

**Prudential Corporation Limited
Annual Report and Accounts
1980**

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Registered Office:
142 Holborn Bars London EC1N 2NH

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**PRUDENTIAL
CORPORATION**

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Prudential Corporation Limited
 Incorporated in England Regd. No. 1397169
 Notice is hereby given that the Annual General Meeting of this Company will be held at the Registered Office of the Company, No. 142 Holborn Bars London EC1 on Thursday 28 May 1981 at 12.15 p.m. for the following purposes:

To receive the Directors' Report and Statement of Accounts for the year ended 31 December 1980

To re-elect and elect Directors

To appoint Auditors

To transact any other business proper to be transacted at the said Meeting not being Special Business

In connection with the re-election of Directors special notice has been given to the Company, pursuant to the Companies Act 1948, that separate resolutions will be moved proposing the re-election of Mr Edward Preston Hatchett FIA, Mr Angus Fraser Murray CBE FIA, The Rt Hon Lord O'Brien of Lothbury GBE PC and Sir Ronald Hugh Owen FIA who retire by rotation and who will be aged 68, 72, 73 and 70 respectively at the date of the Meeting.

By order of the Board of Directors
 R E Artus
 Secretary
 142 Holborn Bars London EC1N 2NH
 24 April 1981

Members' attention is drawn to the form of proxy accompanying this notice. A member entitled to attend and vote at the Meeting is entitled to appoint a proxy or proxies to attend and, on a poll, vote instead of him; a proxy need not be a member of the Company.

The Register of Directors' interests kept under the Companies Act 1967 will be open for inspection at the Meeting. The Directors have no service contracts.

Regular calls, on even the most remotely-placed policyholder, are the hallmark of Prudential Assurance's field staff service. Our picture shows local agent Gareth Jones (left), visiting Mr. W. Griffith at his farm in Snowdonia.

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Directors and Group Management

Directors

The Rt Hon Lord Carr of Hadley PC
Chairman

William Geoffrey Haslam DFC
Deputy Chairman

The Rt Hon James Edward Ramsden
Deputy Chairman

John Anthony Tristram Barstow DSO TD DL

Harry Gordon Clarke FIA

David Mitchell Cooke Donald WS

Edward Preston Hatchett FIA

Sir John Nicholson Hogg TD

The Rt Hon Lord Hunt of Tanworth GCB

Angus Fraser Murray CBE FIA

The Rt Hon Lord O'Brien of Lothbury GBE PC

Sir Ronald Hugh Owen FIA

Frank Mitchell Redington FIA

Desmond Arthur Reid

Ronald Sidney Skerman CBE FIA

Sir Peter Frank Dalrymple Tennant CMG OBE

Group Management

F B Corby FIA
Group General Manager

R E Artus

D S Craigen

J A S Neave CBE JP

F G Wood FIA ACII

D Sirkett FIA
Manager – Corporate Financial Planning

J A Freeman FCA ACMA
Group Chief Accountant

R W Paget FCCA
Group Taxation Manager

C F Whitehorn
Group Legal Adviser

Left: The Chairman meets Celia Gregory and Christopher Gable, stars of a recent production at The Royal Exchange Theatre, Manchester. The theatre is constructed within the Old Cotton Exchange, which is part of a Prudential property investment, the Royal Exchange Building, a large office and shop complex.

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Summary of Results

Abridged Group Profit and Loss Account year ended 31 December 1980

	1980 £m	1979 £m
Profits from:		
Ordinary life business	22.4	18.5
Industrial life business	7.1	5.7
General insurance business	2.5	11.6
	32.0	35.8
Other income	10.5	9.8
Profit for the year after taxation	42.5	45.6
Dividends paid and payable	32.8	28.3
Retained profit for the year	9.7	17.3

Abridged Group Balance Sheet 31 December 1980

	1980 £m	1979 £m
Shareholders' funds	193.0	185.3
Ordinary life business funds	4,847.7	4,138.3
Industrial life business funds	1,374.4	1,235.6
General insurance business funds	365.0	339.9
	6,780.1	5,899.1
Investments	6,586.9	5,752.6
Other net assets	164.5	117.8
	6,751.4	5,870.4
Goodwill	28.7	28.7
	6,780.1	5,899.1

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Profits
£m

25

20

15

10

5

0

1979

1980

Ordinary life
business

Funds
£000m

5

4

3

2

1

0

1979

1980

1979

1980

1979

1980

1979

1980

Ordinary life
business

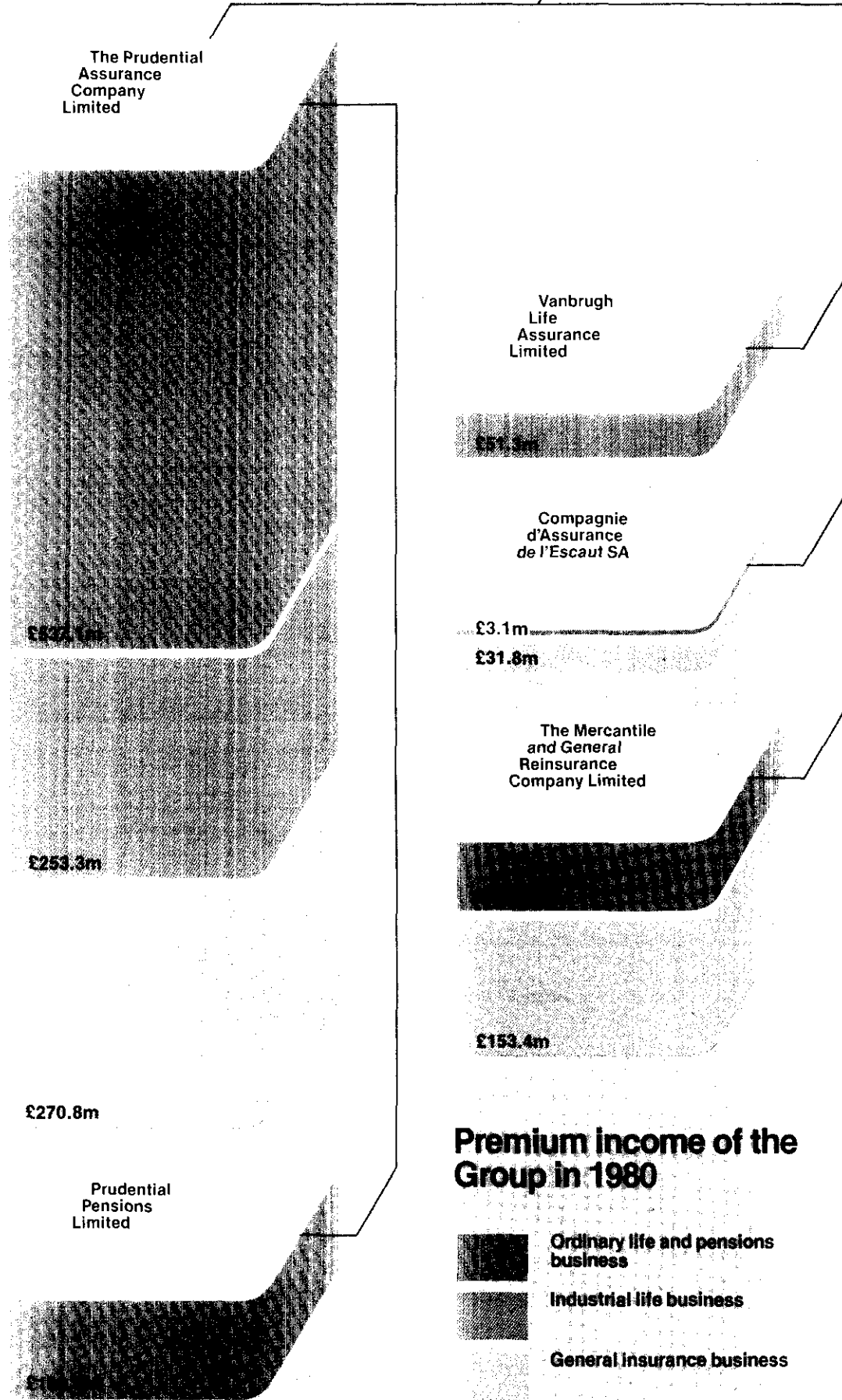
Industrial life
business

General insurance
business




Shareholders

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Prudential Corporation Limited



Premium income of the Group in 1980

-  Ordinary life and pensions business
-  Industrial life business
-  General insurance business

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Chairman's Statement

Results and dividends

The Group's profit for the year was £42.5m compared with £45.6m in 1979. Although there was a very satisfactory growth in the profits from life business this was offset by higher underwriting losses in general insurance business.

The directors have declared a final dividend of 7p per share, making a total for the year of 11p per share, which represents an increase of some 16 per cent over last year. This leaves £9.7m retained within the Group to support the growth of the business.

Life business

Total premium income from the life business of the Group exceeded £1bn and the profit was 22 per cent higher at £29.5m.

In the United Kingdom the efforts of our field staff in Prudential Assurance produced a rise in market share in individual annual premium business in both the Ordinary Branch and the Industrial Branch. Continuing growth in the return from our investments led to further substantial increases in bonuses to policyholders and is also reflected in the transfer to Profit and Loss Account. The funds benefited greatly from the high proportion held in ordinary shares and in property; these investments represent a substantial stake in the future prosperity of this country.

Prudential Assurance's group pension business also developed well in the United Kingdom, although at a slower rate than in the previous few years partly as a consequence of the deepening recession. Prudential Pensions, administering unit-linked plans, had funds under management at the end of the year in excess of £700m and there was also a substantial increase in the funds under the management of Prudential Portfolio Managers.

Vanbrugh's profitability improved and it has earned a reputation in the market for successful innovation.

Overseas, the life and group pension business of Prudential Assurance also prospered.

The growth in Mercantile and General's life business in the United Kingdom and in North America continued, particularly in the latter where premiums were more than 50 per cent higher than in 1979. The amount transferred to Profit and Loss Account increased to £3.8m.

General insurance

Profits from general insurance business were £2.5m compared with £11.6m in 1979 as a result of substantially greater underwriting losses.

In the United Kingdom, Prudential Assurance's

underwriting losses increased in both its major classes of business, domestic property and motor. In the domestic property account the claim frequency rose and the increase in the average amount of claim payments was in excess of the rate of inflation. Increased premium rates and minimum premiums were introduced in August but their full effect will not be felt until 1981. We are determined to improve the profitability of this account.

Canada is the most important overseas market for Prudential Assurance. Last year my predecessor said that the underlying trend was adverse and a deterioration was expected; in the event results were worse than we had thought likely, and in common with other insurers we expect no substantial recovery in this market in 1981. In South Africa, as a result of a merger, we now hold 37½ per cent of the capital of Phoenix Prudential. In Australia, following a similar arrangement, we hold two-thirds of the capital of Prudential Cornhill. In this market conditions continued to be very difficult and our investment income failed to cover underwriting losses; an urgent review of the situation is being undertaken.

The competition for international reinsurance business continues to be very severe, keeping premium rates at uneconomic levels; underwriting losses also reflect the general decline in profitability of insurance worldwide. As a result our specialist reinsurance subsidiary, Mercantile and General, shows a substantial increase in its underwriting loss from £4.1m to £12.4m. We continue to follow a cautious underwriting approach in this market, which in the long run should produce a more acceptable rate of return. It is too early to predict any substantial improvement in the results emerging in the 1981 accounts.

The investment income from the general insurance funds of the Group rose by 3 per cent; the rate of growth would have been considerably higher but for the increase in the value of sterling. Unlike many other insurers we show this investment income separately from that on shareholders' funds; the underlying growth rate of the two combined was 14 per cent.

Overall the results of our general business in 1980 were very disappointing. Despite this, our free reserves at the end of 1980 amounted to some 60 per cent of short-term general insurance premiums, compared with 55 per cent at the beginning of the year.

The economy

As 1980 unfolded the most serious aspect of the domestic economic scene was the unexpected depth of the recession and the severity of its impact on manufacturing industry.

The present Government both before and after it came to power made it very clear that it would make the reduction of inflation its first priority. In this aim it should continue to have the backing of all who are concerned with the long-term strength of the economy. High rates of inflation undermine the base for prosperous development of all business, including life and general insurance. Healthy expansion of our business and confidence in our products can best be maintained if the fear can be removed that Britain is for ever on the brink of lurching into periods of runaway inflation.

The fact that during 1980 the rate of inflation moved onto a strongly downward path is therefore warmly to be welcomed. The Government had never suggested that a substantial reduction in inflation could be achieved without initially painful consequences for economic activity and employment. It appears equally true, however, that few envisaged the severity of the depression of activity and the extent of the contraction of the industrial base which are now apparent. Notwithstanding the depth of the recession, the Government is clearly unwilling to abandon its monetary and fiscal policy just as the reduction of inflation is in course of achievement. It would indeed be wrong to throw away the gains, so hardly won, in the struggle against inflation. The basic failure has been the inability to make public sector activity bear its proper share in the process of retrenchment, and particularly to ensure that reductions do not fall more heavily on capital than on current expenditure. The result is that the burden has fallen disproportionately on the productive sector of the economy and by no means only on those parts of industry which might be thought to have no sound long-term future.

There is a very real danger that the present difficult position, particularly as regards manufacturing industry, may continue for a further period, and that much permanent damage may be done to the base from which eventual recovery must come. Ways must be found to prevent this damage from being unnecessarily severe, to initiate policies which encourage the establishment of areas of growth potential within the economy, and to build a level of confidence which supports risk taking. Only by a renewed effort to achieve economies in the less productive areas of public sector expenditure, including the cost of administration, can room be made for an increase in those expenditures which are essential to the health of British industry; any other course would threaten the medium-term fiscal stance which the Government has adopted.

Recent trends have highlighted the need to find ways of accelerating the speed with which the British economy adapts to change and provides new opportunities to create wealth and employment. Many of these need to be in fields opened up by new

developments to replace those which technological maturity makes most vulnerable to domestic and international competition. It was against this background that we were pleased to have the opportunity of joining the National Enterprise Board and three private sector partners in financing a new company which will specialise in biotechnology and develop strong links with some of the most distinguished centres of research in this field. Possibly of even greater potential as a source of commercially rewarding investment contributing to the eventual generation of employment opportunities was the establishment of Protec; this company is a wholly owned investment subsidiary which operates in association with the product development and technical skills of the Patscentre International research laboratories of the PA Management group.

In addition to these ventures, we have participated with others in backing a number of specialised intermediaries which aim to adopt a constructive role in the present difficult economic situation. The amount of money we invest as a result of such initiatives may in the event be only modest. We are, however, prepared to provide much more substantial sums if the search for promising situations proves successful. Ultimately the availability of financial support from institutions such as ourselves is only one of the factors necessary to produce an upsurge in the use of risk capital in new and promising directions. It is essential that the industrialists who decide to use such capital, and who may very well be hazarding the future of their companies and their jobs, should have confidence in the development of better trading conditions over the medium term if they are to take such risks more often and on a larger scale.

Protection of the purchasing power of pensions

There has been much comment in recent years contrasting the statutory inflation-proofed pensions enjoyed by employees in the public service with the difficulties of maintaining the real value of benefits for members of private sector schemes. The recent report of the Inquiry into the Value of Pensions, chaired by Sir Bernard Scott, has helped to put the issues into a clearer perspective.

The Government have since embarked on an issue of index-linked Treasury Stock to pension funds and to life offices writing pension business. It should not, however, be assumed that the existence of index-linked gilts provides an automatic solution to the problem of inflation-proofing in the private sector. There will always be cost implications for employers in improving pension benefits, whatever the type of asset backing and the facilities for indexation available.

Changes in organisational structure

At the end of 1980 the Board of Prudential Assurance was reconstituted. During the initial period following the formation of the Corporation the Board of Prudential Assurance was maintained in its traditional non-executive form, but the Directors of Prudential Corporation have decided that it is now more appropriate for it to be composed largely of full-time executives of the Company. The new Board of Prudential Assurance is therefore composed of myself as Chairman, Mr Geoffrey Haslam and the Rt Hon James Ramsden as Deputy Chairmen, together with Mr Desmond Craigen, Chief General Manager, and his senior management colleagues.

The range of activities of Prudential Portfolio Managers, which was originally established to manage the Prudential Unit Trust when we launched it in 1968, has been greatly enlarged in recent years. It has therefore been decided that the company should no longer be a subsidiary of Prudential Assurance but should be transferred to the Corporation, providing investment services to those parts of the Group where it is not desirable to establish separate investment capacity, and undertaking investment management for a fee to others outside the Group.

In Canada, the responsibilities of Prudential Assurance's Local Advisory Committee have been strengthened and it now serves as the local board of the Canadian operation.

The Group Management of the Corporation has been strengthened by the appointment of Mr Donald Sirkett, previously an investment manager of Prudential Assurance, as Manager, Corporate Financial Planning.

Appointments and retirements

This is my first statement as Chairman and I would like to take this opportunity to express our thanks to my predecessor, Sir Ronald Owen, for his services as Chairman of the Group over a period of five years. His able leadership has served the Group well during a period in which many significant developments took place and I am pleased to say he is continuing as a director. My fellow directors and I would also like to record our warm congratulations to him on his recent knighthood.

At the end of the year Lord Caccia retired as a director. He has been a valuable member of our Board for fifteen years and his advice will be greatly missed.

You will notice that Mr John Barstow, who is retiring by rotation at the Annual General Meeting, is not offering himself for re-election although he would have been eligible to stand for a further term. Mr Barstow has been a member of the Board for over 27 years, during which time we have very much benefited from his wise counsel.

Mr Frank Redington will retire at the conclusion of the Annual General Meeting. His services to the Group extend over fifty-three years. He was one of our most distinguished Chief Actuaries, a post he held for eighteen years. From 1958-60 he was President of the Institute of Actuaries, of which body he is one of the very select band of gold medallists. His contributions to our Board meetings have ranged far beyond his professional speciality: we shall greatly miss his enquiring and critical mind and his invariable good humour.

Mr Peter Moody retired in December from his position as Joint Secretary and Group Chief Investment Manager. Mr Moody has had a long and distinguished career with the Prudential, and is the immediate past President of the Institute of Actuaries. The directors are pleased to recommend his election to the Board.

As a consequence of Mr Moody's retirement, Mr Brian Medhurst has been appointed Joint Secretary and Chief Investment Manager of Prudential Assurance.

At Mercantile and General, Mr Peter Howell, General Manager, has been appointed a director of the company.

Staff

The continuing progress and development of the Group, particularly in a time of rapid change and increasingly competitive conditions, cannot be achieved without the hard work and dedication of the staff at every level, and I would therefore like to thank them all for their efforts over the year.

Carr of Hadley
Chairman
15 April 1981.

WELLS FARGO

COMPAGNIE D'ASSURANCE
DE
L'ESCAUT
SOCIÉTÉ ANONYME
SOCIÉTÉ D'ASSURANCE
DE
LA BELGIQUE

**The Vanbrugh
Maximum Investment Plan**

Prudential Pensions Limited
A Guide to the Group Investment
Linked Pension Plan

ash to spare?
**Prudential
Travelwise
Insurance**

Safe driving...
sound insurance

£24,000 Cash

**Insurance
on the
Farm**

Prudential

Prudential

PPL

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Main Features of the Year

Group Profits

Profits after tax declined to £42.5m (1979 £45.6m) and after provision for dividends of £32.8m (1979 £28.3m), profits retained within the Group amounted to £9.7m (1979 £17.3m).

Life Business

Life business performed strongly during 1980, profits rising by 22 per cent to £29.5m (1979 £24.2m). For the first time, total revenue premium income exceeded £1bn. The profitability of the life business is reflected in the improved levels of policyholders' bonuses which have been declared by Prudential Assurance.

Prudential Assurance's new annual premiums were £191.6m (1979 £170.0m) and the total revenue premium income was £891.3m (1979 £773.9m). The profits after tax for Ordinary life business rose to £18.3m (1979 £15.0m). Industrial life business profits after tax increased to £7.1m (1979 £5.7m).

Mercantile and General Reinsurance's new annual premiums were £17.8m (1979 £14.8m) and the total revenue premium income was £74.6m (1979 £67.5m). Profits after tax increased to £3.8m (1979 £3.1m).

Vanbrugh's total revenue premium income was £51.3m (1979 £44.2m) and profits after tax rose to £0.4m (1979 £0.3m).

General Insurance

There was a marked deterioration in underwriting results, particularly in respect of overseas business, both direct and reinsurance. The underwriting loss for the year was £33.9m (1979 loss £15.2m). Investment income amounted to £33.6m (1979 £32.5m). Profits after tax fell to £2.5m (1979 £11.6m).

Prudential Assurance's premiums increased to £270.8m (1979 £229.0m) and the underwriting result was a loss of £18.6m (1979 loss £9.3m).

Mercantile and General Reinsurance's profits after tax fell to £1.6m (1979 £4.2m) following an underwriting loss of £12.4m (1979 loss £4.1m).

Other Income

Investment income on shareholders' funds increased to £18.9m (1979 £16.2m). After adjusting for sundry other income and deducting expenses and taxation, the net total was £10.5m (1979 £9.8m).

Solvency Margin

The total free assets of the Company and its subsidiaries at the end of 1980 represented 60 per cent (1979 55 per cent) of the short-term general insurance premium income of the Group.

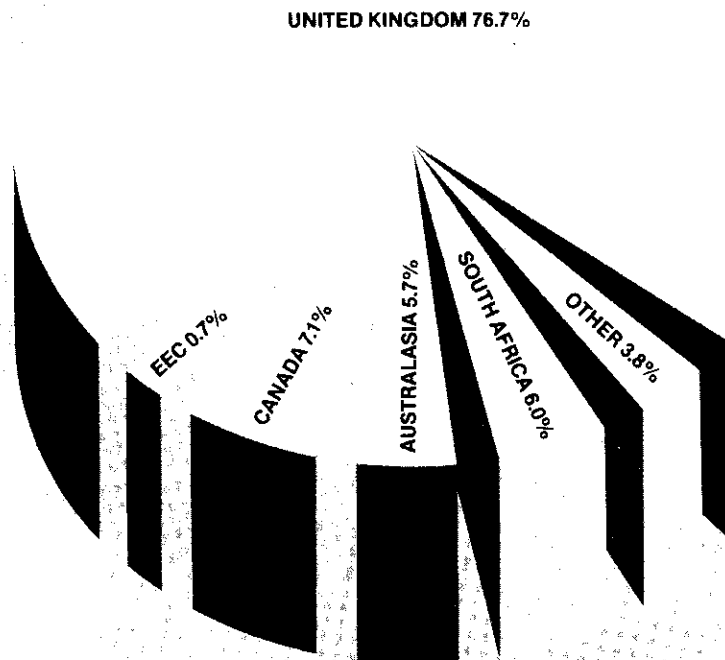
NOTE: For overseas business, comparisons between the figures for 1980 and 1979 are affected by changes in the value of sterling in 1980. Note 1(f) on page 32 explains the treatment of exchange rates.

Life Business Summary

The worldwide Ordinary and Industrial life business of the Group was as follows:

	1980 £m	1979 £m	% increase
New Business:			
Annual premiums	212.1	187.3	13
Single premiums	104.4	100.5	4
Total revenue premium income	1,020.3	889.0	15
Business in force at the end of the year:			
Annual premium income	948.0	824.1	15
Sums assured, including bonus	45,207.2	40,192.3	12
Annuities per annum, including bonus and amounts to be purchased by future recurrent single premiums	945.8	807.5	17

Source of ordinary life business revenue premium income of the Group in 1980.



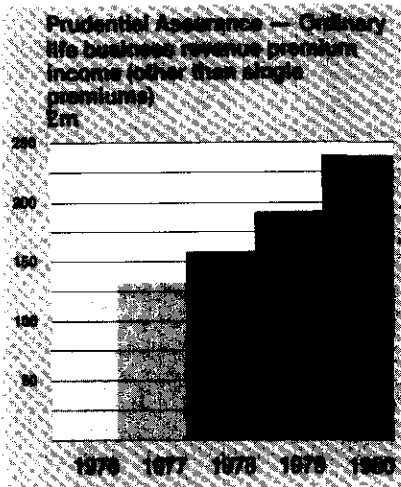
Industrial life business is transacted only in the United Kingdom.

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Individual Life Business
—United Kingdom

Ordinary Life Business —
Prudential Assurance

	1980 £m	1979 £m	% increase
New business:			
Annual premiums	62.3	55.7	12
Single premiums	12.5	15.2	(18)
Total revenue premium income	250.0	206.4	21



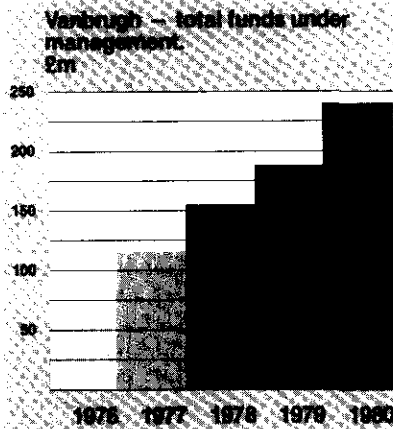
The buoyancy of the United Kingdom annual premium market in previous years was maintained for the first quarter of 1980, but fell away somewhat towards the end of the year as a result of the more difficult economic conditions. Our rate of growth was sufficient to produce a further increase in our market share. The reduction in single premiums reflects principally a fall in sales of immediate annuities.

The principal emphasis of our sales activity continued to be on with-profits endowment policies and personal retirement plans. New sums assured increased by 23 per cent, well ahead of the growth in new annual premiums, reflecting the substantial increase in the cover provided by our policies, in the form of additional income benefits and temporary life assurance. Following changes made to the Prutrust unit-linked endowment plan in the autumn, sales of such policies rose sharply.

There was continued growth in the return from the investments of the funds which we hold on behalf of our policyholders. A high proportion of these is in ordinary shares and property. Over the years the benefits flowing from these investments by way of dividends and rents, as well as from the increases in their underlying value, have been reflected in increases in both reversionary and terminal bonuses. For assurances the rate of reversionary bonus has been increased this year by 0.2 per cent to 5.1 per cent of the sum assured, and terminal bonuses have been increased substantially. As an example, the terminal bonus being paid on a 25-year term policy maturing after this year's bonus declaration will be £886 per £1,000 sum assured, which compares with £733 last year and with £617 five years ago. Comparable increases have been made in the reversionary and terminal bonuses for retirement annuity business.

Ordinary Life Business —
Vanbrugh

	1980 £m	1979 £m	% increase
New business:			
Annual premiums	2.1	2.0	9
Single premiums	39.1	33.5	17
Total revenue premium income	51.3	44.2	16

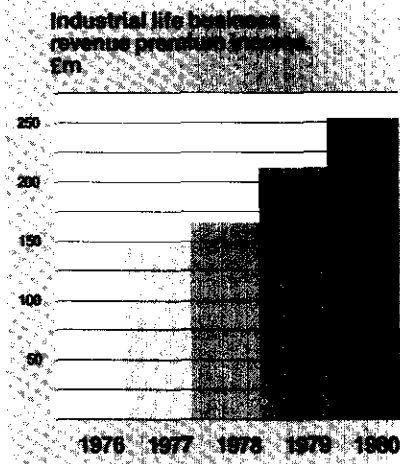


At Vanbrugh the increase in new single premiums was significantly better than the average for the whole market and also that for the separate category of unit-linked business, despite continued and determined competition. New annual premiums also rose, particularly in respect of contracts for the self-employed, which showed a considerable increase over the figures for 1979 and ended the year on a buoyant note. In part this growth reflected certain welcome provisions of the 1980 Finance Act relating to tax allowances for the self-employed, which encouraged them to save a greater proportion of their earnings by way of premiums to pension policies. In addition a new "Loanback Facility" was introduced by Vanbrugh, under which policyholders are able to borrow money from the Company; this has been extremely successful.

The Vanbrugh Investment Portfolio, for investors with funds of at least £25,000, continued to be very popular, accounting for a very substantial portion of the single premiums.

Industrial Life Business

	1980 £m	1979 £m	% increase
New business:			
New business premiums	61.6	49.4	25
Total revenue premium income	253.3	213.5	19



Once again our new business increased at a rate appreciably above the rate of inflation. Our market share also increased. There was a rise of over 4 per cent in the number of new policies sold and new sums assured increased by 35 per cent. The pattern of our new business sales was little changed from previous years, short term endowment policies accounting for the major part of new business premiums. There was an increase in the number of new policies issued with additional life cover in the form of income benefits.

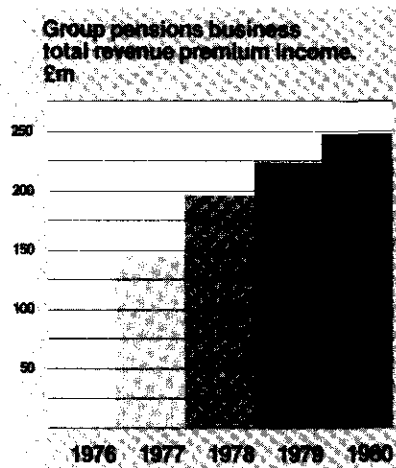
The Industrial life fund has benefited from the continued growth in the return from its investments. As with Prudential Assurance's Ordinary life business this has been reflected in increases in both reversionary and terminal bonuses. The rate of reversionary bonus has been increased by 0.2 per cent to 3.4 per cent of the sum assured and terminal bonuses have been increased substantially. As an example, the terminal bonus being paid on a 15-year term policy maturing after this year's bonus declaration will be £334 per £1,000 sum assured, which compares with £293 last year and with £246 five years ago.

**Group Pensions Business
— United Kingdom**

	1980 £m	1979 £m	% increase
New business:			
Annual premiums:			
Annuities and assurances	24.2	27.8	(13)
Investment-linked plans	18.5	16.6	11
	<u>42.7</u>	<u>44.4</u>	(4)
Single premiums:			
Annuities and assurances	22.1	16.7	32
Investment-linked plans	6.2	5.9	5
	<u>28.3</u>	<u>22.6</u>	25
Total revenue premium income:			
Annuities and assurances	148.7	139.4	7
Investment-linked plans	100.9	83.6	21
	<u>249.6</u>	<u>223.0</u>	12

There were increases in our new annual premiums for group pensions business both from new investment-linked plans written by PPL (Prudential Pensions Limited) and from new entrants to and salary increments under existing schemes. These increases were, however, more than offset by a reduction in new premiums arising from improvements in benefit scales under existing schemes. Such improvements were at a low level in 1980 compared with the two preceding years when major changes were made in many schemes as a result of decisions by companies to contract-out of the earnings-related component of the state scheme. The economic situation also contributed to a less favourable market for group pensions business.

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New single premiums were 25 per cent higher in total in 1980, mainly reflecting augmentations of pensions in payment, as some employers sought to protect their retired employees from the erosion of living standards caused by inflation.

Growth in the return from the investments of Prudential Assurance, which include substantial holdings of ordinary shares and property, has been reflected in further increases in bonuses. For example, under both cash accumulation and executive pension contracts the rate of bonus interest on accumulated cash has been increased from 5.7 per cent to 6.0 per cent. Terminal bonuses on amounts withdrawn to secure retirement benefits under these contracts have been increased from 2.0 per cent to 2.5 per cent for each year of deposit.

The figures in the table exclude £34m (1979 £15m) received from certain large pension funds for investment on a segregated fund basis by Prudential Portfolio Managers. Combining these contributions with the revenue premiums produces an overall increase for 1980 of 19 per cent in the inflow of money for our group pensions business. Growth therefore continued at a satisfactory level, albeit at a lower rate than in some recent years.

At the end of 1980 unit-linked pension funds amounted to £715m and segregated pension funds under management to £240m. These compare with funds of £485m and £151m respectively at the end of the previous year.

**Life and Pensions Business
— Overseas**

	1980 £m	1979 £m	% increase
New business:			
Annual premiums	25.6	21.0	22
Single premiums	18.4	17.6	5
Total revenue premium income	141.5	134.4	5

The increases in our overseas business shown above reflect the further strengthening of sterling relative to the currencies in which most of our overseas business is written, but the effect was not nearly so marked as in 1979. Assuming unchanged exchange rates, the increases would have been 26 per cent for new business annual premiums, 11 per cent for new business single premiums, and 9 per cent for total revenue premium income. The growth in revenue premiums has also been affected by the high levels of surrenders prevalent in several overseas markets.

In Australia, new business annual premiums of A\$9.9m (£4.9m) were 17 per cent higher than in 1979 and there was a substantial increase in single premiums. Revenue premiums increased by only 4 per cent to A\$66.6m (£32.9m). New Zealand produced excellent results with an increase of 34 per cent in new business annual premiums to NZ\$3.1m (£1.2m). Revenue premiums increased by 9 per cent to NZ\$15.0m (£6.0m).

New annual premiums in Canada at C\$19.3m (£6.8m) were nearly 25 per cent higher than in 1979, but single premiums fell by 5 per cent to C\$29.7m (£10.4m). Revenue premiums amounted to C\$133.6m (£46.8m), an increase of 5 per cent.

The South African market remained very buoyant and we again achieved a very good rate of growth. New annual premiums increased by 28 per cent to R15.6m (£8.8m) and new single premiums increased substantially to R8.1m (£4.5m). Revenue premiums rose by 18 per cent to R65.7m (£36.9m).

In Zimbabwe, following the welcome return of peace, new annual premiums rose by over 60 per cent to Z\$1.5m (£1.0m). Our staff in Singapore also achieved another year of very high growth in new annual premiums, with an increase of over 50 per cent to S\$4.5m (£0.9m). In Europe, our new branch in Holland continued to make progress and in Belgium new annual premiums grew by 36 per cent.

We have increased bonus rates in Australia, New Zealand, Canada, South Africa, Zimbabwe and Malta. These increases include markedly higher terminal bonuses in Australia and South Africa which, as in the United Kingdom, reflects the continued growth in the return from our investments.

**Specialist Reinsurance
Business**

	1980	1979	%
	£m	£m	increase
New business:			
Annual premiums	17.8	14.8	20
Single premiums	6.1	11.6	(47)
Total revenue premium income	74.6	67.5	11

At Mercantile and General the life business has continued to develop satisfactorily, particularly in the United Kingdom and North America. In the United Kingdom, the largest single market, new annual premiums amounted to £8.1m, an increase of 17 per cent. The greatest growth was in North America where the Canadian branch, which covers both Canada and the USA, produced new annual premiums of £5.3m, an increase of 55 per cent. In other major markets only modest increases have been achieved.

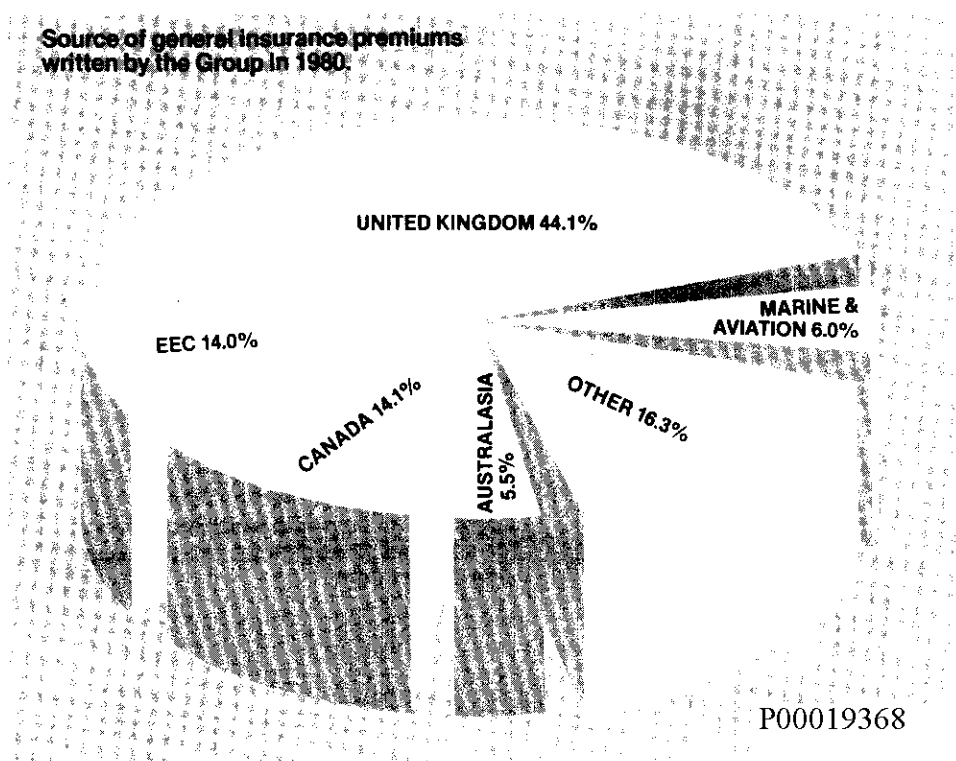
The volume of single premiums written, nearly all of which arise in the United Kingdom, tends to fluctuate from year to year and the amount of new business premiums was considerably lower than in 1979.

Progress Report General Insurance

General Insurance Summary

	1980 £m	1979 £m	% increase
Premiums written:			
Fire and accident			
United Kingdom	173.4	137.9	26
Canada	48.5	44.3	9
EEC	41.6	44.1	(6)
Australia and New Zealand	10.6	8.6	23
Other	19.6	20.2	(3)
Marine and aviation	8.9	7.7	16
Specialist reinsurance	153.4	153.9	-
	456.0	416.7	9
Underwriting results:			
Fire and accident			
United Kingdom	(9.3)	(7.8)	
Canada	(2.9)	1.7	
EEC	(3.3)	(1.7)	
Australia and New Zealand	(3.2)	(0.9)	
Other	(1.1)	(1.7)	
Marine and aviation	(1.7)	(0.7)	
Specialist reinsurance	(12.4)	(4.1)	
	(33.9)	(15.2)	
Investment income	33.6	32.5	
Trading profit before tax	(0.3)	17.3	
Taxation	(2.8)	5.7	
Profit after tax	2.5	11.6	

**Source of general insurance premiums
written by the Group in 1980**



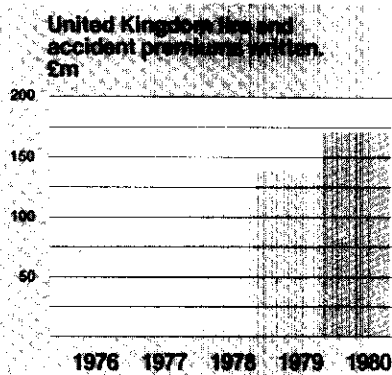
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**Fire and Accident Insurance —
United Kingdom**

	1980 £m	1979 £m	% increase
Premiums written	173.4	137.9	26
Underwriting result	(9.3)	(7.8)	

Although our premium income increased, higher claim costs and expenses produced underwriting losses on most classes of business. The domestic property and motor accounts, together representing about 75 per cent of our total United Kingdom business, were again badly affected.

Premium growth was buoyant in our domestic property account, mainly as a result of the introduction in 1979 of index-linking of sums insured and increased minimum premiums, but average claim costs rose by 25 per cent, well ahead of the rate of inflation, and the number of claims notified in the closing months of the year was very heavy, despite the absence of any extreme weather conditions. The account showed an underwriting loss of £6.7m compared with a loss of £3.9m in 1979. Premium rates and minimum premiums were again increased in August 1980, but the full effect of these measures will not be seen until 1981.



Competition in the motor insurance market was severe. The two premium rate increases of 9 per cent in February and August 1980 proved insufficient to offset the escalation in the average claim cost and the rise in expenses, and an underwriting loss of £3.4m was sustained, compared with £2.7m in 1979. Our United Kingdom motor rates were increased by an overall 10 per cent in February this year. Despite continued stringent underwriting measures, business in Northern Ireland remains very unsatisfactory.

Our commercial fire and consequential loss insurance accounts were both profitable in spite of the record level of national fire losses and very difficult market conditions. Over-capacity in the United Kingdom fire market is such that premium rates are being depressed, frequently to uneconomic levels; there is very strong competition for business from all quarters. Our combined package policies for retail shops and hotels produced underwriting losses.

We experienced increasing competition for all classes of liability business throughout 1980 and maintained a selective approach to underwriting, but nevertheless we were able to achieve a satisfactory increase in premium income. A substantial improvement in the public liability section was partly offset by a deterioration in the employers' liability result; overall the account closed showing an underwriting loss, although smaller than in 1979.

**Fire and Accident Insurance —
Overseas**

	1980 £m	1979 £m	% increase
Premiums written	120.3	117.2	3
Underwriting result	(10.5)	(2.6)	

The development shown above in our overseas premium income was affected by the strength of sterling and by changes in the operation of our short-term business in Australia and South Africa. Excluding this business and adjusting for changes in exchange rates, the underlying growth rate in premiums written was 17 per cent.

P00019369

Premium income in Canada increased by 20 per cent to C\$138.4m (£48.5m). We had been aware that the competitive nature of this market, which had caused us to postpone necessary rate increases, would lead to less favourable results than those of recent years. The decline was even more severe than expected and we suffered an underwriting loss of £2.9m, in spite of an improvement in the liability class and further satisfactory progress in accident and health business. There are now signs of a new realism in the market but we cannot be confident that the turn in the cycle will come soon enough to show in the 1981 trading results.

In Australia, as reported last year, we have combined our short-term general insurance business with that of Cornhill Insurance to form Prudential Cornhill Insurance, in which we have a holding of two-thirds. The results of this company are consolidated in these accounts. Although it is expected that ultimately the merger will lead to a reduction in the expense ratio and a corresponding improvement in the business, there has been no respite from the fierce competition in the market, and the first year of operation of the new company was very disappointing, producing an underwriting loss of £2.2m. Conditions in New Zealand were also adverse and we incurred an underwriting loss there as well.

We have also reorganised our business in South Africa with a view to improving profitability and since 1 January 1980 our short-term business there has been written through Phoenix Prudential Assurance, in which our shareholding is 37½ per cent. Our share of this company's results to its financial year end on 30 June 1980 is included in these accounts only to the extent of the dividend received. The first year of operation of our subsidiary company in Kenya proved satisfactory.

In Belgium the results of L'Escaut were affected by a special tax imposed on insurance companies, amounting to 1 per cent of premiums; this had the effect of increasing our underwriting loss by £0.3m. Our premiums in Belgium rose by 10 per cent to BFcs2,392m. (£31.8m). We made losses on our fire business in the face of continued strong competition. Motor results deteriorated, higher petrol prices no longer having the effect of limiting the use of private cars which was noticeable in 1979. Workmen's compensation and other accident insurance both gave better results.

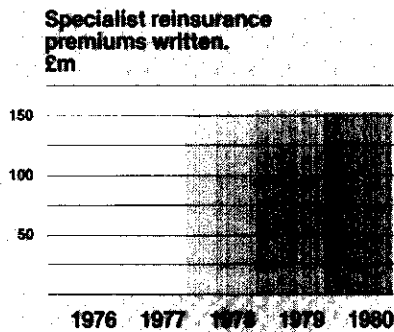
Elsewhere in Europe our business showed mixed results. In France, notwithstanding the intense competition which resulted from the abandonment of the fire insurance tariff, we were able to increase our business on a selective basis. A policy of selective underwriting was also followed in Holland, and resulted in underwriting profits; the volume of business was slightly reduced. Business in Germany was again unprofitable.

Elsewhere in the world trading conditions continued to be difficult and results were generally less satisfactory than in 1979. An underwriting profit was however achieved from business written on the London market.

Marine and Aviation

Premium income increased from £7.7m to £8.9m but the underwriting result for 1980 showed a marked deterioration, the loss for the year more than doubling to £1.7m.

Specialist Reinsurance



Premiums written:

	1980 £m	1979 £m	% increase
Fire, accident and miscellaneous	135.2	135.8	-
Marine and aviation	18.2	18.1	1
	<u>153.4</u>	<u>153.9</u>	-

Underwriting result

(12.4) (4.1)

In 1980 the acute competition for international reinsurance business continued against a background of depressed economic conditions. In these circumstances rate cutting, often to unrealistic levels, was widespread, and we therefore adopted a very cautious approach to the acceptance of new business at Mercantile and General Reinsurance. The result of this policy was to contain the underlying increase in our premium income to about 9 per cent; because of the strength of the pound, premium income expressed in sterling shows a marginal reduction.

The underwriting results reported in these accounts reflect, to a large extent, the developing experience of reinsurance written in 1979; this proved to be a year of heavy underwriting losses in a number of areas. In particular the fire results have been severely affected by both hurricane losses in the Americas and the incidence of an unusually large number of major fires affecting many countries where we have a substantial portfolio of business.

Marine and aviation business has also been extremely unprofitable due to a large number of major casualties in 1979.

Investment Income

Investment income from short-term business increased from £32.5m to £33.6m, a rise of 3 per cent. However, this figure is best considered in conjunction with the investment income on shareholders' funds, since they both contribute directly to the profits for the year. Combining these two items gives a figure for investment income before tax of £52.5m compared with £48.7m in 1979, an increase of 8 per cent. The underlying increase, assuming unchanged exchange rates and allowing for the effect of a number of non-recurrent factors, was 14 per cent.

Progress Report Investments

	Life business £m	General insurance and Shareholders £m	Other funds under management £m
Investment Funds under Management			
New money in 1980	704	64	129
Total market value at the end of 1980	<u>8,650</u>	<u>660</u>	<u>750</u>
Net Investment 1980			
Funds arising in the United Kingdom			
British Government securities	280	(12)	38
Other fixed income securities (including mortgages on property)	19	32	—
Ordinary shares — United Kingdom	65	(1)	59
Ordinary shares — overseas	100	1	14
Property	59	11	3
Increase in uninvested cash	77	2	4
	<u>600</u>	<u>33</u>	<u>118</u>
Funds arising overseas			
Fixed income securities (including mortgages on property)	71	34	5
Ordinary shares	16	4	4
Property	11	1	—
Increase in uninvested cash	6	(8)	2
	<u>104</u>	<u>31</u>	<u>11</u>

In 1980 we continued a policy of substantial investment in British Government securities for our life and pensions business, albeit at a lower rate than in 1979. The prospects of lower inflation towards the end of the year allied with the deepening recession in the United Kingdom led to a reduction in yields and corresponding increase in market values.

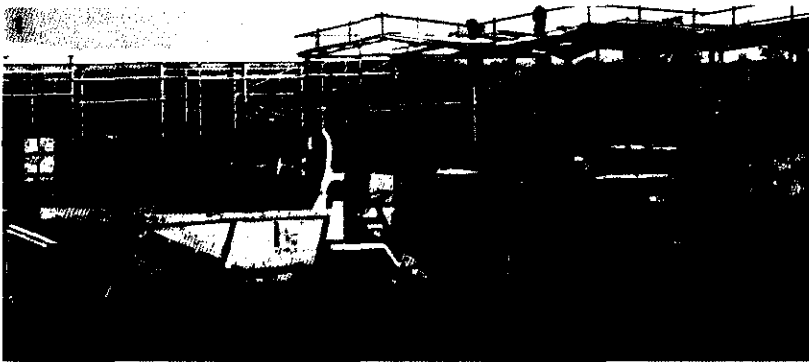
United Kingdom equities had a buoyant year with prices rising on average by some 27 per cent. Dividends on our United Kingdom equity portfolios rose, but it is becoming clear that as a result of the economic situation profits of industrial companies are coming under pressure and this is leading to a lower rate of dividend growth.

After the removal of United Kingdom exchange control restrictions towards the end of 1979, we took the opportunity to increase the proportion of funds invested in overseas equities. This is discussed in greater detail below.

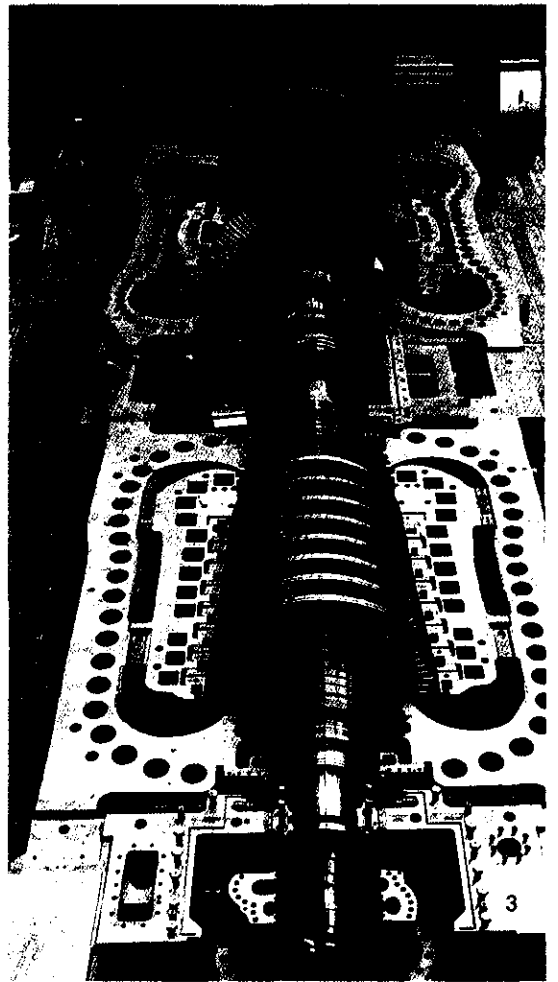
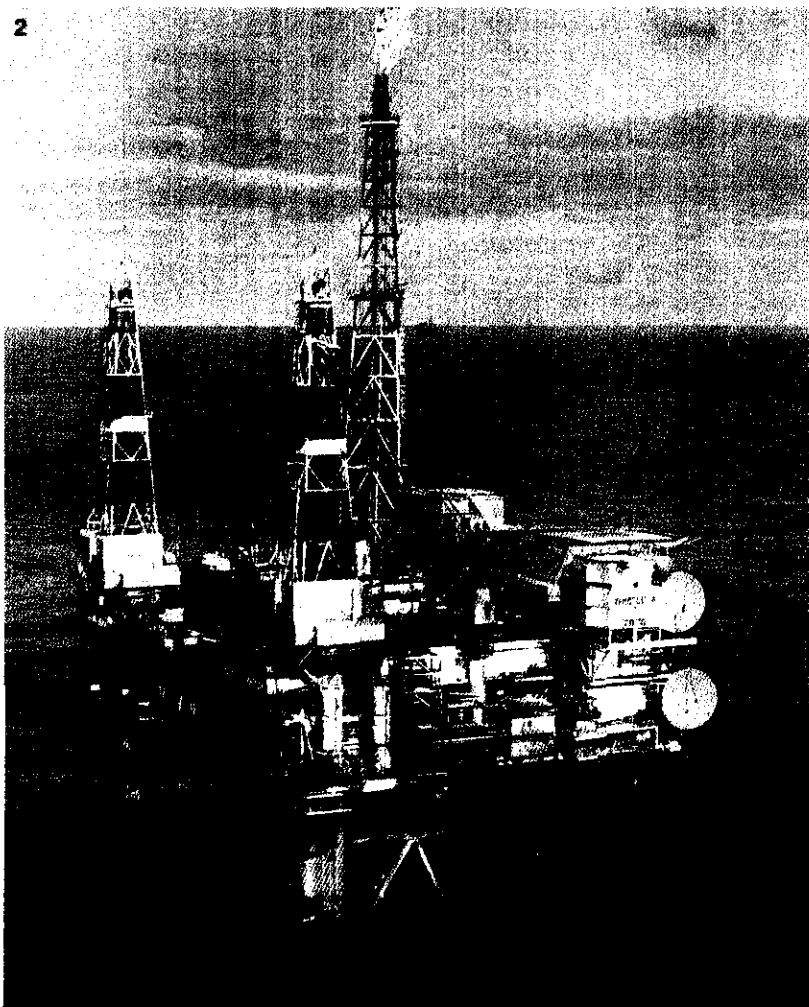
The market for the best quality investment properties in the United Kingdom has remained extremely keen. We have therefore continued our policy, particularly in the life funds, of seeking developments which are likely to show better returns. Some 40 per cent of 1980 property investment arose in this way. We have also continued to seek opportunities for selling properties with less potential, thereby raising nearly £13m.

A significant part of the total new money which we manage in the United Kingdom relates to the rapidly growing unit-linked pension and individual life business. For this business the class of asset in which investment is made is often entirely at the client's discretion.

The pattern of investment of funds arising overseas once again reflects the regulatory constraints which emphasise fixed interest investment. P00019372



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3



4

1 Prudential's development at Oakley Hall Industrial Estate, Corby.

2 Thistle 'A' production platform. BNOC, Charterhouse Petroleum and Prudential investment at work in the North Sea. Photo by BNOC.

3 GEC constructing a turbine for export. Our shareholding in GEC is one of our largest investments. Photo by GEC.

4 King Edward Court, Windsor. Prudential's £10m shopping development bridges the gap between old and new Windsor.

5 HM The Queen at the opening of King Edward Court in April 1980.



P00019373

2061-024

**United Kingdom Development
and Venture Capital Projects**

Whilst most of our United Kingdom equity investments are in companies which have a listing on the stock market, we have always been willing to consider supporting companies or ventures where such a listing might be inappropriate. This category of investments is particularly suitable for long-term funds such as those we manage for our life policyholders and for client pension funds.

In 1977 we decided, in association with the Midland Bank and the British Gas Pension Fund, to form a company, Moracrest Investments Limited, to invest up to £15m in the equity of progressive private companies. Progress has been encouraging and investments have been made in a wide range of industries.

The discovery of offshore oil has been one of the most important factors to affect the United Kingdom economy in the post-war period. We were one of the few savings institutions to participate in some of the early rounds of North Sea licence applications. This policy continues through our subsidiary Barnard Enterprises which, in conjunction with a number of oil companies and investors, applied for licences in the Seventh Round to drill for oil and gas in the English Channel, Moray Firth and North Sea. We enjoyed considerable success with our applications and obtained interests in a total of eighteen blocks through a number of consortia whose members include nine different operating companies. We have made an initial commitment of £6m to cover seismic work and exploration drilling on these blocks.

During 1980 we formed a new company, Prutec, to encourage innovation and enterprise in the profitable application of modern technology in British industry. An initial sum of £20m has been committed to this venture and a start has been made in identifying promising areas including robotics, sensor technology and information storage. The new company will be working closely with Patscentre International, who are world leaders in the application of technology to the development of new products and processes.

We have also acquired shareholdings in a variety of intermediaries providing finance of a specialised nature. These include such diverse ventures as Celltech, in the rapidly developing field of biotechnology, and Rainford Venture Capital, a subsidiary of Pilkington Brothers Limited, which is financing new business formation in St Helens.

Overseas Equity Portfolios

Following the complete removal of United Kingdom exchange controls in October 1979 we reviewed the case for holding foreign equities in the United Kingdom funds and decided to enlarge the proportion of the ordinary share portfolios represented by overseas equities to an initial level of 10 per cent. By the end of 1980, entirely by investing new money, this target had been achieved and the market value of the combined international funds (excluding funds arising outside the United Kingdom) exceeded £350m. This total includes extensive portfolios in North America, the Far East and Europe.

These portfolios are managed entirely from London by our international department, which has been considerably expanded and strengthened during the last five years. This team includes not only experienced portfolio managers familiar with all the important capital markets of the world but also specialists in economic and currency research.

The large increase in overseas equity investments under management reflects in part the rapid growth of funds managed for external clients. We expect this to remain an important factor in the future as potential clients, particularly pension funds, recognise the benefits of diversifying their investment portfolios by including a proportion of carefully selected investments in other economies.

Directors' Report

for the year ended 31 December 1980

Principal Activity

Prudential Corporation Limited is the Group holding company and the principal activity of its subsidiaries is transacting insurance and reinsurance business of all classes in the United Kingdom and overseas. Particulars of principal subsidiary companies are given in notes on the accounts on page 34.

Accounts

The Consolidated Balance sheet on page 29 shows the state of affairs of the Group at 31 December 1980. The Company's Balance sheet appears on page 30 and the Consolidated Profit and loss account on page 28.

There is a five-year review of the Group on page 41.

Dividends

The Directors have declared a final dividend for 1980 of 7.0p per share payable on 28 May 1981 to shareholders on the Register at close of business on 30 April 1981. The dividend for the year, including the interim dividend of 4.0p per share paid in November 1980, amounts to 11.0p per share compared with 9.5p per share for 1979.

Directors

The present Directors of the Company are shown on page 5.

The Directors retiring by rotation are Edward Preston Hatchett FIA, Angus Fraser Murray CBE FIA, The Rt Hon Lord O'Brien of Lothbury GBE PC and Sir Ronald Hugh Owen FIA. They offer themselves for re-election. John Anthony Tristram Barstow DSO TD DL also retires by rotation but does not offer himself for re-election.

The Directors recommend the election of Peter Edward Moody FIA.

The Rt Hon Lord Caccia GCMG GCVO retired on 31 December 1980.

Directors' Shareholdings

According to the Registers kept under Section 29 of the Companies Act 1967, Directors' interests in shares of the Company were as follows:

	Shares of 25p each			
	On 31.12.80		†On 1.1.80	
	Beneficially held	Other interest	Beneficially held	Other interest
Lord Carr of Hadley	2,000		2,000	
W G Haslam (elected 29.5.80)	2,500		2,500	
J E Ramsden	2,400		2,400	
J A T Barstow	17,500	30,783	15,000	32,133
Lord Caccia	2,400		2,400	
H G Clarke	4,824		4,824	
D M C Donald	3,600		3,600	
E P Hatchett	2,064		2,064	
Sir John Hogg	4,392		4,392	
Lord Hunt of Tanworth (appointed 7.2.80)	2,000		2,000	
A F Murray	2,400	918	2,400	918
Lord O'Brien of Lothbury	2,400		2,400	
Sir Ronald Owen	6,000		6,000	
F M Redington	3,600		3,600	
D A Reid	152,256	379,161	152,256	412,393
R S Skerman (elected 29.5.80)	2,500		2,500	
Sir Peter Tennant	2,400		2,400	

†(or date of election or appointment if later)

Except as stated above none of the Directors had an interest, either at the beginning or at the end of the year, in any shares in or debentures of the Company or of its subsidiaries.

There has been no change in Directors' shareholdings between 31 December 1980 and 3 April 1981.

P00019375

Substantial Shareholdings As far as the Directors were aware at 3 April 1981 no person has a shareholding of 5 per cent or more of the share capital of the Company.

Employees The average number of persons employed by the Company and its subsidiaries in the United Kingdom in each week of 1980 was 23,002 and the aggregate remuneration paid or payable in respect of these employees during 1980 amounted to £171,196,211.

Donations During the year the Company and its subsidiaries gave £169,156 in the United Kingdom and £48,283 overseas for charitable purposes.

Auditors In accordance with Section 14 of the Companies Act 1976, a resolution proposing the reappointment of Deloitte Haskins & Sells as auditors to the Company will be put to the Annual General Meeting.

Number of Shareholders The number of shareholders on the register at the end of the year was:

	1980	1979
	31,100	32,600

Analysis of Shareholdings in the Company at 31 December 1980

	1980	1979
	%	%
Banks (mainly nominee holdings)	36.5	38.7
Insurance companies	13.0	12.7
Pension funds	21.7	17.8
Investment trusts	2.3	2.4
Other corporations	6.4	6.6
Individuals	20.1	21.8
	100.0	100.0

Carr of Hadley
Chairman
15 April 1981

Consolidated Profit and Loss Account

year ended 31 December 1980

	Note	1980 £m	1979 £m
Profits after taxation from:			
Ordinary life business	10	22.4	18.5
Industrial life business	10	7.1	5.7
General insurance business	10	2.5	11.6
Investment and other income less expenses	1i & 5	17.8	15.1
		49.8	50.9
Less Taxation	11	7.3	5.3
Profit for the year after taxation	6	42.5	45.6
Dividends:			
Interim		11.9	10.4
Final		20.9	17.9
		32.8	28.3
Retained profit for the year		9.7	17.3

Earnings per share 14.2p 15.3p
Based on earnings of £42.5m (£45.6m) and 298,388,254 shares

	Note	1980 £m	1979 £m
Retained profit			
Balance at the beginning of the year		64.3	46.0
Retained profit for the year		9.7	17.3
		74.0	63.3
Transfer (to)/from Investment reserve	6	(1.8)	1.0
Loss on sale of investments of the Company		(0.2)	—
Balance at the end of the year		72.0	64.3

P00019377

Consolidated Balance Sheet

31 December 1980

	Note	1980 £m	1979 £m
Shareholders' funds			
Share capital	3	74.6	74.6
Share premium		46.4	46.4
Retained profit		72.0	64.3
		193.0	185.3
Insurance funds			
Ordinary life business		4,847.7	4,138.3
Industrial life business		1,374.4	1,235.6
General insurance business		365.0	339.9
		6,780.1	5,899.1
Investments			
	1d		
Ordinary stocks and shares		1,905.8	1,592.6
Properties		1,698.3	1,494.2
British Government securities		1,624.0	1,341.2
Other fixed income securities		917.4	880.1
Mortgages and loans		441.4	444.5
		6,586.9	5,752.6
Market value	1e	9,310.0	7,510.0
Other assets			
Tax recoverable		6.0	17.4
Debtors		319.0	300.3
Deposits, bank balances and cash		334.7	262.6
		7,246.6	6,332.9
Less			
Other liabilities and provisions			
Outstanding claims		204.9	191.9
Other creditors		149.4	127.3
Unsecured loans in overseas currencies	4	63.4	61.7
Bank loans and overdrafts	4	21.4	27.7
Deferred taxation	11	23.4	20.7
Taxation		9.6	12.9
Loan stocks of a subsidiary	4	2.2	2.4
Final dividend		20.9	17.9
		495.2	462.5
		6,751.4	5,870.4
Goodwill	1c	28.7	28.7
		6,780.1	5,899.1

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Balance Sheet of the Company

31 December 1980

	Note	1980 £m	1979 £m
Shareholders' funds			
Share capital	3	74.6	74.6
Retained profit	6	8.1	7.4
		82.7	82.0
Investments			
British Government securities	1d	6.6	4.8
<i>(Market value £7.3m (1979 £4.4m))</i>	1e		
Shares in subsidiaries		74.6	74.6
Other assets			
Tax recoverable		0.1	—
Amounts due from subsidiaries		20.9	19.2
Other debtors		—	0.1
Deposits and bank balances		1.4	1.4
		103.6	100.1
<i>Less</i>			
Liabilities and provisions			
Creditors		—	0.1
Deferred taxation	11	—	0.1
Final dividend		20.9	17.9
		82.7	82.0

F B Corby *Group General Manager*

Carr of Hadley *Chairman*

D M C Donald *Director*

15 April 1981

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Source and Application of Funds

of the Group (excluding Life)
year ended 31 December 1980

	1980 £m	1979 £m
Source of funds		
Profit for the year after taxation	42.5	45.6
Adjustment to opening balance of Retained profit	—	1.3
Transfer (to)/from Investment reserve	(1.8)	1.0
Loss on sale of investments of the Company	(0.2)	—
	40.5	47.9
Adjustment for item not involving movement of funds:		
Depreciation	1.5	2.0
	42.0	49.9
Increase in General insurance business funds	25.1	21.1
	67.1	71.0
Application of funds		
Dividends paid	29.8	26.1
Increases/(decreases) in investments:		
Ordinary stocks and shares	7.4	17.5
Properties	9.2	11.4
British Government securities	(11.6)	(19.0)
Other fixed income securities	36.9	21.2
Mortgages and loans	(0.8)	3.7
	41.1	34.8
Movement in other assets, liabilities and provisions		
Debtors	10.0	18.8
Outstanding claims	(8.2)	(12.5)
Taxation	(2.7)	5.6
Unsecured loans in overseas currencies	(1.6)	12.5
Loan stocks of a subsidiary	0.2	0.3
Other creditors	5.7	(10.9)
Deposits, bank balances and cash	(13.0)	2.6
Bank loans and overdrafts	5.8	(6.3)
	(3.8)	10.1
	67.1	71.0

Changes have been made this year in the method of computing the above statement so that it is more readily reconcilable with the accounts. Comparative figures have been adjusted accordingly.

Movements during the year include the effect of exchange revaluation and are after application of the balances of Investment reserve accounts.

1. Group accounting policies The principal accounting policies of the Group are set out below.

(a) Disclosure requirements

As most of the Company's subsidiaries are insurance companies the group accounts do not disclose certain information, including some relating to provisions and reserves, which they are exempt from disclosing under the provisions of the Companies Acts 1948 and 1967.

For insurance business, with the exception of linked business, profits and losses on the realisation of investments, taxes thereon and exchange adjustments are excluded from the reported revenue results and dealt with through Investment reserve accounts. Transfers may be made from time to time from or to the respective Revenue or Profit and loss accounts.

For linked business, movements in the market values of investments for the year together with realised profits or losses are dealt with in the Revenue accounts.

(b) Basis of consolidation

The group accounts incorporate the assets and liabilities of the Company and all its subsidiaries at 31 December and the results for the year ended on that date with the exception of London Indemnity and General Insurance Company Limited whose accounts are not included in the group accounts as it would be misleading to do so; with the approval of the Department of Trade the particulars otherwise required to be given in accordance with paragraphs 15(4) and (6) of the Eighth Schedule to the Companies Act 1948 are omitted.

The results of subsidiaries acquired or disposed of are brought into the accounts from the date of acquisition or up to the date of disposal.

(c) Goodwill

Goodwill represents the difference between the Balance sheet values of the investments in subsidiaries and their net asset values at their dates of acquisition adjusted by application of reserves.

(d) Balance sheet values of investments and subsidiaries

With the exception of those related to linked business, investments are stated mainly at cost, but are:

- (i) increased in the life funds of certain insurance subsidiaries by unrealised margins transferred to the Revenue accounts,
- (ii) adjusted in all branches of the insurance subsidiaries by the application of the balances of Investment reserve accounts,
- (iii) after deducting depreciation on certain properties.

Linked business investments are included at market value.

In the Balance sheet of the Company shares in subsidiaries are stated at cost.

(e) Market values of investments

Market values are based on market quotations where available. In all other cases values are estimated by the directors of the various companies.

(f) Exchange rates

Foreign currency assets and liabilities and revenue transactions for the year are translated at rates of exchange ruling at the end of the year. However, certain currency investments held in the UK are translated at the rates of exchange ruling on the dates of acquisition and certain revenue transactions are translated at rates of exchange ruling on the dates of the respective transactions.

(g) Long-term business

Long-term insurance profits are allocated from the surpluses determined as the result of annual actuarial valuations. The amount of the surplus allocated to shareholders is determined by the directors of the companies concerned in accordance with their Articles of Association.

(h) Short-term business

Unearned premium reserves for direct fire and accident insurance business are calculated on a proportional basis having regard to the premiums in force each month, with a deduction of 20 per cent for acquisition costs. Unexpired risk reserves are maintained to cover the estimated excess of liabilities over the unearned premium reserves.

Outstanding claims include provisions for claims incurred but not reported at the Balance sheet date.

The underwriting results on marine, aviation and transport business are determined at the end of the second year following the year of account to which that business relates, after allowing for all outstanding premiums and claims. Premiums less claims paid and expenses relating to the two open years of account are carried forward and increased if necessary, so that the funds for each year are sufficient to meet the estimated cost of all outstanding claims, whether notified or not, and the claims expected on unexpired risks.

Fire and accident proportional reinsurance business is dealt with on a two year basis, unearned premiums and outstanding claims being calculated on bases depending on individual contract terms. Non-proportional business is dealt with on a funded basis.

(i) Investment income

Dividends on ordinary shares are included on the basis of the date on which payment is due except those relating to linked business, which are included by reference to ex-dividend dates. All other income is included on an accruals basis. Investment income is adjusted for accrued income included in the purchases and sales of securities so as to match the income with the period for which the security has been held.

UK dividends are grossed up by the amount of the attaching tax credit.

Group investment income is shown less depreciation and after interest payable.

(j) Depreciation

The provisions of the UK accounting standard on depreciation have not been applied as investment properties are exempted for the current year.

However, depreciation on freehold and long leasehold properties is provided on the excess in any year of the total book values over the current site values. Leasehold properties are amortised over the last 50 years or less of the lease.

Motor vehicles, furniture and office equipment are written off in the year of purchase. Major capital expenditure on computer equipment, development costs and plant and machinery in investment properties is amortised by equal annual instalments over the estimated useful life.

(k) Taxation

Taxation is charged on all profits and income earned to date, less reliefs.

Provision under the liability method is made for all potential taxation arising from short-term timing differences and from originating timing differences which cannot be demonstrated with reasonable probability to continue into the foreseeable future.

(l) Retirement benefit schemes

Liabilities in respect of retirement benefit schemes for directors and employees of the group are met through contributions to pension funds. Such contributions are assessed on actuarial bases designed so that the funds will be adequate to provide the pensions and other benefits expected to arise in the future under the rules of the schemes.

2. Subsidiary companies

Particulars of principal subsidiary companies, wholly owned unless otherwise stated, are as follows:

Name	Class of share held	Country of incorporation or registration and principal operation unless otherwise stated
Compagnie d'Assurance de l'Escaut SA	Shares n.p.v.	Belgium
The Mercantile and General Reinsurance Company Limited	Shares £1	Scotland (operating principally in UK)
The Prudential Assurance Company Limited	Shares 25p	England
The Prudential Assurance Company of South Africa Limited	Shares R1	South Africa
Prudential Cornhill Insurance Company of Australia Limited	Shares A\$1 (66.67%)	Australia
Prudential Pensions Limited	Shares £1	England
Prudential Portfolio Managers Limited	Shares £1	England
The Standard Trust Limited	Ordinary Shares 25p 3½% Cumulative Preference Stock (99.9%)	England
Vanbrugh Life Assurance Limited	Ordinary Shares £1	England

Of these, only The Prudential Assurance Company Limited is a direct subsidiary of the Company. The principal activity of these subsidiaries is insurance with the exception of Prudential Portfolio Managers Limited, an investment management company, and The Standard Trust Limited which is an investment trust.

In view of the number involved, other subsidiaries which do not materially affect the amount of the profit of the Group or the amount of its assets are not shown.

3. Share capital

The Company's authorised Share capital is £87,500,000 in 350,000,000 shares of 25p each of which 298,388,254 shares have been issued fully paid.

4. Loans

The unsecured loans in overseas currencies fall due for settlement in 1981. Bank loans and overdrafts are repayable in one year or less, or on demand. Loan stocks of a subsidiary are repayable by the following dates:

	£m
1985	1.1 at 3¾%
1985	0.1 at 4¼%
1988	1.0 at 5½%
	2.2

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5. Interest on loans

Interest on loans and bank overdrafts deducted from group investment income, including that of the life and general insurance business is as follows:

	1980 £m	1979 £m
Repayable within 5 years	8.9	11.4
Others	0.1	0.1

6. Profit and loss account

Profit of the Company for the year after taxation (1979 £31.0m)	£m 33.7
Less Dividends	32.8
	0.9
Loss on sale of investments of the Company	(0.2)
Movement in retained profit of the Company	0.7

The transfer to Investment reserve is in respect of undistributable profits arising from adjustments to the results of certain subsidiary companies to bring their accounting policies into line with those of the Group.

7. Major shareholdings

The Group holds shares in 27 companies, other than subsidiaries, in which the holding of at least one class of equity shares amounts in nominal value to one fifth or more of the issued shares of that class. In view of the number involved and as their combined market values amount to less than 0.3 per cent of the market value of the Group's total investments, details relating to individual companies are not shown.

Of these, 20 come within the definition of associated companies but due to their insignificance and the fact that several are held wholly or partly as investments of the life funds, their effect on the shareholders' interests is not considered material. They are therefore not listed nor are their results included in the group accounts except to the extent of dividends received.

The Group also holds shares in a further 30 companies in which the holding exceeds one tenth. In view of the number involved and as their combined market values amount to less than 0.8 per cent of the market value of the Group's total investments, details relating to individual companies are not shown.

8. Auditors' remuneration

The remuneration of the auditors of the Company and its subsidiaries excluding VAT amounted to £568,000 (£483,000).

9. Commitments

The Group is committed to capital expenditure not provided of £3.8m (£7.8m) and expenditure authorised but not contracted of £0.1m (£2.4m) in respect of office buildings and computer equipment.

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10. Insurance business

**Life business
Revenue accounts**

	Note	Ordinary life business		Industrial life business	
		1980 £m	1979 £m	1980 £m	1979 £m
Premium income		767.0	675.5	253.3	213.5
Investment income	1i & 5	450.3	379.1	157.8	140.6
Other income*		173.3	56.6	32.1	21.2
		1,390.6	1,111.2	443.2	375.3
<i>Less:</i>					
Claims		436.0	374.7	176.5	142.7
Commission and expenses		159.4	128.5	106.3	87.5
Taxation	11	28.7	26.9	14.7	16.6
Increase in liability to policyholders		484.6	351.4	25.4	30.3
		1,108.7	881.5	322.9	277.1
Surplus for distribution		281.9	229.7	120.3	98.2
Policyholders' bonuses		259.5	211.2	113.2	92.5
Transfers to Consolidated Profit and loss account	1g	22.4	18.5	7.1	5.7

*includes (i) part of unrealised margin of market values of investments over their Balance sheet values
(ii) increase in value of investments related to linked business.

**Life business
Balance sheets**

Insurance funds		4,847.7	4,138.3	1,374.4	1,235.6
Investments	1d				
Ordinary stocks and shares		1,355.6	1,095.0	403.9	358.8
Properties		1,279.5	1,121.8	383.5	344.8
British Government securities		1,091.4	870.7	460.5	386.7
Other fixed income securities		584.5	573.2	72.0	82.9
Mortgages and loans		348.1	341.3	63.5	72.6
		4,659.1	4,002.0	1,383.4	1,245.8
<i>Market value</i>	1e	6,150.0	4,940.0	2,500.0	2,000.0
Other assets					
Tax recoverable		5.4	9.3	—	—
Debtors		157.0	147.5	28.4	33.3
Deposits, bank balances and cash		247.0	175.1	39.5	23.6
		5,068.5	4,333.9	1,451.3	1,302.7
<i>Less:</i>					
Other liabilities and provisions					
Outstanding claims		40.7	36.8	6.5	5.6
Other creditors		89.5	74.5	39.8	31.1
Unsecured loans in overseas currencies	4	43.3	37.2	18.5	24.5
Bank loans and overdrafts	4	25.0	26.1	3.3	—
Deferred taxation	11	14.8	12.3	5.3	4.8
Taxation		7.5	8.7	3.5	1.1
		220.8	195.6	76.9	67.1
		4,847.7	4,138.3	1,374.4	1,235.6

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**General insurance business
Revenue account**

	Note	1980 £m	1979 £m
Premiums written		456.0	416.7
Less Increase in insurance liability		50.0	40.9
		406.0	375.8
Long-term business investment income	1i & 5	6.9	6.2
		412.9	382.0
<i>Less:</i>			
Claims		275.2	246.1
Commission and expenses		171.6	151.1
		446.8	397.2
Underwriting profit/(loss)		(33.9)	(15.2)
Short-term business investment income	1i & 5	33.6	32.5
Profit/(loss)		(0.3)	17.3
Taxation	11	(2.8)	5.7
Transfer to Consolidated Profit and loss account		2.5	11.6

**Shareholders' and
General insurance business
Balance sheets**

	Note	Shareholders'		General insurance business	
		1980 £m	1979 £m	1980 £m	1979 £m
Shareholders' funds		193.0	185.3	—	—
Insurance funds		—	—	365.0	339.9
Investments	1d				
Ordinary stocks and shares		48.0	43.9	98.2	94.9
Properties		8.5	7.3	26.8	20.3
British Government securities		39.2	46.7	33.0	37.1
Other fixed income securities		51.0	40.2	209.9	183.8
Mortgages and loans		—	1.3	29.8	29.3
		146.7	139.4	397.7	365.4
<i>Market value</i>	1e	170.0	140.0	490.0	430.0
Other assets					
Tax recoverable		0.7	3.2	3.3	6.4
Debtors		37.4	40.5	136.9	132.2
Deposits, bank balances and cash		12.6	8.8	43.8	60.6
		197.4	191.9	581.7	564.6
<i>Less:</i>					
Other liabilities and provisions					
Outstanding claims		—	—	157.7	149.5
Other creditors		4.4	6.9	56.4	68.0
Unsecured loans in overseas currencies	4	1.6	—	—	—
Bank loans and overdrafts	4	—	5.2	1.3	1.9
Deferred taxation	11	3.7	2.6	(0.4)	1.0
Taxation		0.3	0.3	1.7	4.3
Loan stocks of a subsidiary	4	2.2	2.4	—	—
Final dividend		20.9	17.9	—	—
		33.1	35.3	216.7	224.7
Goodwill	1c	164.3	156.6	—	—
		28.7	28.7	—	—
		193.0	185.3	365.0	339.9

11. Taxation	Ordinary life business		Industrial life business		General insurance business		Profit and loss	
	1980 £m	1979 £m	1980 £m	1979 £m	1980 £m	1979 £m	1980 £m	1979 £m
Corporation tax at 52% less reliefs	5.8	3.4	1.4	--	(4.6)	4.8	5.9	5.9
Double taxation relief	(0.4)	(0.3)	(0.4)	--	(1.5)	(4.2)	(0.7)	(0.8)
Tax on franked investment income	5.4	3.1	1.0	--	(6.1)	0.6	5.2	5.1
Overseas taxation	16.5	15.1	14.2	15.8	2.1	0.7	1.4	1.4
Adjustments re prior years	7.9	8.7	0.4	0.5	1.9	4.1	0.6	0.3
	29.8	26.9	15.6	16.3	(2.1)	5.4	7.2	6.8
	(3.4)	(1.8)	(1.4)	(0.3)	(0.5)	(1.3)	(1.1)	(1.4)
Deferred taxation:	26.4	25.1	14.2	16.0	(2.6)	4.1	6.1	5.4
Current year	2.5	1.9	0.5	0.6	(0.2)	1.6	0.5	0.1
Prior years	--	(0.1)	--	--	--	--	0.6	(0.2)
Group relief	(0.2)	--	--	--	--	--	0.1	--
	28.7	26.9	14.7	16.6	(2.8)	5.7	7.3	5.3

The table above gives details of the taxation charged in the Consolidated Profit and loss account on page 28 and in Revenue accounts (see note 10 pages 36 and 37) on all profits and income earned to date.

Tax on capital gains charged in the year against Investment reserve accounts amounts to £13.1m (£1.7m).

Deferred taxation in the Balance sheet of the Company relates to short term timing differences.

Deferred taxation in the Consolidated Balance sheet relates to:

	1980		1979	
	Potential liability £m	Amount provided £m	Potential liability £m	Amount provided £m
Short-term timing differences	20.7	20.7	16.5	16.5
Tax allowances	11.8	6.1	11.7	6.7
General insurance business reserves	2.7	(3.4)	3.0	(2.5)
	35.2	23.4	31.2	20.7

Maximum tax payable if investments were disposed of at market values:

Ordinary life business	219.0	--	140.0	--
Industrial life business	317.1	--	220.0	--
General insurance business	29.6	--	20.0	--
Profit and loss	10.7	--	5.0	--
	576.4		385.0	
	611.6	23.4	416.2	20.7

The close company provisions of the Income and Corporation Taxes Act 1970, as amended, do not apply to the Company.

12. Emoluments of Directors and senior employees

The aggregate amount of the emoluments of the Directors of the Company for the year was £215,208 (£194,716).

In addition, contributions made to pension schemes for Directors were £36,551 (£25,351).

The emoluments of each person who has been Chairman during the financial year so far as attributable to the period during which he was Chairman were

Sir Ronald Owen	£13,480 (£33,000)
Lord Carr	£20,652 (<i>nil</i>)

The table below shows the number of Directors of the Company and senior employees of the Group in the United Kingdom whose emoluments were within the bands stated:

Emoluments £	Number of Directors		Number of employees	
	1980	1979	1980	1979
1 to 5,000	—	1		
5,001 to 10,000	11	8		
10,001 to 15,000	1	1		
15,001 to 20,000	4	4		
20,001 to 25,000	—	—	222	76
25,001 to 30,000	1	—	40	15
30,001 to 35,000	—	1	12	7
35,001 to 40,000	—	—	14	2
40,001 to 45,000	—	—	1	3
45,001 to 50,000	—	—	1	1
50,001 to 55,000	—	—	2	1
55,001 to 60,000	—	—	2	—
60,001 to 65,000	—	—	—	1
65,001 to 70,000	—	—	1	—

13. Loans to and transactions with Directors and officers

During 1980 none of the Directors of the Company, nor any person connected with a Director of the Company, was granted, or had subsisting, a loan, guarantee or any other credit transaction by or with any company in the Group with the exception of Mr W G Haslam who had loans subsisting in 1980 from The Prudential Assurance Company Limited on his life policies with that Company as follows:

Liability at 1 January 1980	Maximum liability during 1980	Liability at 31 December 1980
£	£	£
2,209	2,290	1,350

There is no interest due and unpaid at 31 December 1980.

The interest of Directors in other transactions or arrangements was as follows:—

Sir Ronald Owen — During 1980 The Prudential Assurance Company Limited sold its freehold interest in Rivermead Court, a block of 214 flats, of one of which Sir Ronald Owen is tenant, to a tenants association company for the sum of £4m.

In neither of the above cases was the loan or transaction entered into on more favourable terms than those on which loans or transactions of the same nature are ordinarily entered into by The Prudential Assurance Company Limited.

Officers of the Company (other than Directors) had outstanding on 31 December 1980 loans from companies within the Group to a total of £124,828 and the number of officers concerned is 9. The loans were granted on terms ordinarily available for the staff of the companies concerned.

Reports of the Auditors and Group Chief Actuary

Report of the Group Chief Actuary

In my opinion the aggregate amount of the liabilities of the insurance subsidiaries in relation to long-term business at 31 December 1980 did not exceed the aggregate amount of those liabilities as stated or included in the Consolidated Balance sheet.

The surplus for distribution was not materially affected by alterations in actuarial valuation bases.

F B Corby
Group Chief Actuary

15 April 1981

Report of the Auditors to the members of Prudential Corporation Limited

We have audited the financial statements on pages 28 to 40 in accordance with approved Auditing Standards.

In our opinion, the Balance sheet of the Company gives a true and fair view of the state of the Company's affairs at 31 December 1980 and complies with the Companies Acts 1948 to 1980, and the Consolidated accounts comply with the provisions of the Companies Acts 1948 to 1980 applicable to insurance companies.

Deloitte Haskins & Sells
Chartered Accountants

London
15 April 1981

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Five Year Review of the Group

	1980 £m	1979 £m	1978 £m	1977 £m	1976 £m
Ordinary Life Business					
New business annual premiums	150.5	137.9	109.3	83.4	92.4
Revenue premium income	767.0	675.5	594.8	532.8	477.7
Investment income	450.3	379.1	298.7	250.9	216.2
Policyholders' bonuses	259.5	211.2	176.0	156.7	140.6
Balance sheet value of investments	4,659.1	4,002.0	3,537.7	3,131.9	2,778.9
Market value of investments	6,150.0	4,940.0	4,310.0	3,750.0	2,850.0
Industrial Life Business					
New business annual premiums	61.6	49.4	35.5	32.8	30.0
Revenue premium income	253.3	213.5	166.5	149.6	135.2
Investment income	157.8	140.6	112.5	96.0	83.0
Policyholders' bonuses	113.2	92.5	72.5	63.8	55.8
Balance sheet value of investments	1,383.4	1,245.8	1,155.1	1,043.9	985.2
Market value of investments	2,500.0	2,000.0	1,840.0	1,660.0	1,240.0
General Insurance Business					
Premiums written	456.0	416.7	394.4	358.4	321.9
Underwriting profit/(loss)	(33.9)	(15.2)	(4.2)	(9.5)	(10.3)
Investment income	33.6	32.5	27.2	23.4	21.5
Balance sheet value of investments	397.7	365.4	331.8	302.3	268.0
Market value of investments	490.0	430.0	390.0	360.0	290.0
Profit and Loss Account					
Profit from Ordinary life business	22.4	18.5	12.4	11.7	9.9
Profit from Industrial life business	7.1	5.7	4.8	4.2	3.7
Profit from General insurance business	2.5	11.6	16.2	10.4	6.3
Investment and other net income less tax	10.5	9.8	7.8	5.6	4.5
Profit after taxation	42.5	45.6	41.2	31.9	24.4
Retained profit for the year	9.7	17.3	17.1	12.1	8.0
Dividend per share	11.0p	9.5p	8.063p	6.648p	6.010p
Earnings per share	14.2p	15.3p	13.8p	10.7p	9.0p

1 The margin between market values and Balance sheet values is proportionately greater for Industrial life than for Ordinary life business mainly for three reasons:

- (i) the more rapid growth of the Ordinary life funds over recent years
- (ii) the growth of linked business, where investments are shown in the Balance sheet at market values
- (iii) certain overseas currency assets of the Ordinary life business are held to cover overseas liabilities amounting to 21 per cent of the total liabilities of that business. The market value of these assets has not changed to the same extent as that of UK assets, particularly in countries where there are local investment restrictions.

2 The margins between market values and Balance sheet values of investments are not in themselves a guide to the strength of a life business fund.

3 No allowance has been made for tax on capital gains that would arise if the assets were realised at the values shown (see note 11 on page 38).

Senior Officials of the Prudential Group of Companies

The Prudential Assurance Company Limited

President

K A Usherwood CBE FIA

Directors

The Rt Hon Lord Carr of Hadley PC
Chairman

D S Craigen
Chief General Manager

F B Corby FIA
Chief Actuary

W G Haslam DFC
Deputy Chairman

R E Artus
*Joint Secretary &
Chief Investment Manager*

B Medhurst FIA
*Joint Secretary &
Chief Investment Manager*

The Rt Hon J E Ramsden
Deputy Chairman

D C Bourdon FIA
General Manager

F G Wood FIA ACII
General Manager

Operations Manager UK
A L Davis F Inst M FBIM

Personnel and Services
Manager UK
R Worthy FCII

Assistant General Managers
J Hasloch FCCA ACII
J R Powell FBCS AIB
N H Rogers FCII
F M Simpson ACII

Assistant General Manager
& Actuary (Overseas)
J L Savage FIA FPMI

Marketing Manager
P R Meikle ACII

Agency Managers
L D Cary
J M B Stein

Manager – Personnel Practices
H J Hancock ACII

Manager – Personnel Policy
D E Jackson ACII

Senior Fire & Accident Managers
R S Hill FCII
W L Walker FCII
J R Wickison FCII

Manager – Management Services
E P Morris TD FBCS

Deputy Manager – Management
Services
F A Friedlos ACIS

Investment Managers

J W Findlay
M G Newmarch

Joint Chief Surveyors
P G Green FRICS
M H Mallinson FRICS

Deputy Investment Manager
D W Hanson FIA

Group Chief Accountant
J A Freeman FCA ACMA

Assistant Secretary
D J Hunter FCCA

Group Taxation Manager
R W Paget FCCA

Actuary (UK)

Miss M C Allanach FIA

Group Pensions Manager

D E Fellows FIA FPMI

Deputy Actuary (UK)

C E Barton FIA

Deputy Group Pensions Managers

R H Rawlinson FIA FPMI

J V Swales ACIS

Chief Legal Adviser

C F Whitehorn

Deputy Chief Legal Adviser

D F Roper

The Prudential Assurance Company Limited—continued

Australia and New Zealand

Investment Committee

Sir Allen Fairhall
R B Levey FIA
Sir William Pettingell
R Whyte

General Manager
†W H Lambert FISM FAIM

Assistant General Manager
Investments & Secretary
†H T Jackson FIA

Actuary
†D A Walsh MBA FIA

†Also members of the Investment Committee

Assistant General Manager
Personnel and Life Administration
C H Scott

Assistant General Manager
Life Agency
W R Hughes FAIM AISM
Dip MGT Dip All

Canada

Advisory Board – Local Directors

J N Cole
Chairman

R G Black QC
A P Bodiley MBE FCII
R B Casgrain
R R Latimer
H E McArthur
C W F McCain
R A Utting
I D Mair FCII
President

Senior Vice President
Property & Casualty
J J Rowen FIIC

Senior Vice President Life &
Actuary
M A P Beck FSA FCIA

Senior Vice President Corporate
Planning and Services
B B Dibben FIA FCIA ASA

Senior Vice President
Finance
D W Parkin FIA

Senior Vice President
Administration
J J Delorme

The Prudential Assurance Company of South Africa Limited

Directors

H A Williams
Chairman

D S Craigen
J B Ellingham FIA
General Manager

A J F Fergusson
H G James FIA
J L Savage FIA

F G Wood FIA ACII
E C Wrigley ACII

Deputy General Managers

R K Browne
P D Wharton-Hood

Actuary
G D Clay FIA

Chief Investment Manager

L A Travis ARICS

Secretary & Chief Accountant
G W Wheeler FCIS

Prudential Pensions Limited

Directors

D A Reid
Chairman

R E Artus
The Rt Hon Lord Carr of Hadley PC

H G Clarke FIA
F B Corby FIA
D E Fellows FIA FPMI

M G Newmarch
Investment Manager

T J L Richards FIA
General Manager & Actuary

Property Manager

P G Green FRICS

Mercantile and General Reinsurance Company Limited

Directors

D M C Donald WS
Chairman

J A S Neave CBE JP
Managing Director

R E Artus

Sir Alan Campbell GCMG

F B Corby FIA

C A W Dawes MC

The Rt Hon the Earl of Eglinton
& Winton

P J Howell FCIS

General Manager

The Rt Hon Lord Rawlinson of Ewell
PC QC

J P G Wathen FIB

Deputy General Managers

M B Brown FIA FCIA

H J Jarvis FIA

J Lock FCII

H M Patrick

Assistant General Managers

P E Crane FCA FCIS

J G Cuthill FCII

F E Guaschi FIA

M S Harvey FCA

R R Snook

Compagnie d'Assurance de l'Escaut S.A.

Directors

P Vanderlinden
Chairman

E Diercxsens
Managing Director

D W Hanson FIA

J de Laet

N H Rogers FCII

M van Strydonck

Manager

G Callens

Vanbrugh Life Assurance Limited

Directors

F B Corby FIA
Chairman

G T N Fortescue
Sales Director

M H Mallinson FRICS

M G Newmarch

Investment Manager

J K Stone FCII

Marketing Director

R L Sutton FIA

General Manager

Actuary

D J Wells FIA

Prudential Portfolio Managers Limited

Directors

R E Artus
Chairman

M G Newmarch
Chief Executive

D W Hanson FIA

M H Mallinson FRICS

T K Pullen

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