Registered No: 5739054

PRUDENTIAL FINANCIAL PLANNING LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

PRUDENTIAL FINANCIAL PLANNING LIMITED

Incorporated and registered in England and Wales. Registered No: 5739054
Registered office: Laurence Pountney Hill, London, EC4R 0HH

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PRUDENTIAL FINANCIAL PLANNING LIMITED

Directors

The Directors in office during the year were as follows:

J Warburton (Chairman)
J Deeks
C Haines
D Pender (resigned on 8 December 2015)

Secretary

Prudential Group Secretarial Services Limited

Independent Auditor

KPMG LLP, London

PRUDENTIAL FINANCIAL PLANNING LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2015

Principal activity

The principal activity of Prudential Financial Planning Limited ("the Company") is to provide professional face to face restricted advice services, largely distributing products of the Prudential group companies through non-intermediated channels. These activities will continue in 2016.

The Company commenced operations on 9 September 2013. The advisors and the sales management team associated with Prudential Financial Planning, a professional face to face restricted advice service channel were transferred from Prudential Distribution Limited, another group company.

Business review

Key Performance Indicators	**2015**	2014	Change
	£000	£000	%
Turnover	**56,957**	39,904	43
Operating expenses	**(56,746)**	(40,161)	(41)
Profit/(loss) on ordinary activities before taxation	**210**	(259)	(181)
Shareholders' funds	**8,158**	6,050	35
Regulatory capital requirement (higher of IPRU (INV) and MIPRU requirements - see below)	**2,829**	2,302	23

The Company incurs distribution expenses on behalf of the statutory entities within the UK & Europe (UK&E) business unit of the Prudential Group, for which it provides a service and then recharges the expenses to the statutory entities.

The Company receives advice charges for the services rendered and these charges are contingent on a product sale. Advice charges are made by deduction from the amount invested and are collected by the product providers on behalf of the Company, except for collectives and ISA products which were sold via Standard Life. The advisor charges on the products sold via Standard Life are collected separately from the client as a platform is used in order to facilitate adviser charging. The Company also earns commission on the sale of protection products.

The Company generated a pre-tax profit of £210k (2014: pre-tax loss of £259k) during 2015. The Company has reported a profit for the year primarily due to an increase in the level of advisor charges retained by the Company, offset by lower losses on the sale of protection business compared to 2014.

The regulatory requirements of the Company are driven by the Interim Prudential Sourcebook for Investment Business (IPRU (INV)) and the Prudential Sourcebook for Mortgage and Home Finance Firms, and Insurance Intermediaries (MIPRU). The Company has remained solvent throughout the period under review and has adequate capital resources to meet its regulatory capital requirements. The Company relies on a group policy to meet the requirement for Professional Indemnity Insurance as per IPRU (INV).

Risks & uncertainties

The Company is a wholly owned subsidiary of the Prudential Group and is subject to the Group's internal control and risk management processes as detailed in the Group Governance Manual and Group Risk Framework. The control procedures and systems established within the Group are designed to manage, rather than eliminate, the risk of failure to meet business objectives. As such, they provide strong but not absolute assurance against material misstatement or loss, and focus on optimising the levels of risk and reward with the aim of achieving the business objectives.

The Group Risk Framework requires all business units and functions within the Group, including the Company, to establish processes for identifying, evaluating and managing key risks. The risk management framework for the

Company is approved by the Board and operates based on the concept of three lines of defence: risk management, risk oversight and independent assurance.

The Company's results and financial condition are exposed to both financial and non-financial risks. The key risk factors mentioned below should not be regarded as a complete and comprehensive statement of all potential risks and uncertainties.

Financial risk

The Company is exposed to financial risk through its financial assets and liabilities. The key financial risk factors affecting the Company are credit, liquidity and market risks. These financial risks and the management thereof are discussed in Note 17.

Non-financial risk

The Company has a limited exposure to business environment, strategic, operational and group risk.

a) Business environment risk

Business environment risk is the risk of exposures to forces in the external environment that could significantly change the fundamentals that drive the business's overall objectives and strategy.

Changes in government policy, legislation (including tax) or regulatory interpretation applying to companies in the financial services sector, which in some circumstances may be applied retrospectively, may adversely affect the Company's product range, distribution channels, capital requirements and, consequently, reported results and financing requirements. Also, the regulator may change the level of capital required to be held by individual businesses thereby impacting the capital requirements of the Company.

Any further changes or modification to Financial Reporting Standard 101 (FRS101) and the International Financial Reporting Standards (IFRS) adopted as a consequence of FRS101 may require a change in the reporting basis of future results, or a restatement of reported results.

b) Strategic risk

Strategic risk is the risk of ineffective, inefficient or inadequate senior management processes for the development and implementation of business strategy in relation to the business environment and the Group's capabilities.

The Company has little exposure to this risk, however any changes in the regulatory and market environment or strategic decisions of associated companies could play a role in forcing the senior management to take decisions which could affect the Company's performance.

c) Operational risk

Operational risk is the risk of loss arising from inadequate or failed internal processes, or from personnel and systems, or from external events.

The Company relies on the operational processing performance of other group companies that provide support and IT services but their performance is monitored closely.

The Company's systems and processes incorporate controls which are designed to manage and mitigate the operational risks associated with its activities as any weakness in the administration systems, finance systems and processes could have an impact on its results during the effective period.

The risk of non-performance is limited by contract and, along with mis-selling, is covered by a separate professional indemnity policy for collective business and a Prudential Group professional indemnity policy for other lines of business.

The Company is, and in the future may be, subject to legal and regulatory actions in the ordinary course of its business. These actions could involve a review of business sold in the past under acceptable market practices at the time, changes to the tax regime and regulatory reviews.

d) Group risk

Group risk is the risk of a direct or indirect loss arising from a connection with a related undertaking.

Group risk is present from the consequences of risks arising from other parts of the Group in addition to those risks arising from the Company's own activities. The independent capitalisation of the Company as well as the risk management processes and internal control mechanisms within the Company ensure Group risk is appropriately managed.

B Rais
On behalf of Prudential Group Secretarial Services Limited
Company Secretary
24 March 2016

PRUDENTIAL FINANCIAL PLANNING LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2015

Introduction

None of the information required to be included in the Directors' Report under Schedule 1 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended by The Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013) has been set out in the Company's Strategic Report.

Corporate Responsibility

The Company is a wholly owned subsidiary within the Prudential Group and Corporate Responsibility (CR) is integral to the way the Group does business.

The Group, of which the Company is a part, has developed a Group Governance Framework which is underpinned by a Group Governance Manual and associated processes. This encompasses all key policies and procedures for example, the Group Code of Business Conduct.

As a business that provides savings, income, investment and protection products and services social value is created through the day-to-day operations. The Group provides customers with ways to help manage uncertainty and build a more secure future. In seeking to match the long-term liabilities the Group has towards its customers with similarly long-term financial assets, it provides capital that finances businesses, builds infrastructure and fosters growth in both developed and developing markets.

The Group's sustainable approach to business is reinforced by the Group-wide CR strategy. While the Group believes that CR is best managed on the ground by those closest to the customer and local stakeholders, the Group approach is underpinned by four global CR themes:

- Serving its customers: The Group aims to provide fair and transparent products that meets the customers' needs
- Valuing its people: The Group aspires to retain and develop highly engaged employees
- Supporting local communities: The Group seeks to make a positive contribution to its communities through long-term partnerships with charitable organisations that make a real difference
- Protecting the environment: The Group takes responsibility for the environment in which it operates

These themes demonstrate the Group's CR commitments and principles to its stakeholders and provide clarity to its businesses, including the Company, on where they should focus their CR efforts and resources in the context of their individual markets.

The Prudential plc Board discusses the Group's performance in the areas of social and environmental management at least once a year and also reviews and approves the Group's corporate responsibility report and strategy on an annual basis.

Accounts

The state of affairs of the Company at 31 December 2015 is shown in the balance sheet on page 10. The statement of comprehensive income appears on page 9.

Share Capital

During the year the Company issued 2,000,000 ordinary shares of £1 each to Prudential Financial Services Limited. Changes in the Company's share capital during 2015 are shown on page 17 in note 13.

Post Balance sheet events

There have been no significant events affecting the Company since the balance sheet date.

Directors

The present directors are shown on page 1.

Mr D Pender resigned as a director on 8 December 2015. There have been no further changes.

Financial risk management objectives, policies and exposure

The Company is exposed to risk through its financial assets and liabilities. The financial risk factors affecting the Company include credit risk, liquidity risk and market risk. Further information on the financial risk management objectives and policies of the Company are given in Note 17.

Disclosure to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information. This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

Auditor

In accordance with Section 487(2) of the Companies Act 2006, KPMG LLP will be deemed to be re-appointed auditor of the Company for the current financial year.

Directors' and Officers' Protection

Prudential plc has arranged appropriate insurance cover in respect of legal action against directors and senior managers of companies within the Prudential Group. In addition, the Articles of Association of the Company permit the directors, officers and employees of the Company to be indemnified in respect of liabilities incurred as a result of their office. Prudential plc also provides protections for directors and senior managers of companies within the Group against personal financial exposure they may incur in their capacity as such. These indemnities were in force during 2015 and remain in force.

On behalf of the Board of Directors

B Rais
On behalf of Prudential Group Secretarial Services Limited
Company Secretary
24 March 2016

PRUDENTIAL FINANCIAL PLANNING LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILTIES IN REPSECT OF THE STRATEGIC REPORT, THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 Reduced Disclosure Framework.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PRUDENTIAL FINANCIAL PLANNING LIMITED

We have audited the financial statements of Prudential Financial Planning Limited for the year ended 31 December 2015 set out on pages 9 to 21. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 101 Reduced Disclosure Framework.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 7, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Caroline Gilbertson

Caroline Gilbertson (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
Canary Wharf
London
E14 5GL
24 March 2016

PRUDENTIAL FINANCIAL PLANNING LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2015

	Note	2015	2014
		£000	£000
Operating income	2	**56,957**	39,904
Staff costs	3	**(21,151)**	(17,593)
Other operating charges	4	**(35,595)**	(22,568)
Operating expenses		**(56,746)**	(40,161)
Operating profit		**211**	**(257)**
Interest receivable	5	**142**	125
Interest payable	6	**(143)**	(127)
Net interest receivable		**(1)**	(2)
Profit/(loss) on ordinary activities for the year before tax		**210**	(259)
Tax charge on profit/(loss) on ordinary activities	8	**(102)**	(73)
Profit/(loss) and comprehensive income for the financial year		**108**	(332)

The accounting policies and notes on pages 12 to 21 form an integral part of these financial statements.

PRUDENTIAL FINANCIAL PLANNING LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2015

	Note	**2015**	2014
		£000	£000
Current assets			
Trade and other debtors	9	**8,392**	2,392
Cash and bank balances	10	**11,472**	11,598
		19,864	13,990
Current Liabilities			
Trade and other creditors: amounts falling due within one year	11	**10,134**	7,235
Net Current Assets		**9,730**	6,755
Trade and other creditors: amounts falling after more than one year	12	**1,572**	705
Net assets		**8,158**	6,050
Capital and reserves			
Called-up share capital	13	**7,800**	5,800
Profit and loss account	14	**358**	250
Shareholders' funds - equity interests		**8,158**	6,050

The accounting policies and notes on pages 12 to 21 form an integral part of these financial statements.

The financial statements on pages 9 to 21 were approved by the board of directors on 24 March 2016.

J Warburton
Director

PRUDENTIAL FINANCIAL PLANNING LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2015

	Called Up Share Capital	Profit and Loss Account	Total Equity
	£000	£000	£000
Balance at 1 January 2014	4,000	582	4,582
Share capital injected during the year	1,800	—	1,800
Total comprehensive income for the period			
Profit or loss	—	(332)	(332)
Other comprehensive income	—	—	—
Total comprehensive income for the period	—	(332)	(332)
Balance at 31 December 2014	5,800	250	6,050
Balance at 1 January 2015	**5,800**	**250**	**6,050**
Share capital injected during the year	2,000	—	**2,000**
Total comprehensive income for the period			
Profit or loss	—	108	108
Other comprehensive income	—	—	—
Total comprehensive income for the period	—	108	108
Balance at 31 December 2015	**7,800**	**358**	**8,158**

The accounting policies and notes on pages 12 to 21 form an integral part of these financial statements.

NOTES ON THE FINANCIAL STATEMENTS

1. Accounting Policies

A. Changes in Accounting Policies

In 2015 there have been no changes to accounting policies arising from changes to, or new Financial Reporting Standards.

B. Basis of preparation

The Company is a company incorporated and domiciled in England and Wales.

The financial statements have been prepared in accordance with FRS101, Part 15 of the Companies Act 2006 and Schedule 1 of The Large and Medium-sized Companies and Group (Accounts and Reports) Regulations 2008.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS101 disclosure exemptions has been taken.

The Company's ultimate parent undertaking, Prudential plc, includes the Company in its consolidated financial statements. The consolidated financial statements of Prudential plc are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from the Company Secretary, Laurence Pountney Hill, London EC4R 0HH.

In these financial statements, the Company has applied the exemptions available under FRS101 in respect of the following disclosures:

- A cash flow statement and related notes;
- Disclosures in respect of transactions with wholly owned subsidiaries within the Group;
- Disclosures in respect of the compensation of key management personnel;
- Comparative period reconciliations for share capital; and
- The effect of new but not effective IFRSs.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

The directors have a reasonable expectation that the Company will be able to continue in operational existence for the foreseeable future and thus continue to adopt the going concern basis of accounting in preparing the financial statements. This conclusion has been based upon the following: the Company is a subsidiary within the Prudential Group and its parent company and the ultimate parent company are continuing to trade and there are no plans for liquidation, the Company has a healthy capital adequacy, well in excess of the capital requirements stipulated by FCA. In addition consideration has also been given to the Company's performance, the market in which it operates, its strategy and risks and uncertainties, as set out in the Business Review on page 2.

C. Classification of instruments issued by the Company

Having adopted FRS101, IAS 32 is being applied to the financial instruments issued by the Company and are treated as equity only to the extent that they meet the following two conditions:

(i) they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company; and

(ii) where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

D. Non-derivative financial instruments

Under IAS39, upon initial recognition financial instruments are recognised at fair value. The Company is permitted, subject to specific criteria, to designate its instruments as either at fair value through profit and loss, held on an available-for-sale basis, held to maturity, or loans and receivables. The Company holds financial instruments on the following bases:
Loans and receivables - this comprises instruments that have fixed or determinable payments and are not designated as fair value through profit and loss. These instruments include deposits and other unsecured loans and receivables and trade and other creditors. These instruments are carried at amortised cost using the effective interest method and subject to impairment reviews. The Company measures the amount of the impairment loss, if any, by comparing the amortised cost with the present value of its estimated future cash flows discounted at the original effective interest rate.

E. Income

Operating income represents recharges including profit margin, commission and other income received from group companies and third parties. As per the requirements of IAS 18, revenue from services is recognised in the accounting periods in which the services are rendered if the Company has no obligation to provide further services over the life of the contract. All other income is recognised to the extent that it is probable that the economic benefits will flow to the Company and the income can be measured reliably.

F. Expenses

Operating expenses comprise of management expenses incurred by the Company in relation to the distribution activities. Expenses are accounted for on an accruals basis.

Interest payable by the Company is accounted for on an accruals basis.

G. Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future are not provided for. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

2. Operating income

	2015	2014
	£000	£000
Income earned from recharges to group undertakings	35,927	28,685
Income earned from advice services	21,030	11,219
	56,957	39,904

NOTES ON THE FINANCIAL STATEMENTS (continued)

3. Staff costs

	2015	2014
	£000	£000
Wages and salaries	16,723	14,521
Other pension costs	2,288	1,177
Social security costs	2,140	1,895
Total	21,151	17,593
	No.	No.
Average number of employees during the period	257	209

The directors, who are employed by Prudential Financial Planning Limited, did not receive any remuneration in respect of their services on behalf of the Company.

Details of the pension schemes operated by the Company are disclosed in the accounts of The Prudential Assurance Company Limited and Prudential Financial Services Limited.

4. Other operating charges

	2015	2014
	£000	£000
Management expenses	15,487	12,201
Advisor charges recharged	20,108	10,367
	35,595	22,568

5. Interest receivable

	2015	2014
	£000	£000
Bank interest received	43	41
Company car interest recharged	99	84
	142	125

6. Interest payable

	2015	2014
	£000	£000
Bank interest recharged	42	39
Company car interest	101	88
	143	127

7. Auditors' remuneration

Auditor's remuneration of £15K (2014: £15K) in respect of the audit of the Company's financial statements is borne by a group company, Prudential Distribution Limited.

8. Taxation

a) Analysis of charge in the period

	2015	2014
	£000	£000
Current tax:		
Total current tax charge in the period	**45**	40
Adjustments in respect of prior years	**213**	232
Total tax charge on ordinary activities	**258**	272
Deferred tax :		
Adjustments in respect of previous years	**(196)**	(199)
Origination and reversal of timing differences	**40**	—
Total deferred tax credit in the period	**(156)**	(199)
Total tax charge in the period	**102**	73

b) Factors affecting tax charge for the period

	2015	2014
	£000	£000
Profit/(loss) on ordinary activities before tax	**210**	(259)
Tax on profit/(loss) on ordinary activities at effective rate of corporation tax in the UK of 20.25% (2014 : 21.5%)	**42**	(56)
Effects of:		
Permanent difference	**3**	96
Non taxable income	—	—
Impact of rate change on deferred tax	**40**	—
Adjustments to current tax in respect of previous years	**213**	232
Adjustments to deferred tax in respect of previous years	**(196)**	(199)
Total tax charge for the year	**102**	73

The reduction in the UK corporation tax rate from 21% to 20% from 1 April 2015 has been reflected in the financial statements for the year ended 31 December 2015. Further reductions in the UK corporation tax rate to 19% from 1 April 2017 and to 18% from 1 April 2020 was substantively enacted on 26 October 2015 which has had the effect of reducing the deferred tax balances as at 31 December 2015. These changes are reflected in the financial statements for the year ended 31 December 2015.

Other than the effects of permanent differences and adjustments in respect of previous periods, it is not expected that the tax charge will deviate from that calculated by applying the standard rate of corporation tax to the profit before tax of the Company.

NOTES ON THE FINANCIAL STATEMENTS (continued)

c) Balance sheet

	2015	2014
	£000	£000
Deferred tax asset explained by:		
Short term timing differences	354	199
Accelerated capital allowances	1	—
	355	199
Deferred tax asset at start of period	199	—
Deferred tax for the period	156	199
Deferred tax asset at end of period	355	199

9. Trade and other Debtors

	2015	2014
	£000	£000
Amounts falling due within one year:		
Amounts owed by group undertakings	**3,735**	393
Prepayments and accrued income	**1,998**	562
Deferred tax	**355**	199
Amounts falling due after more than one year:		
Prepayments and accrued income	**2,304**	1,238
	8,392	2,392

10. Cash and bank balances

Under the terms of the Company's arrangements with the Prudential Group's main UK banker, the bank has a right of set-off between credit balances (other than those of long - term business funds) and all overdrawn balances of those Group undertakings with similar arrangements.

11. Trade and other creditors: amounts falling due within one year

	2015	2014
	£000	£000
Amounts owed to group undertakings	**1,493**	442
Accruals and deferred income	**8,370**	6,437
Corporation tax payable	**271**	356
	10,134	7,235

The Company does not follow any code or standard on payment practice with its suppliers but it is the policy of the Company to agree terms of payment when orders for goods or services are placed and to pay in accordance with those terms.

12. Trade and other creditors: amounts falling due after more than one year

	2015	2014
	£000	£000
Accruals and deferred income	1,572	705
	1,572	705

13. Called-up share capital

	2015	2014
	£000	£000
Ordinary shares		
Balance as at 1 January	5,800	4,000
Issued and fully paid :		
5,800,000 ordinary shares of £1 each	5,800	4,000
Issued and unpaid: 1 ordinary shares of £1	—	—
	5,800	4,000
Issued during the year		
Issued and fully paid :		
2,000,000 ordinary shares of £1 each	2,000	1,800
Total issued and paid share capital	7,800	5,800

During the year the Company issued further 2,000,000 ordinary shares of £1 each to Prudential Financial Services Limited. The total consideration of £2,000,000 has been received in cash.

14. Profit and loss account

	2015	2014
	£000	£000
Balance as at 1 January	250	582
Profit/(loss) for the year	108	(332)
Balance as at 31 December	358	250

15. Related party transactions

The Company has taken advantage of the exemption under paragraph 8(k) of FRS101 relating to the disclosure of transactions with other wholly owned subsidiary undertakings of the Prudential Group. There are no other transactions with related parties.

16. Assets and Liabilities

A. Assets and Liabilities - Measurement and Classification

The classification of the Company's assets and liabilities, and its corresponding accounting carrying values reflect the requirements of IFRS. For financial investments the basis of valuation reflects the Company's application of IAS 39 'Financial Instruments: Recognition and Measurement' as described further below. Where assets and liabilities have been valued at fair value or measured on a different basis but fair value is disclosed, the Company has followed the principles under IFRS 13 'Fair Value Measurement'. The basis applied is summarised below:

2015	**Fair value through profit and loss**	**Cost/ Amortised Cost**	**Total carrying value**	**Fair value where applicable**
	£000	**£000**	**£000**	**£000**
Trade and other debtors	—	8,392	8,392	8,392
Cash at bank and in hand	—	11,472	11,472	11,472
Total assets	—	**19,864**	**19,864**	**19,864**

	Fair value through profit and loss	**Cost/ Amortised cost**	**Total carrying value**	**Fair value where applicable**
	£000	**£000**	**£000**	**£000**
Trade and other creditors	—	11,706	11,706	11,706
Total liabilities	—	**11,706**	**11,706**	**11,706**

2014	Fair value through profit and loss	Cost/ Amortised Cost	Total carrying value	Fair value where applicable
	£000	£000	£000	£000
Trade and other debtors	—	2,392	2,392	2,392
Cash at bank and in hand	—	11,598	11,598	11,598
Total assets	—	13,990	13,990	13,990

	Fair value through profit and loss	Cost/ Amortised Cost	Total carrying value	Fair value where applicable
	£000	£000	£000	£000
Trade and other creditors	—	7,940	7,940	7,940
Total liabilities	—	7,940	7,940	7,940

A fair value hierarchy has not been produced for items held at amortised cost where a fair value is disclosed because the carrying value approximates to the fair value.

Market Risk

The financial assets and liabilities attaching to the Company's business are, to varying degrees, subject to market risk that may have a material effect on the profit or loss and shareholders' funds.

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

Market risk arises from:

- Interest rate risk: due to changes in market interest rates,
- Currency risk: due to changes in foreign exchange rates, and
- Other price risk: due to fluctuations in market prices (other than those arising from interest rate risk or currency risk).

Interest rate risk

The following table shows an analysis of the classes of financial assets and liabilities and their direct exposure to interest rate risk. Each applicable class of the Company's assets or liabilities are analysed between those exposed to fair value interest rate risk, cash flow interest rate risk and those with no direct interest rate risk exposure.

2015	**Fair value interest rate risk**	**Cash flow interest rate risk**	**Not directly exposed to interest rate risk**	**Total**
	£000	**£000**	**£000**	**£000**
Financial Assets				
Trade and other debtors	—	—	8,392	8,392
Cash at bank and in hand	—	11,472	—	11,472
	—	11,472	8,392	19,864

	Fair value interest rate risk	**Cash flow interest rate risk**	**Not directly exposed to interest rate risk**	**Total**
	£000	**£000**	**£000**	**£000**
Financial Liabilities				
Trade and other creditors	—	—	11,706	11,706
	—	—	11,706	11,706

2014	Fair value interest rate risk	Cash flow interest rate risk	Not directly exposed to interest rate risk	Total
	£000	£000	£000	£000
Financial Assets				
Trade and other debtors	—	—	2,392	2,392
Cash at bank and in hand	—	11,598	—	11,598
	—	11,598	2,392	13,990
Financial Liabilities				
Trade and other creditors	—	—	7,940	7,940
	—	—	7,940	7,940

Liquidity Analysis

(i) Contractual maturities of financial liabilities

The following tables set out the contractual maturities and repricing dates for applicable classes of financial liabilities. The financial liabilities are included in the column relating to the contractual maturities and repricing dates at the undiscounted cash flows (including contractual interest payments) due to be paid assuming conditions are consistent with those of year end.

2015	**1 year or less**	**After 1 year to 5 years**	**Total un-discounted cashflows**	**Total carrying value**
	£000	**£000**	**£000**	**£000**
Financial Liabilities				
Other creditors	10,134	1,572	12,327	11,706
	10,134	1,572	12,327	11,706

2014	1 year or less	After 1 year to 5 years	Total un-discounted cashflows	Total carrying value
	£000	£000	£000	£000
Financial Liabilities				
Other creditors	7,235	705	8,199	7,940
	7,235	705	8,199	7,940

Currency risk

The Company is not exposed to any currency risk as it does not have any foreign currency exposures.

Other price risk

The Company is not exposed to any other price risk as it does not have any exposure to equity or investment property.

17. Financial risk management

The Company is exposed to financial risk through its financial assets and liabilities. The key financial risk factors affecting the Company are described below together with details of the management of the risks.

a) Credit risk

Credit risk is the risk of loss for the Company or of adverse change in the financial position, resulting from fluctuations in the credit standing of counterparties and any debtors in the form of default or other significant credit event.

The debtors are predominantly intra-group and therefore the risk of default is considered to be minimal.

b) Liquidity risk

Liquidity risk is the risk that the Company, although solvent on a balance sheet basis, does not have sufficient resources available to meet its obligations as they fall due, or can secure them only at excessive cost.

This risk is managed through careful management of bank balances and cash-flow forecasting. The Company is covered by the Risk Procedure Manual within the Group and has a defined liquidity appetite.

c) Market risk

Market risk is the risk of loss or adverse change in the financial condition of the Company resulting directly or indirectly, from fluctuations in the level and/or volatility of market prices of assets and liabilities and changes in interest rates.

The Company's exposure to market risk is limited to the interest rate fluctuations on the bank balances held by the Company.

NOTES ON THE FINANCIAL STATEMENTS (continued)

18. Capital requirements and management

The Company is regulated by the Financial Conduct Authority (FCA) as the Company is engaged in insurance and home finance mediation. The Company is also regulated by the FCA as a personal investment firm. The Company is subject to the Prudential Sourcebook for Mortgage and Home Finance Firms, and Insurance Intermediaries (MIPRU) and the Interim Prudential Sourcebook for Investment Businesses (IPRU(INV)).

As stipulated in MIPRU rule 4.2.11R, the Company is required to maintain capital resources equivalent to the higher of £5k and 2.5% of the annual income from its insurance mediation activity or home finance mediation activity (or both).

The Company is a B3 firm as defined under IPRU(INV) and is required to maintain own funds of £10k at all times as stipulated in IPRU(INV) rule 13. 10. Rule 13.11 requires the Company to maintain net current assets of more than £1. The Company is also subject to the expenditure based requirement and is required to maintain capital resources equivalent to 4/52 of the fixed annual expenditure as stipulated in rule 13.12.

As at 31 December 2015, the minimum regulatory capital requirement of the Company was £2,829k (2014: £2,302k) against which the Company had capital resources amounting to £8,050k (2014: £6,050k).

19. Immediate and ultimate parent company

The Immediate parent company is Prudential Financial Services Limited. The ultimate parent company is Prudential plc which is the only parent company which prepares group accounts. Copies of which can be obtained from the Company Secretary, Laurence Pountney Hill, London, EC4R 0HH.