction in fund value in the event of early retirement.

(e) There are no guaranteed investment returns other than those described in 5(1)(i)(d) above in respect of the Guaranteed Fund.

(f) For details of the initial charges and fund management charges see 5(1)(i)(f).

For Mark 1 policies effected prior to 1 January 1999 the initial management charge is as for the Flexible Retirement Plan Mark 1. A charge does not apply to top-ups effected on or after 1 January 1999. For Mark 2 policies there is no initial management charge.

Specimen percentages of premium invested prior to 1 April 2001 are as follows:

#### Mark 1 - regular premium

Yearly Premiums	Monthly Premiums	Term to retirement (years)					
		10 or more	9	8	7	6	5
£500-£2499	£25-£249	100%	99.5%	99%	98.5%	98%	97.5%
£2500-£4999	£250-£499	101%	100.5%	100%	99.5%	99%	98.5%
£5000 & over	£500 & over	102%	101.5%	101%	100.5%	100%	99.5%

The allocation is applied to all premiums excluding service charge.

#### Mark 2 - regular premium

£500 - £2499	-	98%
£2500 - £4999	-	99%
£5000 & over	-	100%

All premiums received on or after 1 April 2001 have 105.27% invested.

Single premium top-ups effected on or after 1 January 2000 and regular premium top-ups effected on or after 1 October 2000 have 105.27% invested.

The following premium charges apply to premiums invested prior to 1 April 2001:

PPA1: £15 per annum per plan if the total premium is reduced below £500 or £1.50 per month per plan.

Premium charges do not apply to premiums received on or after 1 April 2001.

(g) The bid offer spread is limited to 5%. The fund management charge can be varied at the company's discretion.

# PRUDENTIAL HOLBORN PENSIONS LIMITED

## Schedule 4 (continued)

- (h) See (d) above. The treatment of transfer values is the same as for early retirements.
- (i) See 5(1)(i)(i)
- (j) Units are created for Mark 1 policies as for Flexible Retirement Plan Mark 1.
- (k) The contract was not open to new business, except for top-ups, in the year to the valuation date.
- (l) There were no increases in the rates of charges applied generally to contracts during the report period.

### (iii) Executive Pension Plan

- (a) Executive Pension Plan
- (b) These policies are United Kingdom, pension, direct written, unit linked deferred annuity contracts.
- (c) Frequency of premiums can be regular or single.
- (d) A percentage of each premium paid (excluding any service charge) is invested in the Guaranteed Fund or units of one or more of the linked funds.

In the event of death before the commencement of the pension the full bid value of internal fund units allocated and the Guaranteed Fund value held (including accumulated interest) is paid.

For Mark 1 regular premium contracts, after 10 yearly (or 120 monthly) premiums have been paid, all benefits otherwise payable under the policy will be increased by a guaranteed bonus of 2%. The reduction in fund value in the event of early retirement is as for Flexible Retirement Plan Mark 1 by regular premiums.

For Mark 1 recurrent single premium, the guaranteed bonus after 10 yearly premiums have been paid does not apply and there is no reduction in fund value in the event of early retirement.

- (e) There are no guaranteed investment returns other than that described in (d) above in respect of the Guaranteed Fund.
- (f) For details of the initial charge and fund management charge see 5(1)(i)(f).

For Mark 1 regular premium contracts, the initial management charge is as for the Flexible Retirement Plan Mark 1 by regular premiums.

For Mark 1 recurrent single premium policies there is no initial management charge.

Specimen percentages of premium invested are as follows:

Mark 1 - single premium

Premium	Term to Retirement (years)				
	6 or more	5	4	3	2 or 1
Under £5000	99%	98.5%	98%	97.5%	97%
£5,000 & over	100%	99.5%	99%	98.5%	98%

For single premiums paid in conjunction with regular premiums, the regular premium investment allocation applies if higher.

# PRUDENTIAL HOLBORN PENSIONS LIMITED

## Schedule 4 (continued)

### Mark 1 – regular premium

Yearly Premium	Monthly Premium	Term to retirement (years)								
		10 or more	9	8	7	6	5	4	3	2 or 1
< £2,500	< £250	100%	99.5%	99%	98.5%	98%	97.5%	97.0%	96.5%	96%

For larger premiums there is an additional allocation as follows:

Yearly premiums	Monthly premiums	Additional allocation
£2,500 - £4,999	£250 - £499	1%
£5,000 & over	£500 & over	2%

If premiums are continued after the normal retirement date, 100% of each premium (excluding service charge) is invested.

For all policies issued prior to 6 April 1983 the investment allocations are increased by a further 1%.

### Mark 1 - recurrent single premium

Premium under £5,000 -	99%
Premium of £5,000 & over	- 100%

- (g) The bid offer spread is limited to 5%. The fund management charge can be varied at the company's discretion.
- (h) See (d) above. The treatment of transfer values is the same as for early retirements.
- (i) See 5(1)(i)(i)
- (j) Units are created for Mark 1 regular premium contracts as for Flexible Retirement Plan Mark 1.
- (k) The contract was not open to new business, except for top-ups, in the year to the valuation date.
- (l) There were no increases in the rates of charges applied generally to contracts during the report period.

### (iv) Exempt Investment Bond

- (a) Exempt Investment Bond
- (b) These policies are United Kingdom, pension, direct written, unit-linked deferred annuity contracts.
- (c) Single premium only
- (d) A percentage of each premium is invested in the Guaranteed Fund or units of one or more of the Linked Funds.

Except as shown below, the benefit is the bid value of the linked fund units allocated and the Guaranteed Fund value held (including accumulated interest).

# PRUDENTIAL HOLBORN PENSIONS LIMITED

## Schedule 4 (continued)

Mark 2 single premium policies have a discontinuance charge if surrender occurs within 10 years of inception. The discontinuance charge reduces the surrender value to that payable had the initial unit allocation been in accordance with the following scale:

Completed years to surrender	Percentage deduction from initial unit allocation
Under 2	5.0
2	4.0
3	3.5
4	3.0
5	2.5
6	2.0
7	1.5
8	1.0
9	0.5

(e) There are no guaranteed investment returns other than described in (d) above in respect of the Guaranteed Fund.

(f) For details of the initial charge and fund management charge see 5(1)(i)(f).

Specimen percentages of premium invested are as follows:

### Mark 1 - single premium

£10,000 - £49,999	-	101%
£50,000 - £99,999	-	101.5%
£100,000 & over	-	102%

### Mark 2 - single premium

£10,000 - £49,999	-	106%
£50,000 - £99,999	-	106.5%
£100,000 & over	-	107%

The allocation rates in excess of 105% are funded from future annual management charges. The valuation allows for immediate allocation of the full value of units.

(g) The bid offer spread is limited to 5%. The fund management charge can be varied at the company's discretion.

(h) See (d) above

(i) See 5(1)(i)(i)

(j) Not applicable.

(k) The contract was not open to new business in the year to the valuation date.

(l) There were no increases in the rates of charges applied generally to contracts during the report period.

## PRUDENTIAL HOLBORN PENSIONS LIMITED

### Schedule 4 (continued)

(v) Reassurance accepted from The Prudential Assurance Company Limited (PACL)

- (a) Reassurance accepted from The Prudential Assurance Company Limited (PACL)
- (b) This reassurance is of unit linked Pension Business which is linked to Prudential Holborn Pensions (PHP) internal linked funds, i.e. United Kingdom, pension, reassurance accepted, unit linked deferred annuity contracts.
- (c) Frequency of premiums can be regular or single. The reassurance premiums paid to PHP are treated as single premiums.
- (d) The benefits payable are the bid value of units credited to the agreement together with a death benefit which arises as follows. The original regular premium policies are subject to the cancellation, on each policy anniversary during deferment, of a percentage of the units allocated or investment resulting from premiums paid in the first policy year. The reassured death benefit is the value of the unit cancellations that would otherwise have been due following the date of death.
- (e) There are no guaranteed investment returns other than that described in 5(1)(i)(d) above in respect of the Guaranteed Fund.
- (f) The premiums receivable are: the bid value of the units credited to the agreement; the value, on A67/70 Ultimate mortality rated down one year, of the death benefits; and the administration and maintenance expenses of the business.
- (g) Mortality charges cannot be varied at the company's discretion.
- (h) See (d) above.
- (i) See 5(1)(i)(i)
- (j) Not applicable.
- (k) The contract was open to new business in the year.
- (l) There were no increases in the rates of charges applied generally to contracts during the report period.
- (2) Not applicable.
- (3) No categories of contract have been included under the miscellaneous heading in Forms 53 or 54.
- (4) A smoothed equity approach is taken to unit pricing. Current practice is as follows.

While the trend in the number of units in a unit fund is believed to be upward, the bid price is the creation price. While the trend in the number of units is believed to be downward, the bid price is the cancellation price. Where the trend is unclear or changing the bid price may be between the creation price and the cancellation price. The offer price is then set equal to the bid price plus the initial charge plus a rounding adjustment not exceeding 0.1p.

The creation price is the cash cost of purchasing an identical portfolio of assets to that in the unit fund including all the costs that would be incurred in purchasing such assets, divided by the number of units in existence. The cancellation price is the cash amount for which the assets of the unit fund can be sold net of all costs that would be incurred in disposing of the assets, divided by the number of units in existence.

Unit prices are calculated daily and applied to that day's policy transactions. The associated cash is invested or withdrawn from the unit fund the following day.

# PRUDENTIAL HOLBORN PENSIONS LIMITED

## Schedule 4 (continued)

- (5) Not applicable.
- (6) Where investments are in Prudential Unit Trusts the purchase price is the underlying creation price and stamp duty charge. In the case of disinvestments the sale price is the underlying cancellation price. Prudential Unit Trusts rebate the fund management charge deducted from the unit trusts less a due proportion of investment management expenses of the unit trusts. The full rebate (without deduction for the investment management expenses of the unit trusts) is credited to the respective linked funds with the deduction for investment management expenses being met by non linked funds.
6. (1) The general principles and methods adopted in the valuation were as follows:
- (a) Not applicable.
- (b) For linked business the company reserves the right to increase the annual management charge in some cases. The calculation of non unit reserves takes no credit for such increases.
- (c) The net premium method has been used to value certain classes of temporary benefit. For each policy the actual net premium used has been limited to a maximum of 95% of the office premium to provide a margin for future expenses.
- (d) Negative values have been eliminated from the liability. Additionally, all negative values which would arise at future valuations using the current basis projected forward have also been eliminated.
- (e) The guaranteed bonus additions available for regular premium contracts under the Flexible Retirement Plan Mark 2, Personal Pension Account Mark 1 and Executive Pension Plan Mark 1 after 10 years' premiums have been paid are matched by a further reserve of 2.5%, 2% and 2% respectively of all created units currently allocated to those Plans which have not been paid up.
- In addition, the investment proportion of future premiums assumed to be paid under these contracts has been increased by 2.5%, 2% and 2% respectively as a provision for the prospective cost of the further guaranteed bonus secured by these premiums.
- (f) No reserve for tax on unrealised capital gains is necessary as the Company writes only pension business.
- (g) Interest guarantees of investments in the Guaranteed Fund are covered by matching assets to liabilities.
- (h) No explicit reserve has been made for the guarantee that the annuity rates used in calculating pensions will not be less than those quoted by the Prudential Assurance Company Limited for similar contracts or for the guaranteed insurability option available under life assurance benefits of the Executive Pension Plan.

The only other guarantee is the return in the event of death of all units currently allocated to the policy; for the regular premium plans the mortality risk for the excess of allocated over created units is effectively reserved for as a temporary assurance using the mortality stated in 9(a) below.

An additional reserve of £6,100,000 is held in respect of:-

	£
AIDS	100,000
Resilience (Regulation 75(b))	700,000
Exceptional development costs	1,000,000
SSAS Administration Costs	1,000,000
Other contingencies	3,300,000
Total	6,100,000

## PRUDENTIAL HOLBORN PENSIONS LIMITED

### Schedule 4 (continued)

- 6.(2) Not applicable.
- 7.(1) See Forms 51, 53 and 54.
- 7.(2) Not applicable.
- 7.(3) All business is issued in the United Kingdom and United Kingdom tables of morbidity and mortality have been used.
- 7.(4) Additional allowance for future reductions in annuitant mortality rates has been made by making the following deductions from the mortality rates in the standard tables: Males 18%, Females 18%.
- 7.(5) An additional reserve of £100,000 is held in respect of AIDS. The provision for AIDS has been assessed on the assumptions underlying Projection R6A of the Institute of Actuaries Working Party Bulletin No. 5, but modified so that mortality rates are not to decline from their peak values. The only guaranteed insurability options are where there is a right to increase life assurance cover in line with the Retail Prices Index. The additional provision for these options in respect of AIDS mortality is not significant.
- 7.(6) The scenarios tested were:
- (a) a 10% fall in equity and property values and, for fixed interest securities
    - (i) of less than five years outstanding term to redemption, and for short term deposits, a fall in the risk free yield of 20%
    - (ii) for fixed interest securities of fifteen or more years outstanding term to redemption, a fall in the risk free yield of 10%
    - (iii) for fixed interest securities of more than five but less than fifteen years outstanding term to redemption, a fall in the risk free yield of  $(25 - \{\text{outstanding term in years and part years}\})\%$
  - (b) a fall in the value of equities of 25%, a fall in property values of 20% and, for fixed interest securities
    - (i) a fall in the yields on risk free securities of less than five years outstanding term to redemption and on short-term deposits to the level which is calculated under regulation 69(9) for future investments (or remain constant if already at or below this level),
    - (ii) the yields on risk free securities of at least fifteen years duration remaining constant,
    - (iii) a fall in the yields on risk free securities of more than five but less than fifteen years outstanding term to redemption to levels obtained by interpolating between the figures given by (i) above and the 15 year gilt index yield (or remain constant if already at or below this level),
  - (c) 3 percentage points increase in risk free fixed interest yields, 25% fall in equity values and a 20% fall in property values

Scenario (b) proved to be the most onerous.

- 7.(7) The assets backing the non-unit liabilities are shown in Form 57 and are primarily gilts and short term deposits. A comparison was made of the cashflows required on the valuation basis shown in 7(8) below and the actual cashflows from these assets, with any surplus asset cashflows being placed on short term deposit. As this indicated the asset cashflows were sufficient without selling the gilts before maturity or borrowing to meet the liability cashflows, no additional reserve has been made for cashflow mismatching
- 7.(8) A further additional reserve of £700,000 has been made. This was calculated as follows:
- (a) No changes in assumptions other than those stated in 7.(6)(b) above, and interest rate changes as shown in Form 57 were made.
  - (b) The non unit reserves were recalculated at the revised valuation interest rates and levels of fund management charge income.



# PRUDENTIAL HOLBORN PENSIONS LIMITED

## Schedule 4 (continued)

- (c)(i) There was a £743,000 increase in the aggregate amount of the long term liabilities.
  - (ii) The assets allocated to match such liabilities increased in value by £200,000.
- 7.(9) Not applicable.
8. (a) See Form 51.
- (b) Immediate annuity values were increased by 4.0% as a provision for expenses of payment.
  - (c) Not applicable.
  - (d) Not applicable.
9. (a) For unit linked policies, the liability has been taken as the sum of:
- (i) The value of created units at bid price plus the value of investments in the Guaranteed Fund with accrued interest.
  - (ii) The value of future expenses.
  - (iii) Less the value of future management charges.
  - (iv) Less the value of that portion of future premiums not attributed to units.

Allowance was made for the 1 April 2001 change in terms described in 5(1) above in calculating (iii) and (iv). Where necessary, (iv) and then (iii) were adjusted to ensure that the reserve for an individual policy both currently and at any future date was not less than the value of created units plus, in the case of regular premium policies under the Flexible Retirement Plan Mark 1, Personal Pension Account Mark 1 and Executive Pension Plan Mark 1, an allowance for unpaid initial commission. This allowance is the balance of initial commission on policies on which the first year's premiums have been completed. For policies paid monthly under which the first year's premiums have not been completed the allowance is the amount of initial commission that will be payable in the second year multiplied by the proportion of the first year's premiums paid to the valuation date. In the case of regular premium contracts, in calculating (iii) and (iv) premiums are assumed to continue in payment for the remaining term of the contract unless a higher reserve is obtained by assuming immediate cessation of premiums but with no change to the premium paying expenses in calculating (ii).

Valuation Rate 4.0%

Mortality For business written by PHP: A49/52 Ultimate, applied to the difference between policyholder and created units.

For business written by PACL and reassured by PHP: A67/70 Ultimate - 1.

AM/AF92 - 3 are used in projecting cashflows for determining sterling reserves.

# PRUDENTIAL HOLBORN PENSIONS LIMITED

## Schedule 4 (continued)

Renewal expenses (gross) in respect of direct written cases	Self-Employed Deferred Annuities	Executive Pensions
Single premium business:		
per policy	£31.50	£163.00
Regular premium business		
Premium paying		
per policy	£51.50	£270.00
per payment	£1.30	£1.30
Commission for annual premium policies, expressed as a percentage of premium		
issued before 1/7/88	1.50%	1.50%
issued 1/7/88 and after	2.50%	2.50%
Recurrent single premium	3.45%	3.1625%
Non-premium paying		
per policy	£31.50	£163.00

Inflation: 3.0% pa throughout

Fund charge: 1.0% pa. less rebate of the full fund management charge to The Prudential Assurance Company Limited in respect of reinsurance accepted business.

Investment expenses: 0.25% pa in respect of direct written business

In calculating future management charges and investment expenses the internal linked funds and investments have been assumed to grow at 4.5% pa (before allowance for the above fund charge).

Index Linked Annuities in payment (wholly reassured)

Mortality	82% PMA92 (u2001), 82% PFA92 (u2001)
Expenses	
(per payment)	4.00%
Interest	3.00%

Annuities in payment (wholly reassured)

Mortality	82% PMA92 (u2001), 82% PFA92 (u2001)
Expenses	
(per payment)	4.00%
Interest	6.00%

Waiver of premium benefit (self employed Deferred Annuity)

Morbidity	100% Manchester Unity AHJ Experience
Mortality	AM/AF92 - 3
Interest	4.0%

# PRUDENTIAL HOLBORN PENSIONS LIMITED

## Schedule 4 (continued)

Level Term assurance (Self Employed & Executive Pension)

Mortality AM/AF92 - 3

Interest 4.0%

In the case of reassurances accepted from PACL the reassurance agreement provides for PACL to meet the administration and maintenance expenses. Reserves are set up within PHP to cover the value of units at bid price and the mortality risk for the excess of allocated over created units.

In calculating the net liability in respect of investments in the Guaranteed Fund allowance was made for accrued interest to the valuation date.

(b) Not applicable.

10. (1) See answer to paragraph 9.

10. (2) The aggregate amount of expense allowance arising in the next twelve months from the loadings described in paragraph 9 is £4,400,000.

10. (3) None of the directly written contracts is open to new business other than top-ups.

10. (4) None of the directly written contracts is open to new business other than top-ups.

11. (1) All mathematical reserves are matched by assets in the same currency.

12. (1) The Company has no reinsurance ceded on a facultative basis to a reinsurer who is not authorised to carry on insurance business in the United Kingdom.

12. (2)

(i)

(a) The Company has entered into agreements with Swiss Re Life & Health plc:

(b) The reinsurer is permitted to carry on insurance business in the United Kingdom.

(c) The reinsurer is not a connected company.

(d) Under an agreement with the reinsurer the Company agrees to cede to the reinsurer and the latter is obliged to accept the excess of the amount at risk under temporary benefits of the Personal Pension Account and Executive Pension Plan on any one life over £10,000 up to a maximum amount of £400,000. Prior to October 1984 these limits were £7,500 and £250,000 respectively.

Under a separate agreement the Company has arranged to cede to the reinsurer and who is obliged to accept the excess of the amount at risk under the waiver of premium benefit on any one life over £1,500 pa up to a maximum amount of £10,000 pa.

Premiums for such reinsurances are payable annually on the original terms.

Policies for larger benefits are offered to the reinsurer on a facultative basis.

(e) The net office premiums payable to the reinsurer for the year ended 31 December 2000 amounted to nil.

(f) Not applicable.

(g) No specific provision has been made for commission refunds arising as a result of lapse: any amounts payable would be met by corresponding refunds to the Company on the gross business.

## PRUDENTIAL HOLBORN PENSIONS LIMITED

### Schedule 4 (continued)

- (h) The treaties are open to new business.
- (ii)
  - (a) The Company has entered into agreements with Prudential Annuities Limited (PAL),
  - (b) The Company is permitted to carry on insurance business in the United Kingdom.
  - (c) The reinsurer is a connected company.
  - (d) Under an agreement with the reinsurer the Company agrees to cede to the reinsurer and the latter is obliged to accept pensions in payment business.
  - (e) The office premiums payable to the reinsurer for the year ended 31 December 2000 amount to £3,446,000.
  - (f) Not applicable.
  - (g) Not applicable.
  - (h) The treaty is open to new business.
- 12.(3) Not applicable.
- 13. Not applicable.
- 14. There are no with profits policies. 100% of emerging profits accrue to the shareholders.
- 15. Not applicable.
- 16. Not applicable.
- 17. See Form 46.
- 18. See Form 47.
- 19.(1) See Forms 48 and 49.
  - (2) Not applicable.
  - (3) Not applicable.
  - (4) Not applicable.
- 20. See Forms 51, 53, 54 and 55.
- 21.(1) See Form 57.
  - (2) The yield on assets other than equity shares and land was adjusted as follows:
    - (i) gilts - no adjustment
    - (ii) other fixed interest securities and cash deposits - 0.18% reduction to take account of risk of default
  - (3) Not applicable.
- 22. See Form 58.
- 23. See Form 60.

## Long term business : Summary of changes in ordinary long term business

Name of company **Prudential Holborn Pensions Limited**

Global business

United Kingdom business

Non-linked

Financial year ended **31st December 2000**

		Company registration number		GL/UK/CM		Period ended			Units	UK/OS	NL/LN
						day	month	year			
		R46	1347088	GL	31	12	2000	£000	UK	NL	
		Life assurance and general annuity		Pensions business		Permanent health		Other business			
		No of contracts	Annual premiums	No of contracts	Annual premiums	No of contracts	Annual premiums	No of contracts	Annual premiums		
		1	2	3	4	5	6	7	8		
In force at beginning of year	11			1903	47						
New business and increases	12			226							
Net transfers and other alterations 'on'	13										
Total 'on' (12+13)	19			226							
Deaths	21			40							
Other insured events	22										
Maturities	23			1							
Surrenders	24			17	8						
Forfeitures	25										
Conversions to paid-up policies for reduced benefits	26										
Net transfers, expiries and other alterations 'off'	27			73							
Total 'off' (21 to 27)	29			131	8						
In force at end of year (11+19-29)	39			1998	39						

## Long term business : Summary of changes in ordinary long term business

Name of company **Prudential Holborn Pensions Limited**

Global business

United Kingdom business

Linked

Financial year ended **31st December 2000**

		Company registration number		GL/UK/CM		Period ended			Units	UK/OS	NL/LN
						day	month	year			
		R46	1347088	GL	31	12	2000	£000	UK	LN	
		Life assurance and general annuity		Pensions business		Permanent health		Other business			
		No of contracts	Annual premiums	No of contracts	Annual premiums	No of contracts	Annual premiums	No of contracts	Annual premiums		
		1	2	3	4	5	6	7	8		
In force at beginning of year	11			22738	3292						
New business and increases	12			163	87						
Net transfers and other alterations 'on'	13			469	353						
Total 'on' (12+13)	19			632	440						
Deaths	21			159	43						
Other insured events	22										
Maturities	23			31	15						
Surrenders	24			2608	612						
Forfeitures	25										
Conversions to paid-up policies for reduced benefits	26				248						
Net transfers, expiries and other alterations 'off'	27										
Total 'off' (21 to 27)	29			2798	918						
In force at end of year (11+19-29)	39			20572	2814						

## Long term business : Analysis of new ordinary long term business

Name of company

Prudential Holborn Pensions Limited

Global business

Financial year ended 31st December 2000

Company registration number	GLUK/CM	Period ended			Units
		day	month	year	
R47	1347088	GL	31	12	2000
					£000

Type of insurance	Single premium contracts			Regular premium contracts			
	No of contracts	Premiums	Sums assured, annuities per annum or other measures of benefit	No of contracts	Annual premiums	Sums assured, annuities per annum or other measures of benefit	
1	2	3	4	5	6	7	
UK DIRECT WRITTEN BUSINESS							
Pension Business							
Non-Linked Non-Profit Policies							
Annuity in payment	226	3299	406 pa				
Annuity in payment							
Sub total: Non-Linked Non-Profit Policies	226	3299	406 pa				
Index Linked Contracts	17	147	16 pa				
Annuity in payment							
Sub total: Index Linked Contracts	17	147	16 pa				
Other Linked Contracts	105	126					
Deferred Annuities					41	87	
Sub total: Other Linked Contracts	105	126			41	87	
Total: Pension Business	348	3572	422 pa		41	87	
Total: UK Direct Written Business	348	3572	422 pa		41	87	

Long term business : Analysis of new ordinary long term business

Name of company      Prudential Holborn Pensions Limited

Global business

Financial year ended      31st December 2000

Company registration number	GL/JUK/CM	Period ended			Units
		day	month	year	
R47	1347088	GL	31	12	2000
					£000

Type of insurance	Single premium contracts			Regular premium contracts			
	No of contracts	Premiums	Sums assured, annuities per annum or other measures of benefit	No of contracts	Annual premiums	Sums assured, annuities per annum or other measures of benefit	
1	2	3	4	5	6	7	
UK REINSURANCE ACCEPTED							
Pension Business							
Other Linked Contracts							
Deferred Annuities		20749					
Sub total: Other Linked Contracts		20749					
Total: Pension Business		20749					
Total: UK Reinsurance Accepted		20749					



**Long term business : Expected income from admissible assets not held to match liabilities in respect of linked benefits**

Name of company **Prudential Holborn Pensions Limited**

Global business

Financial year ended **31st December 2000**

Category of assets **Total long term business assets**

		Company registration number	GL/UK/CM	Period ended			Units	Category of assets	
		R48	1347088	GL	31	12	2000	£000	10
Type of asset			Value of admissible assets as shown on Form 13 1		Expected income from admissible assets 2		Yield %  3		
Land and buildings			11						
Fixed interest securities	Approved securities	12	3714	233	5.08				
	Other	13	12935	780	6.14				
Variable interest and variable yield securities (excluding items shown at line 16)	Approved securities	14							
	Other	15							
Equity shares and holdings in collective investment schemes			16						
Loans secured by mortgages			17						
All other assets	Producing income	18	7257	411	5.67				
	Not producing income	19	43						
Total (11 to 19)			29	23949	1424	5.82			

## Long term business : Analysis of admissible fixed interest and variable interest and variable yield securities not held to match liabilities in respect of linked benefits

Name of company **Prudential Holborn Pensions Limited**

Global business

Financial year ended **31st December 2000**Category of assets **Total long term business assets**

Company registration number **GLUK/CM** Period ended day month year Units

Redemption period in years	Value of admissible assets as shown on Form 13	Gross redemption yield %	Value of admissible higher yielding assets	GLUK/CM	Period ended			Gross redemption yield %	Value of admissible higher yielding assets	Category of assets
					day	month	year			
		<b>R49</b>	<b>1347088</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>2000</b>	<b>£000</b>	<b>10</b>	
		2	3					5	6	
One year or less										
More than one year but not more than five years		5.08		Variable interest and						
More than five years but not more than ten years				variable yield						
More than ten years but not more than fifteen years				approved securities						
More than fifteen years but not more than twenty years				excluding equities						
More than twenty years but not more than twenty five years										
More than twenty five years										
Irredeemable										
Total ('11 to 18)	3714	5.08								
One year or less	12935	6.14		Other variable interest and						
More than one year but not more than five years				variable yield						
More than five years but not more than ten years				securities						
More than ten years but not more than fifteen years				excluding equities						
More than fifteen years but not more than twenty years										
More than twenty years but not more than twenty five years										
More than twenty five years										
Irredeemable										
Total (21 to 28)	12935	6.14								

## Long term business : Valuation summary of non-linked contracts (other than accumulating with-profit policies)

Name of company      Prudential Holborn Pensions Limited

Global business

United Kingdom business

Financial year ended      31st December 2000

Type of business      Pension Business

Category of surplus      Ordinary Long Term

Type of business		Pension Business		Company registration number		GL/UK/CM		Period ended			Units		UK/OS		Type of business		Category of surplus						
Category of surplus		Ordinary Long Term		R51		1347088		GL		31		12		2000		£000		UK		Pens		Amount of mathematical reserves	
Type of insurance or name of contract		Valuation basis		No of contracts		Amount of sums assured or annuities per annum, including vested reversionary bonuses		Amount of annual premiums		Proportion of office premiums reserved for expenses and profits		Value of sums assured or annuities per annum, including vested reversionary bonuses		Value of annual premiums		Office premiums		Net premiums		Amount of mathematical reserves			
1		2		3		4		5		6		7		8		9		10		11		12	
DIRECT WRITTEN BUSINESS																							
Non Profit contracts																							
Term assurance																							
Personal Pension Account		4.00%		AM/AF92-3		61		1978		9		7		0.279		97		64		46		51	
Executive Pension Plan		4.00%		AM/AF92-3		80		5074		24		16		0.333		217		185		124		93	
Annuities in Payment		6.00%		82%PMA/ PFA92 (u2001)		1857		4392 pa								53173						53173	
Waiver of Premium Benefit		4.00%		AM/AF92-3 100% MU AHJ				222 pa		6		4		0.347		45		31		19		26	
Sub total: Non Profit contracts						1998		7052 4614 pa		39		27				53532		280		189		53343	
Sub total: Direct Written Business						1998		7052 4614 pa		39		27				53532		280		189		53343	
REASSURANCE CEDED																							
Non Profit contracts																							
Term assurance																							
Personal Pension Account		4.00%		AM/AF92-3				1377		7		5		0.282		66		44		32		34	
Executive Pension Plan		4.00%		AM/AF92-3				4333		19		14		0.288		187		151		108		79	

Name of company  
Prudential Holborn Pensions Limited

United Kingdom business

**31st December 2000**

## Pension Business

Category of surplus

58

## Long term business : Valuation summary of property linked contracts

Name of company Prudential Holborn Pensions Limited

Global business

United Kingdom business

Financial year ended 31st December 2000

Type of business Pension Business

Category of surplus Ordinary Long Term

Category of surplus																	Ordinary Long Term				
Name of contract			Valuation basis		No of contracts	Amount of sums assured or annuities per annum, including vested reversionary bonuses			Amount of annual premiums			Category of unit link	Unit liability			Other liabilities		Amount of mathematical reserves			
			Rate of interest	Mortality or morbidity table		Guaranteed on death	Current on death/current payable per annum	Guaranteed on maturity	Office premiums	Net premiums	Current benefit value		Discounted value	Mortality and expenses	Options and guarantees other than investment performance guarantees						
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15							
DIRECT WRITTEN BUSINESS																					
Non Profit contracts																					
Deferred Annuity																					
Flexible Retirement Plan Mk 1 by Single Premium			4.00%	(a)	962	14982				Internal Fund	13864	13864	20	1117	15002						
Flexible Retirement Plan Mk 1 by Regular Premium, First year units			4.00%	(a)	5999	10507				Internal Fund	10009	8193		428	8620						
Flexible Retirement Plan Mk 1 by Regular Premium, Other						78360	688				75929	75929	207	2431	78566						
Flexible Retirement Plan Mk 2A by Single Premium			4.00%	(a)	2730	29398				Internal Fund	28073	28073	322	1325	29720						
Flexible Retirement Plan Mk 2B by Single Premium			4.00%	(a)	423	8326				Internal Fund	6861	6861	5	1466	8332						
Flexible Retirement Plan Mk 2 by Regular Premium, First and second year units			4.00%	(a)	3076	7414				Internal Fund	7111	6080		268	6348						
Flexible Retirement Plan Mk 2 by Regular Premium, Other						21082	373				20438	20438	189	644	21271						
Guaranteed Bonus Reserve											491	491		14	505						
Personal Pension Account Mk 1 by Single Premium			4.00%	(a)	355	4695				Internal Fund	4283	4283	12	412	4707						
Personal Pension Account Mk 1 by Regular Premium, First year units			4.00%	(a)	3903	2421				Internal Fund	2381	1646		34	1680						

## Long term business : Valuation summary of property linked contracts

Name of company Prudential Holborn Pensions Limited

Global business

United Kingdom business

Financial year ended 31st December 2000

Type of business Pension Business

Category of surplus Ordinary Long Term

Type of business	Pension Business		Company registration number										UK/OS		Type of business		Category of surplus
			GL/JUK/CM	Period ended				Units									
				day	month	year	£000										
Category of surplus			Ordinary Long Term										UK		Pens		11
Name of contract	Valuation basis		No of contracts	Amount of sums assured or annuities per annum, including vested reversionary bonuses			Amount of annual premiums			Category of unit link	Unit liability		Other liabilities		Amount of mathematical reserves		
	Rate of interest	Mortality or morbidity table		Guaranteed on death	Current on death/current payable per annum	Guaranteed on maturity	Office premiums	Net premiums	Current benefit value		Discounted value	Mortality and expenses	Options and guarantees other than investment performance guarantees				
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15			
Personal Pension Account Mk1 by Regular Premium, Other Guaranteed Bonus Reserve					18087		658			17982	17982	740	105	18827			
Personal Pension Account Mk1 by Increasing Regular Premium, First year units	4.00%	(a)	165		41					313	313		1	314			
Personal Pension Account Mk1 by Increasing Regular Premium, other Guaranteed Bonus Reserve					339		9		Internal Fund	41	25	44		25			
Personal Pension Account Mk2 by Regular Premium	4.00%	(a)	39		637		9		Internal Fund	637	637	1		638			
Executive Pension Plan and Exempt Investment Bond Mk 1 & 2 by Single Premium	4.00%	(a)	722		12388				Internal Fund	11867	11867	486	521	12874			
Executive Pension Plan Mk1 by Regular Premium, First year units	4.00%	(a)	2142		10048				Internal Fund	9763	6464		207	6671			
Executive Pension Plan Mk1 by Regular Premium, Other					33643		1039			32922	32922	2595	721	36238			

## Long term business : Valuation summary of property linked contracts

Name of company Prudential Holborn Pensions Limited

Global business

United Kingdom business

Financial year ended 31st December 2000

Type of business Pension Business

Category of surplus Ordinary Long Term

Financial year ended 31st December 2000		Type of business		Pension Business		Company registration number		GLUK/CM		Period ended			Units		UK/OS		Type of business		Category of surplus				
Category of surplus		Ordinary Long Term		R53		1347088		GL		31		12		2000		£000		UK		Pens		11	
Name of contract	Valuation basis		No of contracts	Amount of sums assured or annuities per annum, including vested reversionary bonuses				Amount of annual premiums		Category of unit link	Unit liability		Other liabilities		Amount of mathematical reserves								
	Rate of interest	Mortality or morbidity table		Guaranteed on death	Current on death/current payable per annum	Guaranteed on maturity	Office premiums	Net premiums	Current benefit value		Discounted value	Mortality and expenses	Options and guarantees other than investment performance guarantees										
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15									
Guaranteed Bonus Reserve										368	368		6	375									
Executive Pension Plan Mk 1 by Recurrent Single Premium	4.00%	(a)	27		1587		37		Internal Fund	1207	1207	9	380	1596									
Annuities in Payment		(b)	13						Internal Fund	338	338	100		438									
Additional Reserve											.		6100	6100									
Sub total: Non Profit contracts			20556		253955		2813			245217	238320	4730	16178	259230									
Sub total: Direct Written Business			20556		253955		2813			245217	238320	4730	16178	259230									
REASSURANCE ACCEPTED Non Profit contracts																							
Deferred Annuity																							
PPA First year units	4.00%	(a)			1650				Internal Fund	1650	1102		153	1102									
PPA Other					24130				Internal Fund	23977	23977			24130									
EPP Series 2, 3 and 4 First year units	4.00%	(a)			12159				Internal Fund	12159	6203			6203									

## Long term business : Valuation summary of property linked contracts

Name of company Prudential Holborn Pensions Limited

Global business

United Kingdom business

Financial year ended 31st December 2000

Type of business Pension Business

Category of surplus Ordinary Long Term

Pension Business										Company registration number		GL/JUK/CM		Period ended			UK/OS		Type of business		Category of surplus								
Type of business		Pension Business		GL/JUK/CM		Period ended		UK/OS		Type of business		Category of surplus		Units		UK		Pens		Amount of mathematical reserves									
Category of surplus		Ordinary Long Term		GL		R53		1347088		GL		31		12		2000		£000		11									
Name of contract		Valuation basis		No of contracts		Amount of sums assured or annuities per annum, including vested reversionary bonuses		Amount of annual premiums		Category of unit link		Unit liability		Other liabilities		Mortality and expenses		Options and guarantees other than investment performance guarantees		Amount of mathematical reserves									
Rate of interest		Mortality or morbidity table				Guaranteed on death		Current on death/current payable per annum		Guaranteed on maturity		Office premiums		Net premiums		Current benefit value		Discounted value		Mortality and expenses		Options and guarantees other than investment performance guarantees							
1		2		3		4		5		6		7		8		9		10		11		12		13		14		15	
EPP Series 2, 3 and 4 Other		4.00%		(a)				92090								92090		92090								92090		7469	
Exempt Investment Bond		4.00%		(a)				7469								7469		7469								7469		3606	
PPP First year units		4.00%		(a)				7396								7396		7396								110322		110322	
PPP Other		4.00%		(a)				110322								110322		110322								511		4915	
FSAVC First year units		4.00%		(a)				859								859		859								511		4915	
FSAVC Other								4915								4915		4915								260348		260348	
Sub total: Non Profit contracts								260990								260837		260195								163		260348	
Sub total: Reassurance Accepted								260990								260837		260195								163		260348	
Net total: Pension Business						20556		514945				2813				506054		488515		4730				16331		609578		609578	
Net total: United Kingdom business						20556		514945				2813				506054		488515		4730				16331		609578		609578	



## Long term business : Valuation summary of index linked contracts

Name of company Prudential Holborn Pensions Limited

Global business

United Kingdom business

Financial year ended 31st December 2000

Type of business Pension Business

Category of surplus Ordinary Long Term

Category of surplus																		Ordinary Long Term									
Name of contract			Valuation basis		No of contracts	Amount of sums assured or annuities per annum, including vested reversionary bonuses				Amount of annual premiums			Name of index link		Investment liability			Other liabilities			Amount of mathematical reserves						
						Guaranteed on death	Current on death/current payable per annum	Guaranteed on maturity	Office premiums	Net premiums	Current benefit value	Discounted value			Mortality and expenses	Options and guarantees other than investment performance guarantees											
			Rate of interest	Mortality or morbidity table									5	6			7	8	9	10		11	12	13	14		
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18										
DIRECT WRITTEN BUSINESS Non Profit contracts Annuities in Payment	3.00%	(b)	16			78 pa			Retail Prices Index	1033	1033			1033			1033										
Sub total: Non Profit contracts			16			78 pa				1033	1033			1033			1033										
Sub total: Direct Written Business			16			78 pa				1033	1033			1033			1033										
REASSURANCE CEDED Non Profit contracts Annuities in Payment	3.00%	(b)	16			78 pa			Retail Prices Index	1033	1033			1033			1033										
Sub total: Non Profit contracts			16			78 pa				1033	1033			1033			1033										
Sub total: Reassurance Ceded			16			78 pa				1033	1033			1033			1033										
Net total: Pension Business			16																								
Net total: United Kingdom business			16																								

## Long term business : Analysis of units in internal linked funds and direct holdings of assets matching liabilities in respect of property linked benefits

Name of company **Prudential Holborn Pensions Limited**

Global business

United Kingdom business

Financial year ended **31st December 2000**Category of surplus **Ordinary Long Term**

Internal linked fund

R55														1347088	GL	31	12	2000	£000	UK	11	ILH
Name of fund link or directly held asset	Name of unit type	Valuation price per unit or asset	Total actual number of units in force or directly held assets	Value of total actual units in force or directly held assets	Value of actual units held by other internal linked funds (3-6)	Value of directly held assets and actual units in force excluding those held by other internal linked funds (5-6)	Value of units or directly held assets deemed allocated to contracts		Value of surplus units or directly held assets (7-8+9)													
							Gross	Reinsurance ceded														
1	2	3	4	5	6	7	8	9	10													
Cash	series 1	3.518240	6534087	22988		22988	22988															
Sub total: Cash				22988		22988	22988															
Global Growth	series 1	2.439570	473369	1155		1155	1155															
Sub total: Global Growth				1155		1155	1155															
Equity Income	series 1	3.603360	174221	628		628	628															
Sub total: Equity Income				628		628	628															
Equity	series 1	24.082250	1745068	42025		42025	42025															
Sub total: Equity				42025		42025	42025															
European	series 1	4.050200	3920203	15878		15878	15878															
Sub total: European				15878		15878	15878															
Equity Unit Trust	series 1	2.038210	61463	125		125	125															
Sub total: Equity Unit Trust				125		125	125															
Fixed Interest	series 1	11.636800	978629	11388		11388	11388															
Sub total: Fixed Interest				11388		11388	11388															

## Long term business : Analysis of units in internal linked funds and direct holdings of assets matching liabilities in respect of property linked benefits

Name of company Prudential Holborn Pensions Limited

Global business

United Kingdom business

Financial year ended 31st December 2000

Category of surplus Ordinary Long Term

Internal linked fund

Value of units or directly held assets deemed allocated to contracts																	Value of surplus units or directly held assets (7-8+9)	
R55	1347088	GL	31	12	2000	£000	UK	11	Value of units or directly held assets		Value of surplus units or directly held assets (7-8+9)							
									Gross	Reinsurance ceded								
Value of units or directly held assets deemed allocated to contracts																		
Value of surplus units or directly held assets (7-8+9)																		
Value of units or directly held assets																		
Value of units or directly held assets																		
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## Long term business : Analysis of units in internal linked funds and direct holdings of assets matching liabilities in respect of property linked benefits

Name of company Prudential Holborn Pensions Limited

Global business

United Kingdom business

Financial year ended 31st December 2000

Category of surplus Ordinary Long Term

Internal linked fund

1347088														R55		GL		31		12		2000		£000		UK		11		ILH			
Name of fund link or directly held asset														Name of unit type		Valuation price per unit or asset		Total actual number of units in force or directly held assets		Value of total actual units in force or directly held assets		Value of actual units held by other internal linked funds		Value of directly held assets and actual units in force excluding those held by other internal linked funds (5-6)		Value of units or directly held assets deemed allocated to contracts		Value of surplus units or directly held assets (7-8+9)					
1														2		3		4		5		6		7		8		9		10			
International Money														series 1		3.635200		516321		1877		1877		1877		1877		1877					
North American														series 1		3.088100		1651812		5101		5101		5101		5101		5101		5101		5101	
Pacific Market														series 1		2.176040		1682663		3662		3662		3662		3662		3662		3662		3662	
Property														series 1		6.918650		3259950		22554		10802		11752		11752		11752		11752		11752	
Premier Income														series 1		1.597680		75651		121				121		121		121		121		121	
Small Companies														series 1		3.358840		1398063		4696				4696		4696		4696		4696		4696	
Special Situations														series 1		2.927190		742386		2173				2173		2173		2173		2173		2173	
Sub total: International Money																																	
Sub total: North American																																	
Sub total: Pacific Market																																	
Sub total: Property																																	
Sub total: Premier Income																																	
Sub total: Small Companies																																	
Sub total: Special Situations																																	

## Long term business : Analysis of units in internal linked funds and direct holdings of assets matching liabilities in respect of property linked benefits

Name of company **Prudential Holborn Pensions Limited**

Global business

United Kingdom business

Financial year ended **31st December 2000**Category of surplus **Ordinary Long Term**

Internal linked fund

Name of fund link or directly held asset	Name of unit type	Valuation price per unit or asset	Total actual number of units in force or directly held assets	Value of total actual units in force or directly held assets	Value of actual units held by other internal linked funds	Period ended			GLUK/CM	Company registration number	Units			UK/OS	Category of surplus	IL/DH
						day	month	year			£000	UK	11			
						31	12	2000				Gross	Reinsurance ceded			
<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>9</b>	<b>10</b>							
UK Growth	series 1	2.847390	576117	1640		1640	1640									
<b>Sub total: UK Growth</b>				<b>1640</b>		<b>1640</b>	<b>1640</b>					<b>1640</b>	<b>1640</b>			
<b>Total: Ordinary Long Term</b>				<b>499317</b>	<b>10802</b>	<b>488515</b>	<b>488515</b>					<b>488515</b>				

Long term business : Matching rectangle

Sterling liabilities

Name of company Prudential Holborn Pensions Limited

Valuation rate(s) of interest 0.00%

Global business

Type of business Pension Business

Financial year ended 31st December 2000

Non profit

## Total long term business assets

Category of assets

Company  
registration  
numberValuation  
rate of  
interestL&GA/Pens/  
PHI/OtherCategory  
of assets

registration number	GL/UK/CM	Period ended				Units	Stg/ NonStg	rate of interest	L.&GA/Pens/ PHI/Other	WP/NP	Category of assets		
		day month year											
		GL	31	12	2000								
R57	1347088	GL	31	12	2000	£000	Stg	0.00	Pens	NP	10		
Type of asset notionally allocated		The valuation				The resilience scenario							
		Value of asset notionally allocated  1		Risk adjusted yield %  2		Value of assets notionally allocated				Risk adjusted yield %  6			
						On original allocation  3		Increase or decrease  4				Total under resilience scenario 5	
Land and buildings		11											
Fixed interest securities		Approved securities	12										
		Other	13										
Variable interest and Variable yield securities (excluding items shown at line 16)		Approved securities	14										
		Other	15										
Equity shares and holdings in collective investment schemes		16											
Loans secured by mortgages		17											
All other assets		Producing income	18	5400	5.49	5400			5400		4.26		
		Not producing income	19										
Total (11 to 19)		29	5400	5.49	5.49	5400			5400		4.26		
Gross valuation interest rate %		31			0.00						0.00		
Net valuation interest rate % (where appropriate)		32											
Mathematical reserve or other liability, net of reinsurance		33	5400						5400				

## Long term business : Matching rectangle

Sterling liabilities

Name of company Prudential Holborn Pensions Limited

Valuation rate(s) of interest 4.00%

Global business

Type of business

Pension Business

Financial year ended 31st December 2000

Non profit

## Total long term business assets

Category of assets

Company  
registration  
number

GLUK/CM

Period ended  
day month year

Units

Valuation  
rate of  
interestL&GAPens/  
PHI/Other

WP/NP

Category  
of assets

R57		1347088		GL	31	12	2000	£000	Stg	4.00	Pens	NP	10
Type of asset notionally allocated				The valuation						The resilience scenario			
				Value of asset notionally allocated 1		Risk adjusted yield % 2		Value of assets notionally allocated			Risk adjusted yield % 6		
								On original allocation 3	Increase or decrease 4	Total under resilience scenario 5			
Land and buildings				11									
Fixed interest securities				12	3714		5.08		3822		3822		4.26
Other				13									
Variable interest and Variable yield securities (excluding items shown at line 16)				14									
Other				15									
Equity shares and holdings in collective investment schemes				16									
Loans secured by mortgages				17									
All other assets				18	1072		5.49		1072	573	1645		4.26
Producing income				19									
Not producing income				19									
Total (11 to 19)				29	4786		5.17		4894	573	5467		4.26
Gross valuation interest rate %				31			4.00						4.15
Net valuation interest rate % (where appropriate)				32									
Mathematical reserve or other liability, net of reinsurance				33	4786						5467		

Returns under Insurance Companies Legislation  
Long term business : Matching rectangle

Form 57  
(Sheet 3)

Name of company Prudential Holborn Pensions Limited

Sterling liabilities

Valuation rate(s) of interest 5.41%

Global business

Type of business

Pension Business

Financial year ended 31st December 2000

Non profit

Total long term business assets

Category of assets

Company  
registration  
number

Valuation  
rate of  
interest

Stg/  
NonStg

Units

Period ended  
day month year

GLJUK/CM

Company  
registration  
number

GL

31

12

2000

£000

Stg

Category of assets

L&GA/Pens/  
PHI/Other

WP/NP

Pens

NP

10

Type of asset notionally allocated				The valuation		The resilience scenario				
				Value of asset notionally allocated 1	Risk adjusted yield % 2	Value of assets notionally allocated			Risk adjusted yield % 6	
						On original allocation 3	Increase or decrease 4	Total under resilience scenario 5		
Land and buildings				11						
Fixed interest securities				12						
Approved securities										
Other				13	10232	5.96	10324	(30)	10294	4.26
Variable interest and Variable Yield securities (excluding items shown at line 16)				14						
Approved securities										
Other				15						
Equity shares and holdings in collective investment schemes				16						
Loans secured by mortgages				17						
Producing income				18						
Not producing income				19						
Total (11 to 19)				29	10232	5.96	10324	(30)	10294	4.26
Gross valuation interest rate %				31		5.41				4.15
Net valuation interest rate % (where appropriate)				32						
Mathematical reserve or other liability, net of reinsurance				33	10232				10294	



## Long term business : Matching rectangle

Sterling/Non sterling liabilities

Name of company Prudential Holborn Pensions Limited

Valuation rate(s) of interest Balance

Global business

Type of business

Financial year ended 31st December 2000

With profits/Non profit

## Total long term business assets

Category of assets

Company  
registration  
numberValuation  
rate of  
interestSig/  
NonSigPeriod ended  
day month year

Units

Category  
of assets

R57		1347088		GL	31	12	2000	£000		98		10
Type of asset notionally allocated				The valuation				The resilience scenario				
				Value of asset notionally allocated 1	Risk adjusted yield % 2	Value of assets notionally allocated			Risk adjusted yield % 6			
						On original allocation 3	Increase or decrease 4	Total under resilience scenario 5				
Land and buildings				11								
Fixed interest securities				12								
				13								
Variable interest and Variable yield securities (excluding items shown at line 16)				14								
				15								
Equity shares and holdings in collective investment schemes				16								
Loans secured by mortgages				17								
All other assets				18	700		5.49	700	(700)			4.26
				19								
Total (11 to 19)				29	700		5.49	700	(700)			4.26
Gross valuation interest rate %				31								
Net valuation interest rate % (where appropriate)				32								
Mathematical reserve or other liability, net of reinsurance				33	700							

## Long term business : Matching rectangle

Sterling/Non sterling liabilities

Name of company **Prudential Holborn Pensions Limited**Valuation rate(s) of interest **Total**

Global business

Type of business

Financial year ended **31st December 2000**

With profits/Non profit

## Total long term business assets

Category of assets

Company registration number	GL/UK/CM	Period ended			Units	Stg/NonStg	Valuation rate of interest	L&GA/Pens/PHI/Other	WP/NP	Category of assets
		day	month	year						
R57	1347088	GL	31	12	2000	£000		99		10
Type of asset notionally allocated		The valuation				The resilience scenario				
		Value of asset notionally allocated 1	Risk adjusted yield % 2	Value of assets notionally allocated			Risk adjusted yield % 6			
				On original allocation 3	Increase or decrease 4	Total under resilience scenario 5				
Land and buildings		11								
	Approved securities	12	3714		5.08	3822			3822	4.26
Fixed interest securities	Other	13	10232		5.96	10324	(30)		10294	4.26
Variable interest and Variable yield securities (excluding items shown at line 16)	Approved securities	14								
	Other	15								
Equity shares and holdings in collective investment schemes		16								
Loans secured by mortgages		17								
All other assets	Producing income	18	7172		5.49	7172	(127)		7045	4.26
	Not producing income	19								
Total (11 to 19)		29	21118		5.65	21318	(157)		21161	4.26
Gross valuation interest rate %		31								
Net valuation interest rate % (where appropriate)		32								
Mathematical reserve or other liability, net of reinsurance		33	21118						21161	

**Long term business : Valuation result and distribution of surplus**Name of company **Prudential Holborn Pensions Limited**

Global business

Financial year ended **31st December 2000**Company  
registration  
number

GL/UK/CM

Period ended

day month year

Units

Category  
of surplusCategory of surplus **Ordinary Long Term**

Category of surplus		Ordinary Long Term	R58	1347088	GL	31	12	2000	£000	11
Valuation result	Fund carried forward						11	509633		
	Bonus payments made to policyholders in anticipation of a surplus						12			
	Transfers out of fund/ parts of fund	Transfer to non-technical account					13	1788		
		Transfer to other funds/parts of funds					14			
	Net transfer out of funds/parts of funds (13+14)						15	1788		
	Total (11+12+15)						16	511421		
	Mathematical reserves for accumulating with profit policies						17			
	Mathematical reserves for other non linked contracts						18	56		
	Mathematical reserves for property linked contracts						19	509578		
	Mathematical reserves for index linked contracts						20			
	Total (17 to 20)						21	509633		
	Surplus including contingency and other reserves held towards the solvency margin (deficiency) (16-21)						29	1788		
	Composition of surplus	Balance of surplus brought forward unappropriated from last valuation						31		
Transfers into fund/part of fund		Transfer from non-technical account					32			
		Transfer from other funds/parts of fund					33			
Net transfer into fund/part of fund (32+33)						34				
Surplus arising since the last valuation						35	1788			
Total (31+34+35)						39	1788			
Distribution of surplus	Bonus payments made to policyholders in anticipation of a surplus						41			
	Allocated to policyholders by way of	Cash bonuses					42			
		Reversionary bonuses					43			
		Other bonuses					44			
		Premium reductions					45			
	Total allocated to policyholders (41 to 45)						46			
	Net transfer out of fund/part of fund						47	1788		
	Total distributed surplus (46+47)						48	1788		
	Balance of surplus (including contingency and other reserves held towards the solvency margin) carried forward unappropriated						49			
	Total (48+49)						59	1788		
Percentage of distributed surplus allocated to policyholders of fund/part of fund							61			
Corresponding percentage at three immediately previous valuations	Latest		(year of valuation 2000 )				62			
	Earlier		(year of valuation 1999 )				63			
	Earliest		(year of valuation 1998 )				64			

[illegible]

# PRUDENTIAL HOLBORN PENSIONS LIMITED

Financial Year ended 31 December 2000

## Notes to Schedule 4

### Form 48

4801 Line 12, column 1 includes £15,000 accrued interest. Line 13, column 1 includes £215,000 accrued interest.

### Form 53

#### 5301 Mortality Bases

The tables of mortality assumed in the valuation indicated in Form 53 by the code letter (a) are:

**Direct Written Business:** A 49/52 ultimate applied to the difference between policyholder and created units. AM/AF92 minus 3 years is used for determining sterling reserves.

**Reassurance accepted:** A67/70 ultimate -1 year applied to the difference between policyholder and created units.

The tables of mortality assumed in the valuation indicated in Form 53 by the code letter (b) are:

82% PMA92 (u 2001)  
82% PFA92 (u 2001)

### Form 54

#### 5401 Mortality Bases

The tables of mortality assumed in the valuation indicated in Form 54 by the code letter (b) are:

82% PMA92 (u 2001)  
82% PFA92 (u 2001)

# PRUDENTIAL HOLBORN PENSIONS LIMITED

Financial Year ended 31 December 2000

## Form 55

5501 Reconciliation to unit linked assets in Form 13

	2000	1999
	£'000s	£'000s
Value of units per Form 55	488,516	526,702
Linked Fund other liabilities per Form 43	964	632
Long term fund assets per Form 13	<u>489,480</u>	<u>527,334</u>

P S K Hawes  
Appointed Actuary

A R Cook  
Chief Executive

M J Moores  
Director

D J Belsham  
Director

June 2001