

Prudential Pensions Limited

Incorporated in England and Wales Registered No. 992726
121 Kings Road, Reading RG1 3ES
Registered Office 142 Holborn Bars, London EC1 2NH

Annual FSA Insurance Returns for the year ended 31st December 2004



(Appendices 9.1 , 9.3 , 9.4 , 9.6)

Prudential Pensions Limited

Year ended 31st December 2004

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Statement of solvency - long-term insurance businessName of insurer **Prudential Pensions Limited**

Global business

Financial year ended **31st December 2004**

Solo solvency calculation

	Company registration number	GL/UK/CM	Period ended			Units
			day	month	year	
R2	992726	GL	31	12	2004	£000
			As at end of this financial year		As at end of the previous year	
			1		2	

Capital resources

Capital resources arising within the long-term insurance fund	11		
Capital resources allocated towards long-term insurance business arising outside the long-term insurance fund	12	18069	
Capital resources available to cover long-term insurance business capital resources requirement (11+12)	13	18069	

Guarantee Fund

Guarantee Fund requirement	21	2087	
Excess (deficiency) of available capital resources to cover guarantee Fund requirement	22	15982	

Minimum capital requirement (MCR)

Long-term insurance capital requirement	31	5081	
Resilience capital requirement	32		
Base capital resources requirement	33	2087	
Minimum capital requirement	34	5081	
Excess (deficiency) of available capital resources to cover 50% of MCR	35	15528	
Excess (deficiency) of available capital resources to cover 75% of MCR	36	14258	

Enhanced capital requirement

With-profits insurance capital component	37		
Enhanced capital requirement	38	5081	

Capital resources requirement (CRR)

Capital resources requirement (greater of 34 and 38)	41	5081	
Excess (deficiency) of available capital resources to cover long-term insurance business CRR (13-41)	42	12988	

Contingent liabilities

Quantifiable contingent liabilities in respect of long-term insurance business as shown in a supplementary note to Form 14	51		
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Covering sheet to Form 2

Name of insurer **Prudential Pensions Limited**

Global business

Financial year ended **31st December 2004**

..... **G M Wood** **Chief Executive**

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

..... **R C Everett** **Director**

London, 24 March 2005

Components of capital resourcesName of insurer **Prudential Pensions Limited**

Global business

Financial year ended **31st December 2004**

	Company registration number	GL/UK/CM	Period ended			Units	
			day	month	year		
	R3	992726	GL	31	12	2004	£000
	General insurance business 1	Long-term insurance business 2	Total as at the end of this financial year 3			As at the end of the previous year 4	

Core tier one capital

Permanent share capital	11		6000	6000	
Profit and loss account and other reserves	12		13261	13261	
Share premium account	13				
Positive valuation differences	14				
Fund for future appropriations	15				
Core tier one in related undertakings	16				
Core tier one capital (sum of 11 to 16)	19		19261	19261	

Tier one waivers

Unpaid share capital / unpaid initial funds and calls for supplementary contributions	21				
Implicit items	22				
Tier one waivers in related undertakings	23				
Total tier one waivers as restricted (21+22+23)	24				

Other tier one

Perpetual non-cumulative preference shares as restricted	25				
Perpetual non-cumulative preference shares in related undertakings	26				
Innovative tier one capital as restricted	27				
Innovative tier one capital in related undertakings	28				

Total tier one capital before deductions (19+24+25+26+27+28)	31		19261	19261	
Investments in own shares	32				
Intangible assets	33				
Amounts deducted from technical provisions for discounting	34				
Other negative valuation differences	35		1179	1179	
Deductions in related undertakings	36				
Deductions from tier one (32 to 36)	37		1179	1179	
Total tier one capital after deductions (31-37)	39		18082	18082	

Components of capital resourcesName of insurer **Prudential Pensions Limited**

Global business

Financial year ended **31st December 2004**

	Company registration number	GL/UK/CM	Period ended			Units
			day	month	year	
R3	992726	GL	31	12	2004	£000
	General insurance business 1	Long-term insurance business 2	Total as at the end of this financial year 3			As at the end of the previous year 4

Tier two capital

Implicit items, (tier two waivers and amounts excluded from line 22)	41				
Perpetual non-cumulative preference shares excluded from line 25	42				
Innovative tier one capital excluded from line 27	43				
Tier two waivers, innovative tier one capital and perpetual non-cumulative preference shares treated as tier two capital (41 to 43)	44				
Perpetual cumulative preference shares	45				
Perpetual subordinated debt and securities	46				
Upper tier two capital in related undertakings	47				
Upper tier two capital (44 to 47)	49				

Fixed term preference shares	51				
Other tier two instruments	52				
Lower tier two capital in related undertakings	53				
Lower tier two capital (51+52+53)	59				

Total tier two capital before restrictions (49+59)	61				
Excess tier two capital	62				
Further excess lower tier two capital	63				
Total tier two capital after restrictions, before deductions (61-62-63)	69				

Components of capital resourcesName of insurer **Prudential Pensions Limited**

Global business

Financial year ended **31st December 2004**

	Company registration number	GL/UK/CM	Period ended			Units
			day	month	year	
R3	992726	GL	31	12	2004	£000
	General insurance Business 1	Long-Term insurance Business 2	Total as at the end of this financial year 3			As at the end of the previous year 4

Total capital resources

Positive adjustments for regulated non-insurance related undertakings	71				
Total capital resources before deductions (39+69+71)	72		18082	18082	
Inadmissible assets other than intangibles and own shares	73		13	13	
Assets in excess of market risk and counterparty limits	74				
Deductions for related ancillary services undertakings	75				
Deductions for regulated non-insurance related undertakings	76				
Total deductions of ineligible surplus	77				
Total capital resources after deductions (72-73-74-76-77)	79		18069	18069	

Available capital resources for PRU tests

Available capital resources for guarantee fund requirement	81		18069	18069	
Available capital resources for 50% MCR requirement	82		18069	18069	
Available capital resources for 75% MCR requirement	83		18069	18069	

Financial engineering adjustments

Implicit items	91				
Financial reinsurance - ceded	92				
Financial reinsurance - accepted	93				
Outstanding contingent loans	94				
Any other charges on future profits	95				
Sum of financial engineering adjustments (91+92+93+94+95)	96				

Analysis of admissible assetsName of insurer **Prudential Pensions Limited**

Global business

Financial year ended **31st December 2004**Category of assets **Total other than long term business assets**

			Company registration number	GL/UK/CM	Period ended			Units	Category of assets	
			R13	992726	GL	31	12	2004	£000	1
Investments							As at the end of this financial year 1		As at the end of the previous year 2	
Land and buildings						11				
Investments in group undertakings and participating interests	UK insurance business dependants	Shares	21							
		Debt securities issued by, and loans to, dependants	22							
	Other insurance dependants	Shares	23							
		Debt securities issued by, and loans to, dependants	24							
	Non-insurance dependants	Shares	25							
		Debt securities issued by, and loans to, dependants	26							
	Other group undertakings and participating interests	Shares	27							
		Debt securities issued by, and loans to, group undertakings	28							
		Participating interests	29							
		Debt securities issued by, and loans to, undertakings in which the insurer has a participating interest	30							
Total sheet 1 (11 to 30)						39				

Analysis of admissible assetsName of insurer **Prudential Pensions Limited**

Global business

Financial year ended **31st December 2004**Category of assets **Total other than long term business assets**

		Company registration number	GL/UK/CM	Period ended			Units	Category of assets	
		R13	992726	GL	31	12	2004	£000	1
Investments (continued) Deposits with ceding undertakings Assets held to cover linked liabilities					As at the end of this financial year 1		As at the end of the previous year 2		
Other financial investments	Equity shares			41					
	Other shares and other variable yield securities			42					
	Holdings in collective investment schemes			43					
	Rights under derivative contracts			44					
	Debt securities and other fixed income securities	Fixed interest	Approved securities	45					
			Other	46					
		Variable interest	Approved securities	47					
			Other	48					
	Participation in investment pools			49					
	Loans secured by mortgages			50					
	Other loans	Loans to public or local authorities and nationalised industries or undertakings		51					
		Loans secured by policies of insurance issued by the company		52					
		Other		53					
	Deposits with approved credit institutions and approved financial institutions	Withdrawal subject to a time restriction of one month or less		54	15200		17266		
		Withdrawal subject to a time restriction of more than one month		55					
	Other			56					
Deposits with ceding undertakings				57					
Assets held to match linked liabilities	Index linked			58					
	Property linked			59					
Reinsurers' share of technical provisions	Provision for unearned premiums			60					
	Claims outstanding			61					
	Provision for unexpired risks			62					
	Other			63					
Total sheet 2 (41 to 63)				69	15200		17266		

Analysis of admissible assetsName of insurer **Prudential Pensions Limited**

Global business

Financial year ended **31st December 2004**Category of assets **Total other than long term business assets**

Category of assets		Company registration number		GL/UK/CM	Period ended			Units	Category of assets
					day	month	year		
R13		992726		GL	31	12	2004	£000	1
Debtors					As at the end of this financial year 1			As at the end of the previous year 2	
Other assets									
Debtors arising out of direct insurance operations	Policyholders			71					
	Intermediaries			72					
Salvage and subrogation recoveries				73					
Debtors arising out of reinsurance operations	Due from ceding insurers and intermediaries under reinsurance business accepted			74					
	Due from reinsurers and intermediaries under reinsurance contracts ceded			75					
Other debtors	Due from dependants	Due in 12 months or less after the end of the financial year		76					
		Due more than 12 months after the end of the financial year		77					
	Other	Due in 12 months or less after the end of the financial year		78	1380			17	
		Due more than 12 months after the end of the financial year		79					
Tangible assets				80					
Cash at bank and in hand	Deposits not subject to time restriction on withdrawal, with approved credit institutions and approved financial institutions and local authorities			81	8941			350	
	Cash in hand			82					
Other assets (particulars to be specified by way of supplementary note)				83					
Prepayments and accrued income	Accrued interest and rent			84					
	Deferred acquisition costs			85					
	Other prepayments and accrued income			86					
Deductions from the aggregate value of assets				87					
Total sheet 3 (71 to 86 less 87)				88	10321			367	
Grand total of admissible assets after deduction of market risk and counterparty limits (39+69+88)				89	25521			17633	
Reconciliation to asset values determined in accordance with the insurance accounts rules									
Total admissible assets after deduction of market risk and counterparty limits (as per line 89 above)				91	25521			17633	
Assets in excess of market and counterparty limits				92					
Capital resources requirement deduction for subsidiary undertakings which are insurance undertakings				93					
Other differences in the valuation of assets (other than for assets not valued above)				94					
Other inadmissible assets				95					
Total assets determined in accordance with the insurance accounts rules (91 to 95)				99	25521			17633	
Amounts included in line 89 attributable to debts due from related insurers, other than those under contracts of insurance or reinsurance				100					

Analysis of admissible assets

Name of insurer **Prudential Pensions Limited**

Global business

Financial year ended **31st December 2004**

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

			Company registration number	GL/UK/CM	Period ended			Units	Category of assets	
			R13	992726	GL	31	12	2004	£000	10
Investments							As at the end of this financial year 1		As at the end of the previous year 2	
Land and buildings						11				
Investments in group undertakings and participating interests	UK insurance business dependants	Shares				21				
		Debt securities issued by, and loans to, dependants				22				
	Other insurance dependants	Shares				23				
		Debt securities issued by, and loans to, dependants				24				
	Non-insurance dependants	Shares				25				
		Debt securities issued by, and loans to, dependants				26				
	Other group undertakings and participating interests	Shares				27				
		Debt securities issued by, and loans to, group undertakings				28				
		Participating interests				29				
Debt securities issued by, and loans to, undertakings in which the insurer has a participating interest				30						
Total sheet 1 (11 to 30)						39				

Analysis of admissible assetsName of insurer **Prudential Pensions Limited**

Global business

Financial year ended **31st December 2004**Category of assets **Total long term business assets**

		Company registration number	GL/UK/CM	Period ended			Units	Category of assets	
		R13	992726	GL	31 day	12 month	2004 year	£000	10
Investments (continued) Deposits with ceding undertakings Assets held to cover linked liabilities						As at the end of this financial year 1		As at the end of the previous year 2	
Other financial investments	Equity shares			41					
	Other shares and other variable yield securities			42					
	Holdings in collective investment schemes			43					
	Rights under derivative contracts			44					
	Debt securities and other fixed income securities	Fixed interest	Approved securities	45		2048		2035	
			Other	46					
		Variable interest	Approved securities	47					
			Other	48					
	Participation in investment pools			49					
	Loans secured by mortgages			50					
	Other loans	Loans to public or local authorities and nationalised industries or undertakings		51					
		Loans secured by policies of insurance issued by the company		52					
		Other		53					
	Deposits with approved credit institutions and approved financial institutions	Withdrawal subject to a time restriction of one month or less		54				5330	
		Withdrawal subject to a time restriction of more than one month		55					
	Other			56					
Deposits with ceding undertakings				57					
Assets held to match linked liabilities	Index linked			58					
	Property linked			59		5231107		4545857	
Reinsurers' share of technical provisions	Provision for unearned premiums			60					
	Claims outstanding			61					
	Provision for unexpired risks			62					
	Other			63					
Total sheet 2 (41 to 63)				69		5233155		4553222	

Analysis of admissible assetsName of insurer **Prudential Pensions Limited**

Global business

Financial year ended **31st December 2004**Category of assets **Total long term business assets**

Category of assets		Company registration number		GL/UK/CM	Period ended			Units	Category of assets
					day	month	year		
R13		992726		GL	31	12	2004	£000	10
Debtors					As at the end of this financial year 1			As at the end of the previous year 2	
Other assets									
Debtors arising out of direct insurance operations	Policyholders			71	277			5180	
	Intermediaries			72					
Salvage and subrogation recoveries				73					
Debtors arising out of reinsurance operations	Due from ceding insurers and intermediaries under reinsurance business accepted			74					
	Due from reinsurers and intermediaries under reinsurance contracts ceded			75					
Other debtors	Due from dependants	Due in 12 months or less after the end of the financial year		76					
		Due more than 12 months after the end of the financial year		77					
	Other	Due in 12 months or less after the end of the financial year		78	2201			1616	
		Due more than 12 months after the end of the financial year		79					
Tangible assets				80					
Cash at bank and in hand	Deposits not subject to time restriction on withdrawal, with approved credit institutions and approved financial institutions and local authorities			81	2295			3013	
	Cash in hand			82					
Other assets (particulars to be specified by way of supplementary note)				83					
Prepayments and accrued income	Accrued interest and rent			84	10			80	
	Deferred acquisition costs			85					
	Other prepayments and accrued income			86					
Deductions from the aggregate value of assets				87					
Total sheet 3 (71 to 86 less 87)				88	4783			9889	
Grand total of admissible assets after deduction of market risk and counterparty limits (39+69+88)				89	5237938			4563111	
Reconciliation to asset values determined in accordance with the insurance accounts rules									
Total admissible assets after deduction of market risk and counterparty limits (as per line 89 above)				91	5237938			4563111	
Assets in excess of market and counterparty limits				92					
Capital resources requirement deduction for subsidiary undertakings which are insurance undertakings				93					
Other differences in the valuation of assets (other than for assets not valued above)				94	13			229	
Other inadmissible assets				95					
Total assets determined in accordance with the insurance accounts rules (91 to 95)				99	5237951			4563340	
Amounts included in line 89 attributable to debts due from related insurers, other than those under contracts of insurance or reinsurance				100					

Long term insurance business liabilities and marginsName of insurer **Prudential Pensions Limited**

Global business

Financial year ended **31st December 2004**Category of assets **Total long term business assets**

		Company registration number	GL/UK/CM	Period ended			Units	Category of assets	
				day	month	year			
		R14	992726	GL	31	12	2004	£000	10
			As at the end of this financial year 1	As at the end of the previous year 2			Source		
Mathematical reserves, after distribution of surplus		11	5222221	4539950			See Instruction 2		
Cash bonuses which had not been paid to policyholders prior to end of the financial year		12					See Instruction 3		
Balance of surplus/(valuation deficit)		13		4160			See Instruction 4		
Long term insurance business fund carried forward (11 to 13)		14	5222221	4544110			See Instruction 5		
Claims outstanding which had fallen due for payment before the end of the financial year	Gross amount	15	366	366					
	Reinsurers' share	16							
	Net (15-16)	17	366	366					
Provisions for other risks and charges	Taxation	21							
	Other	22							
Deposits received from reinsurers		23							
Creditors and other liabilities	Arising out of insurance operations	Direct insurance business	31						
		Reinsurance accepted	32	7575					
		Reinsurance ceded	33						
	Debenture loans	Secured	34						
		Unsecured	35						
	Amounts owed to credit institutions		36						
	Other creditors	Taxation	37						
		Other	38	15351	11060				
Accruals and deferred income		39							
Provision for "reasonably foreseeable adverse variations"		41							
Total other insurance and non-insurance liabilities (17 to 41)		49	15717	19001					
Excess of the value of net admissible assets		51				See Instruction 6			
Total liabilities and margins		59	5237938	4563111					
Amounts included in line 59 attributable to liabilities to related companies, other than those under contracts of insurance or reinsurance		61	1586	1463					
Amounts included in line 59 attributable to liabilities in respect of property linked benefits		62	5236352	4545857					
Amount of any additional mathematical reserves included in line 51 which have been taken into account in the appointed actuary's certificate		63				See Instruction 7			

Liabilities (other than long term insurance business)Name of insurer **Prudential Pensions Limited**

Global business

Financial year ended **31st December 2004**

		Company registration number	GL/UK/CM	Period ended			Units	
		R15	992726	GL	31 day	12 month	2004 year	£000
				As at the end of this financial year 1		As at the end of the previous year 2		
Technical provisions (gross amount)	Provision for unearned premiums		11					
	Claims outstanding		12					
	Provision for unexpired risks		13					
	Equalisation provisions	Credit business	14					
		Other than credit business	15					
	Other		16					
	Total (11 to 16)		19					
Provisions for other risks and charges	Taxation		21					
	Other		22					
Deposits received from reinsurers			31					
Creditors	Arising out of insurance operations	Direct insurance business	41					
		Reinsurance accepted	42					
		Reinsurance ceded	43					
	Debenture loans	Secured	44					
		Unsecured	45					
	Amounts owed to credit institutions		46					
	Other creditors	Taxation	47	7452		6845		
		Recommended dividend	48					
		Other	49					
Accruals and deferred income			51					
Total (19 to 51)			59	7452		6845		
Provision for "reasonably foreseeable adverse variations"			61					
Cumulative preference share capital			62					
Subordinated loan capital			63					
Total (59 to 63)			69	7452		6845		
Amounts included in line 69 attributable to liabilities to related insurers, other than those under contracts of insurance or reinsurance			71					

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

Global business

Financial year ended **31st December 2004**

			Company registration number	GL/UK/CM	Period ended			Units	
			R16	992726	GL	31	12	2004	£000
			This financial year		Previous year		Source		
			1		2		<	>	?
Transfer (to)/from the general insurance business technical account		From Form 20	11				20 . 59		
		Equalisation provisions	12						
Transfer from the long term insurance business revenue account			13	8356		6302	40 . 26		
Investment income	Income		14	611		434			
	Value re-adjustments on investments		15						
	Gains on the realisation of investments		16						
Investment charges	Investment management charges, including interest		17						
	Value re-adjustments on investments		18						
	Loss on the realisation of investments		19						
Allocated investment return transferred to the general insurance business technical account			20				20 . 51		
Other income and charges (particulars to be specified by way of supplementary note)			21						
Profit or loss on ordinary activities before tax (11+12+13+14+15+16-17-18-19-20+21)			29	8967		6736			
Tax on profit or loss on ordinary activities			31	1686		1899			
Profit or loss on ordinary activities after tax (29-31)			39	7281		4837			
Extraordinary profit or loss (particulars to be specified by way of supplementary note)			41						
Tax on extraordinary profit or loss			42						
Other taxes not shown under the preceding items			43						
Profit or loss for the financial year (39+41-(42+43))			49	7281		4837			
Dividends (paid and proposed)			51			20000			
Profit or loss retained for the financial year (49-51)			59	7281		(15163)			

Long term insurance business : Revenue accountName of insurer **Prudential Pensions Limited**

Global business

Ordinary insurance business

Financial year ended **31st December 2004**Name and number of fund/Summary **Ordinary Branch Long Term 1**

		Company registration number	GL/UK/CM	Period ended			Units	OB/IB	No of fund/ Summary	No of part of Fund
				day	month	year				
	R40	992726	GL	31	12	2004	£000	OB	1	0
Items to be shown net of reinsurance ceded							The financial year 1	Previous year 2		
Earned premiums							11	788179	1107781	
Investment income receivable before deduction of tax							12	219465	176159	
Increase (decrease) in the value of non-linked assets brought into account							13	229	386	
Increase (decrease) in the value of linked assets							14	281665	314614	
Other income							15			
Total income (11 to 15)							19	1289538	1598940	
Claims incurred							21	589555	305870	
Expenses payable							22	10824	5104	
Interest payable before deduction of tax							23	508	470	
Taxation							24	2184	1846	
Other expenditure							25			
Transfer to (from) non technical account							26	8356	6302	
Total expenditure (21 to 26)							29	611427	319592	
Increase (decrease) in fund in financial year (19-29)							39	678111	1279348	
Fund brought forward							49	4544110	3264762	
Fund carried forward (39+49)							59	5222221	4544110	

Long term insurance business : Analysis of premiums and expensesName of insurer **Prudential Pensions Limited**

Global business

Ordinary insurance business

Financial year ended **31st December 2004**Name and number of fund/Summary **Ordinary Branch Long Term 1**

		Company registration number	GL/UK/CM	Period ended			Units	OB/IB	No of fund/ Summary	No of part of Fund	
		R41	992726	GL	31	12	2004	£000	OB	1	0
					Gross		Payable to or recoverable from reinsurers		Net of reinsurance (1-2)		
					1		2		3		
Earned premiums in the financial year	Life assurance and general annuity contracts	Single premium			11						
		Regular premium			12						
	Pension business contracts	Single premium			13	787244		142		787102	
		Regular premium			14	1077				1077	
	Permanent health contracts	Single premium			15						
		Regular premium			16						
	Other contracts	Single premium			17						
		Regular premium			18						
	Total premiums	Single premium			19	787244		142		787102	
		Regular premium			29	1077				1077	
Total premiums at lines 19 and 29 attributable to	UK contracts			31	788321		142		788179		
	Overseas contracts			32							
Expenses payable in the financial year	Commission payable in connection with acquisition of business				41						
	Other commission payable				42						
	Management expenses in connection with acquisition of business				43	877				877	
	Management expenses in connection with maintenance of business				44	9328				9328	
	Other management expenses				45	619				619	
	Total expenses (41 to 45)				49	10824				10824	
	Total expenses at line 49 attributable to	UK contracts			51	10824				10824	
		Overseas contracts			52						

Long term insurance business : Analysis of claimsName of insurer **Prudential Pensions Limited**

Global business

Ordinary insurance business

Financial year ended **31st December 2004**Name and number of fund/Summary **Ordinary Branch Long Term 1**

		Company registration number	GL/UK/CM	Period ended			Units	OB/IB	No of fund/ Summary	No of part of Fund	
		R42	992726	GL	31	12	2004	£000	OB	1	0
Claims incurred in the financial year					Gross		Recoverable from reinsurers		Net of reinsurance (1-2)		
					1		2		3		
Life assurance and annuity contracts	On death			11							
	By way of lump sums on maturity			12							
	By way of annuity payments			13							
	By way of payments arising from other insured events			14							
	On surrender or partial surrender			15							
	Total life assurance and annuity claims (11 to 15)			19							
Pension business contracts	On death			21	840				840		
	By way of lump sums on vesting			22	9685				9685		
	By way of vested annuity payments			23	13842		7802		6040		
	On surrender or partial surrender			24	572990				572990		
	Total pension business claims (21 to 24)			29	597357		7802		589555		
Permanent health contracts	By way of lump sums			31							
	By way of periodical payments			32							
	Total permanent health claims (31+32)			39							
Other contracts	By way of lump sums			41							
	By way of periodical payments			42							
	Total claims (41+42)			49							
Total claims (19+29+39+49)				59	597357		7802		589555		
Total claims at line 59 attributable to	UK contracts			61	597357		7802		589555		
	Overseas contracts			62							

Long term insurance business : Summarised balance sheet for internal linked fundsName of insurer **Prudential Pensions Limited**

Global business

Ordinary insurance business

Financial year ended **31st December 2004**Name and number of fund/Summary **Ordinary Branch Long Term 1**

Name of fund	Directly held assets	Investment in other internal linked funds of the insurer	Total assets (2+3)	Provision for tax on unrealised capital gains	Secured and unsecured loans	Other liabilities	Net asset value (4-5-6-7)
1	2	3	4	5	6	7	8
All Stocks Corporate Bond	1076227		1076227			80	1076147
Balanced Non Property	17	20984	21001				21001
Cash	113818		113818			3	113815
Consensus	3	6127	6130				6130
Discretionary	5007	919631	924638			3	924635
Emerging Markets	33470		33470			22	33448
Equity	896825	82487	979312			4075	975237
Europe	244910		244910			663	244247
Europe Passive	47045		47045			112	46933
Fixed Interest	235250		235250			13	235237
GEI	8		8				8
Global Equity	292	147712	148004				148004
Global Equity Passive	251	138858	139109			96	139013
Total							

Long term insurance business : Summarised balance sheet for internal linked fundsName of insurer **Prudential Pensions Limited**

Global business

Ordinary insurance business

Financial year ended **31st December 2004**Name and number of fund/Summary **Ordinary Branch Long Term 1**

Financial year ended		31st December 2004		Company registration number		GL/UK/CM		Period ended			Units	OB/IB	No of fund/ Summary	No of part of Fund									
Name and number of fund/Summary		day						month		year													
				R43		992726		GL		31		12		2004		£000		OB		1		0	
Name of fund		Directly held assets		Investment in other internal linked funds of the insurer		Total assets (2+3)		Provision for tax on unrealised capital gains		Secured and unsecured loans		Other liabilities		Net asset value (4-5-6-7)									
1		2		3		4		5		6		7		8									
GUS Bal Life				1		1								1									
GUS Life Retirement				1		1								1									
Index Linked		114411				114411						15		114396									
Index Linked (Passive)		95780				95780						138		95642									
Internal Long Dated Corporate Bond		16458				16458								16458									
Internal Medium Dated Corporate Bond		6586				6586						1		6585									
Internal Short Dated Corporate Bond		9726				9726								9726									
International		2096		392440		394536								394536									
International (Passive)		36		6406		6442						2		6440									
International Bond		57737				57737						5		57732									
International GDP		1		436		437								437									
Japan		79721				79721						14		79707									
Japan (Passive)		34829				34829						25		34804									
Total																							

Long term insurance business : Summarised balance sheet for internal linked fundsName of insurer **Prudential Pensions Limited**

Global business

Ordinary insurance business

Financial year ended **31st December 2004**Name and number of fund/Summary **Ordinary Branch Long Term 1**

Name of fund	Directly held assets	Investment in other internal linked funds of the insurer	Total assets (2+3)	Provision for tax on unrealised capital gains	Secured and unsecured loans	Other liabilities	Net asset value (4-5-6-7)
1	2	3	4	5	6	7	8
Light Green	11779		11779			195	11584
Long Dated Corporate Bond	515581		515581			38	515543
Long Term Gilt	352063		352063			10	352053
Long Term Growth	175	18954	19129			133	18996
Medium Term Balanced		128	128				128
North America	110506		110506			12	110494
North America (Passive)	39941		39941			2	39939
Pacific Basin (excluding Japan)	118384		118384			179	118205
Pacific Markets (Passive)	47117		47117			376	46741
Pre-Retirement	35	4141	4176				4176
Property	432684		432684			1859	430825
Prulink Cash		142	142				142
Prulink Managed		60107	60107				60107
Total							

Long term insurance business : Summarised balance sheet for internal linked fundsName of insurer **Prudential Pensions Limited**

Global business

Ordinary insurance business

Financial year ended **31st December 2004**Name and number of fund/Summary **Ordinary Branch Long Term 1**

		Company registration number		GL/UK/CM		Period ended			Units	OB/IB	No of fund/Summary	No of part of Fund
						day	month	year				
		R43	992726	GL	31	12	2004		£000	OB	1	0
Name of fund	Directly held assets	Investment in other internal linked funds of the insurer	Total assets (2+3)	Provision for tax on unrealised capital gains	Secured and unsecured loans	Other liabilities	Net asset value (4-5-6-7)					
1	2	3	4	5	6	7	8					
Smaller Companies	67172		67172			10	67162					
Specialist Global Equity	1	7834	7835				7835					
Specialist UK Equity	92806		92806			16	92790					
Superlong Fixed	14217		14217			5	14212					
Superlong Index Linked	4828		4828			106	4722					
UK Equity Passive	347829		347829			9	347820					
MPP All Stocks Corporate Bond		354	354				354					
MPP Cash		15293	15293			2	15291					
MPP Discretionary		367749	367749			25	367724					
MPP Equity		62472	62472			4	62468					
MPP Equity (Passive)		17091	17091			2	17089					
MPP Fixed Interest		12506	12506			1	12505					
MPP Global Equity		86865	86865			2	86863					
Total												

Ordinary insurance business

Financial year ended **31st December 2004**

	Name and number of fund/Summary	Ordinary Branch Long Term 1
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	Company registration number	GL/UK/CM	Period ended			Units	OB/IB	No of fund/ Summary	No of part of Fund
			day	month	year				
R43	992726	GL	31	12	2004	£000	OB	1	0

Name of fund	Directly held assets	Investment in other internal linked funds of the insurer	Total assets (2+3)	Provision for tax on unrealised capital gains	Secured and unsecured loans	Other liabilities	Net asset value (4-5-6-7)
1	2	3	4	5	6	7	8
MPP Global Equity (Passive)		3285	3285				3285
MPP Index Linked		9590	9590			1	9589
MPP International		24980	24980			1	24979
MPP International Bond		761	761				761
MPP Long Term Growth		1889	1889				1889
MPP Overseas Equity (Passive)		127	127				127
MPP Pre Retirement		769	769				769
MPP Property		10329	10329			1	10328
MPP Retirement Protection		16347	16347			2	16345
MPP Socially Responsible		5389	5389				5389
MPP Specialist Equity		378	378				378
MPP Series II Cash		80	80				80
MPP Series II Discretionary		1225	1225			9	1216
Total							

Long term insurance business : Summarised balance sheet for internal linked fundsName of insurer **Prudential Pensions Limited**

Global business

Ordinary insurance business

Financial year ended **31st December 2004**Name and number of fund/Summary **Ordinary Branch Long Term 1**

		Company registration number		GL/UK/CM		Period ended			Units	OB/IB	No of fund/Summary	No of part of Fund
						day	month	year				
		R43	992726	GL	31	12	2004		£000	OB	1	0
Name of fund	Directly held assets	Investment in other internal linked funds of the insurer	Total assets (2+3)	Provision for tax on unrealised capital gains	Secured and unsecured loans	Other liabilities	Net asset value (4-5-6-7)					
1	2	3	4	5	6	7	8					
MPP Series II Equity		587	587			5	582					
MPP Series II Fixed Interest		110	110			1	109					
MPP Series II Global Equity												
MPP Series II Index Linked		52	52				52					
MPP Series II Index Linked Passive												
MPP Series II International Bond		77	77			1	76					
MPP Series II International Equity												
MPP Series II Property		175	175			1	174					
MPP Series II Retirement Protection												
MPP Series II UK Equity (Passive)												
MPP Series III Ascent European Equity												
MPP Series III Ascent Glob Equity 50:50												
MPP Series III Ascent Overseas Equity												
Total												

Long term insurance business : Summarised balance sheet for internal linked fundsName of insurer **Prudential Pensions Limited**

Global business

Ordinary insurance business

Financial year ended **31st December 2004**Name and number of fund/Summary **Ordinary Branch Long Term 1**

Financial year ended 31st December 2004												
Name and number of fund/Summary Ordinary Branch Long Term 1			Company registration number	GL/UK/CM	Period ended			Units	OB/IB	No of fund/ Summary	No of part of Fund	
					day	month	year					
			R43	992726	GL	31	12	2004	£000	OB	1	0
Name of fund	Directly held assets	Investment in other internal linked funds of the insurer	Total assets (2+3)	Provision for tax on unrealised capital gains	Secured and unsecured loans	Other liabilities	Net asset value (4-5-6-7)					
1	2	3	4	5	6	7	8					
MPP Series III Ascent Pacific Rim Equity												
MPP Series III Ascent US Equity												
MPP Series III Ascent Japan Equity												
MPP Series III Cash Fund	9	8167	8176				8176					
MPP Series III Corporate Bond	11	3643	3654				3654					
MPP Series III Discretionary	129	44130	44259				44259					
MPP Series III Equity	14	4741	4755				4755					
MPP Series III Fixed Interest	5	2446	2451				2451					
MPP Series III Global Equity	28	8640	8668				8668					
MPP Series III Global Equity (Passive)												
MPP Series III Index Linked	5	2186	2191				2191					
MPP Series III Index Linked (Passive)		47	47				47					
MPP Series III International	7	1587	1594				1594					
Total												

Long term insurance business : Summarised balance sheet for internal linked fundsName of insurer **Prudential Pensions Limited**

Global business

Ordinary insurance business

Financial year ended **31st December 2004**Name and number of fund/Summary **Ordinary Branch Long Term 1**

		Company registration number		GL/UK/CM		Period ended			Units	OB/IB	No of fund/Summary	No of part of Fund
						day	month	year				
		R43	992726	GL	31	12	2004		£000	OB	1	0
Name of fund	Directly held assets	Investment in other internal linked funds of the insurer	Total assets (2+3)	Provision for tax on unrealised capital gains	Secured and unsecured loans	Other liabilities	Net asset value (4-5-6-7)					
1	2	3	4	5	6	7	8					
MPP Series III International Bond		183	183				183					
MPP Series III Light Green	9	1779	1788				1788					
MPP Series III Long Dated Corporate Bond		66	66				66					
MPP Series III Long Term Growth	6	2625	2631				2631					
MPP Series III Newton Higher Income	4		4				4					
MPP Series III Newton Income	1		1				1					
MPP Series III Newton International Growth	1		1				1					
MPP Series III Northern Trust Aggregate F.I.												
MPP Series III Northern Trust Equity Fund												
MPP Series III Northern Trust International Equity												
MPP Series III NT Managed Fixed Income	22		22				22					
MPP Series III NT Managed Int Equity	152		152				152					
MPP Series III NT Managed UK Equity	139		139				139					
Total												

Long term insurance business : Summarised balance sheet for internal linked fundsName of insurer **Prudential Pensions Limited**

Global business

Ordinary insurance business

Financial year ended **31st December 2004**Name and number of fund/Summary **Ordinary Branch Long Term 1**

Financial year ended		31st December 2004				Company registration number		GL/UK/CM		Period ended			Units		OB/IB		No of fund/ Summary		No of part of Fund	
Name and number of fund/Summary		Ordinary Branch Long Term 1				R43		992726		GL		31	12	2004	£000	OB	1	0		
Name of fund		Directly held assets		Investment in other internal linked funds of the insurer		Total assets (2+3)		Provision for tax on unrealised capital gains		Secured and unsecured loans		Other liabilities		Net asset value (4-5-6-7)						
1		2		3		4		5		6		7		8						
MPP Series III Overseas Equity		1		437		438								438						
MPP Series III Overseas Equity (Passive)				224		224								224						
MPP Series III Pre-Retirement		1		737		738								738						
MPP Series III Property		9		3539		3548								3548						
MPP Series III Pru Europe Passive				172		172								172						
MPP Series III Pru Japan Passive				76		76								76						
MPP Series III Pru North American Passive				192		192								192						
MPP Series III Pru Pacific Basin Passive				75		75								75						
MPP Series III Retirement Protection		8		7483		7491								7491						
MPP Series III UBS Global Optimal		1				1								1						
MPP Series III UBS UK Select Equity		1				1								1						
MPP Series III UK Equity (Passive)		38		26194		26232								26232						
MPP Series III UK Smaller Companies		6		1054		1060								1060						
Total																				

Long term insurance business : Summarised balance sheet for internal linked fundsName of insurer **Prudential Pensions Limited**

Global business

Ordinary insurance business

Financial year ended **31st December 2004**Name and number of fund/Summary **Ordinary Branch Long Term 1**

		Company registration number		GL/UK/CM		Period ended			Units	OB/IB	No of fund/Summary	No of part of Fund
						day	month	year				
		R43	992726	GL	31	12	2004		£000	OB	1	0
Name of fund	Directly held assets	Investment in other internal linked funds of the insurer	Total assets (2+3)	Provision for tax on unrealised capital gains	Secured and unsecured loans	Other liabilities	Net asset value (4-5-6-7)					
1	2	3	4	5	6	7	8					
MPP Series III UK Specialist Equity	7	1475	1482				1482					
Total	5226236	2566767	7793003						8275		7784728	

Long term insurance business : Aggregate revenue account for internal linked fundsName of insurer **Prudential Pensions Limited**

Global business

Ordinary insurance business

Financial year ended **31st December 2004**Name and number of fund/Summary **Ordinary Branch Long Term 1**

	Company registration number	GL/UK/CM	Period ended			Units	OB/IB	No of fund/ Summary	No of part of Fund
			day	month	year				
R44	992726	GL	31	12	2004	£000	OB	1	0
Value of total creation of units						11			790766
Investment income attributable to the funds before deduction of tax						12			218463
Increase (decrease) in the value of investments in the financial year						13			281665
Other income						14			
Total income (11 to 14)						19			1290894
Value of total cancellation of units						21			589395
Charges for management						22			17185
Charges in respect of tax on investment income						23			2184
Taxation on realised capital gains						24			
Increase (decrease) in amount set aside for tax on capital gains not yet realised						25			
Other expenditure						26			709
Total expenditure (21 to 26)						29			609473
Increase (decrease) in funds in financial year (19-29)						39			681421
Internal linked funds brought forward						49			4536540
Internal linked funds carried forward (39+49)						59			5217961

Long term insurance business : Supplementary information for internal linked fundsName of insurer **Prudential Pensions Limited**

Global business

Ordinary insurance business

Financial year ended **31st December 2004**Name and number of fund **Ordinary Branch Long Term 1**

	Company registration number	GL/UK/CM	Period ended			Units	OB/IB	No of fund	No of part of Fund
			day	month	year				
			R45	992726	GL				
Name of fund		Amount of taxable unrealised capital gain or loss	Percentage provision for tax on unrealised capital gains		Percentage provision for tax on realised capital gains		Liquidity percentage	Valuation price per unit	
1	2	3	4	5	6				
All Stocks Corporate Bond						6.81	14.4608		
Balanced Non Property						0.08	10.3061		
Cash						67.19	62.4353		
Concensus						0.04	9.3766		
Discretionary						0.54	513.5727		
Emerging Markets						1.02	18.979		
Equity						1.44	622.5705		
Europe						0.40	13.5274		
Europe Passive						0.46	10.4246		
Fixed Interest						88.32	290.4624		
GEI						97.16	0.1424		
Global Equity						0.20	27.0445		
Global Equity Passive						0.04	9.9824		
GUS Bal Life						(0.05)	10.1445		
GUS Life Retirement						(0.04)	10.1485		
Index Linked						93.63	208.4561		
Index Linked (Passive)						99.15	16.589		
Internal Long Dated Corporate Bond						99.30	13.9097		
Internal Medium Dated Corporate Bond						98.62	13.4		
Internal Short Dated Corporate Bond						98.75	12.8547		
International						0.41	63.1512		
International (Passive)						0.54	8.8848		
International Bond						0.25	32.3688		

Long term insurance business : Supplementary information for internal linked fundsName of insurer **Prudential Pensions Limited**

Global business

Ordinary insurance business

Financial year ended **31st December 2004**Name and number of fund **Ordinary Branch Long Term 1**

	Company registration number	GL/UK/CM	Period ended			Units	OB/IB	No of fund	No of part of Fund	
			day	month	year					
	R45	992726	GL	31	12	2004	£000	OB	1	0
Name of fund		Amount of taxable unrealised capital gain or loss	Percentage provision for tax on unrealised capital gains		Percentage provision for tax on realised capital gains		Liquidity percentage	Valuation price per unit		
1	2	3	4	5	6					
International GDP							0.13	42198.4041		
Japan							0.52	5.8284		
Japan (Passive)							0.12	7.8815		
Light Green							3.53	9.4042		
Long Dated Corporate Bond							8.67	17.56		
Long Term Gilt							99.23	25.227		
Long Term Growth							(0.48)	8.7241		
Medium Term Balanced								10.9317		
North America							1.18	11.707		
North America (Passive)							3.06	8.1089		
Pacific Basin (excluding Japan)							0.63	12.3645		
Pacific Markets (Passive)							(1.12)	12.9056		
Pre-Retirement							0.82	12.6193		
Property							3.55	406.7811		
Prulink Cash								5.3085		
Prulink Managed								10.9228		
Smaller Companies							2.92	9.578		
Specialist Global Equity							(0.01)	12.2678		
Specialist UK Equity							1.88	16.5208		
Superlong Fixed							99.16	10.9989		
Superlong Index Linked							96.66	11.1975		
UK Equity Passive							0.21	11.3373		
MPP All Stocks Corporate Bond							(0.01)	1.1171		

Long term insurance business : Supplementary information for internal linked fundsName of insurer **Prudential Pensions Limited**

Global business

Ordinary insurance business

Financial year ended **31st December 2004**Name and number of fund **Ordinary Branch Long Term 1**

	Company registration number	GL/UK/CM	Period ended			Units	OB/IB	No of fund	No of part of Fund	
			day	month	year					
	R45	992726	GL	31	12	2004	£000	OB	1	0
Name of fund		Amount of taxable unrealised capital gain or loss	Percentage provision for tax on unrealised capital gains		Percentage provision for tax on realised capital gains		Liquidity percentage	Valuation price per unit		
1	2	3	4	5	6					
MPP Cash							(0.01)	2.0094		
MPP Discretionary								2.6444		
MPP Equity							(0.01)	2.8789		
MPP Equity (Passive)							(0.01)	0.868		
MPP Fixed Interest							(0.01)	3.0602		
MPP Global Equity								2.6039		
MPP Global Equity (Passive)							(0.03)	0.843		
MPP Index Linked							(0.02)	2.7777		
MPP International								1.9581		
MPP International Bond							(0.01)	2.1423		
MPP Long Term Growth							(1.31)	1.3673		
MPP Overseas Equity (Passive)							(0.94)	1.3745		
MPP Pre Retirement								1.1165		
MPP Property								3.479		
MPP Retirement Protection								2.0396		
MPP Socially Responsible								0.8465		
MPP Specialist Equity							(0.11)	1.4219		
MPP Series II Cash							(0.40)	1.3147		
MPP Series II Discretionary							(0.73)	1.0194		
MPP Series II Equity							(0.78)	0.9112		
MPP Series II Fixed Interest							(0.75)	1.4039		
MPP Series II Global Equity							(1.14)	0.8756		
MPP Series II Index Linked							(0.58)	1.445		

Long term insurance business : Supplementary information for internal linked fundsName of insurer **Prudential Pensions Limited**

Global business

Ordinary insurance business

Financial year ended **31st December 2004**Name and number of fund **Ordinary Branch Long Term 1**

	Company registration number	GL/UK/CM	Period ended			Units	OB/IB	No of fund	No of part of Fund	
			day	month	year					
	R45	992726	GL	31	12	2004	£000	OB	1	0
Name of fund		Amount of taxable unrealised capital gain or loss	Percentage provision for tax on unrealised capital gains		Percentage provision for tax on realised capital gains		Liquidity percentage	Valuation price per unit		
1		2	3		4		5	6		
MPP Series II Index Linked Passive							(2.11)	1.2965		
MPP Series II International Bond							(0.71)	1.3276		
MPP Series II International Equity							(1.29)	0.9094		
MPP Series II Property							(0.42)	1.8076		
MPP Series II Retirement Protection							(2.12)	1.3044		
MPP Series II UK Equity (Passive)							(2.35)	0.8972		
MPP Series III Ascent European Equity								1.1327		
MPP Series III Ascent Glob Equity 50:50								1.0838		
MPP Series III Ascent Overseas Equity								1.0755		
MPP Series III Ascent Pacific Rim Equity								1.1788		
MPP Series III Ascent US Equity								1.0203		
MPP Series III Ascent Japan Equity								0.9836		
MPP Series III Cash Fund								1.1969		
MPP Series III Corporate Bond								1.2986		
MPP Series III Discretionary								1.0849		
MPP Series III Equity								1.0234		
MPP Series III Fixed Interest								1.2297		
MPP Series III Global Equity								1.038		
MPP Series III Global Equity (Passive)							(0.03)	1.0259		
MPP Series III Index Linked								1.3003		
MPP Series III Index Linked (Passive)								1.2879		
MPP Series III International								1.0347		
MPP Series III International Bond								1.16		

Long term insurance business : Supplementary information for internal linked fundsName of insurer **Prudential Pensions Limited**

Global business

Ordinary insurance business

Financial year ended **31st December 2004**Name and number of fund **Ordinary Branch Long Term 1**

	Company registration number	GL/UK/CM	Period ended			Units	OB/IB	No of fund	No of part of Fund	
			day	month	year					
	R45	992726	GL	31	12	2004	£000	OB	1	0
Name of fund		Amount of taxable unrealised capital gain or loss	Percentage provision for tax on unrealised capital gains		Percentage provision for tax on realised capital gains		Liquidity percentage	Valuation price per unit		
1	2	3	4	5	6					
MPP Series III Light Green								1.0548		
MPP Series III Long Dated Corporate Bond								1.1085		
MPP Series III Long Term Growth								1.0553		
MPP Series III Newton Higher Income								1.1642		
MPP Series III Newton Income								1.1463		
MPP Series III Newton International Growth								1.1382		
MPP Series III Northern Trust Aggregate F.I.								#N/A		
MPP Series III Northern Trust Equity Fund								#N/A		
MPP Series III Northern Trust International Equity								#N/A		
MPP Series III NT Managed Fixed Income								1.0795		
MPP Series III NT Managed Int Equity								1.1271		
MPP Series III NT Managed UK Equity								1.2705		
MPP Series III Overseas Equity								1.2837		
MPP Series III Overseas Equity (Passive)								1.0425		
MPP Series III Pre-Retirement								1.2338		
MPP Series III Property								1.479		
MPP Series III Pru Europe Passive								1.1787		
MPP Series III Pru Japan Passive								0.9653		
MPP Series III Pru North American Passive								1.0544		
MPP Series III Pru Pacific Basin Passive								1.0937		
MPP Series III Retirement Protection								1.2263		
MPP Series III UBS Global Optimal								1.1036		
MPP Series III UBS UK Select Equity								1.1157		

Long term insurance business : Supplementary information for internal linked fundsName of insurer **Prudential Pensions Limited**

Global business

Ordinary insurance business

Financial year ended **31st December 2004**Name and number of fund **Ordinary Branch Long Term 1**

Company registration number		GL/UK/CM	Period ended			Units	OB/IB	No of fund	No of part of Fund
			day	month	year				
R45	992726	GL	31	12	2004	£000	OB	1	0
Name of fund		Amount of taxable unrealised capital gain or loss	Percentage provision for tax on unrealised capital gains		Percentage provision for tax on realised capital gains		Liquidity percentage	Valuation price per unit	
1		2	3		4		5	6	
MPP Series III UK Equity (Passive)								1.0073	
MPP Series III UK Smaller Companies								1.1742	
MPP Series III UK Specialist Equity								1.1421	

Long term insurance business : Summary of changes in ordinary long term businessName of insurer **Prudential Pensions Limited**

Global business

United Kingdom business

Non-linked

Financial year ended **31st December 2004**

		Company registration number		GL/UK/CM		Period ended			Units	UK/OS	NL/LN
						day	month	year			
		R46	992726	GL	31	12	2004	£000	UK	NL	
		Life assurance and general annuity		Pensions business		Permanent health		Other business			
		No of contracts	Annual premiums	No of contracts	Annual premiums	No of contracts	Annual premiums	No of contracts	Annual premiums		
		1	2	3	4	5	6	7	8		
In force at beginning of year	11			8811							
New business and increases	12			7							
Net transfers and other alterations 'on'	13			150							
Total 'on' (12+13)	19			157							
Deaths	21			370							
Other insured events	22										
Maturities	23										
Surrenders	24										
Forfeitures	25										
Conversions to paid-up policies for reduced benefits	26										
Net transfers, expiries and other alterations 'off'	27										
Total 'off' (21 to 27)	29			370							
In force at end of year (11+19-29)	39			8598							

Long term insurance business : Summary of changes in ordinary long term businessName of insurer **Prudential Pensions Limited**

Global business

United Kingdom business

Linked

Financial year ended **31st December 2004**

		Company registration number		GL/UK/CM		Period ended			Units		UK/OS		NL/LN	
		R46		992726		GL		31	12	2004	£000	UK	LN	
		Life assurance and general annuity		Pensions business		Permanent health		Other business						
		No of contracts	Annual premiums	No of contracts	Annual premiums	No of contracts	Annual premiums	No of contracts	Annual premiums					
		1	2	3	4	5	6	7	8					
In force at beginning of year	11			5557	1163									
New business and increases	12			2										
Net transfers and other alterations 'on'	13													
Total 'on' (12+13)	19			2										
Deaths	21			4										
Other insured events	22													
Maturities	23			317	111									
Surrenders	24													
Forfeitures	25													
Conversions to paid-up policies for reduced benefits	26				25									
Net transfers, expiries and other alterations 'off'	27				16									
Total 'off' (21 to 27)	29			321	152									
In force at end of year (11+19-29)	39			5238	1011									

Name of insurer **Prudential Pensions Limited**

Global business

Financial year ended **31st December 2004**

	Company registration number	GL/UK/CM	Period ended			Units
			day	month	year	
R47	992726	GL	31	12	2004	£000

Type of insurance	Single premium contracts			Regular premium contracts		
	No of contracts	Premiums	Sums assured, annuities per annum or other measures of benefit	No of contracts	Annual premiums	Sums assured, annuities per annum or other measures of benefit
1	2	3	4	5	6	7
UK DIRECT WRITTEN INSURANCE BUSINESS						
Pension Insurance Business						
Non-Linked Non-Profit Policies						
Annuity in Payment	7	81	4 omb			
Sub total: Non-Linked Non-Profit Policies	7	81	4 omb			
Index Linked Contracts						
Annuity in Payment	2	53	2 omb			
Sub total: Index Linked Contracts	2	53	2 omb			
Other Linked Contracts						
Group pension : GILP SAS business	55	650416	648597 omb			

Financial year ended **31st December 2004**

	Company registration number	GL/UK/CM	Period ended			Units
			day	month	year	
R47	992726	GL	31	12	2004	£000

Type of insurance	Single premium contracts			Regular premium contracts		
	No of contracts	Premiums	Sums assured, annuities per annum or other measures of benefit	No of contracts	Annual premiums	Sums assured, annuities per annum or other measures of benefit
1	2	3	4	5	6	7
Sub total: Other Linked Contracts	55	650416	648597 omb			
Total: Pension Insurance Business	64	650550	648603 omb			
Total: UK Direct Written Insurance Business	64	650550	648603 omb			

Name of insurer **Prudential Pensions Limited**

Global business

Financial year ended **31st December 2004**

	Company registration number	GL/UK/CM	Period ended			Units
			day	month	year	
R47	992726	GL	31	12	2004	£000

Type of insurance	Single premium contracts			Regular premium contracts		
	No of contracts	Premiums	Sums assured, annuities per annum or other measures of benefit	No of contracts	Annual premiums	Sums assured, annuities per annum or other measures of benefit
1	2	3	4	5	6	7
UK REINSURANCE ACCEPTED						
Pension Insurance Business						
Other Linked Contracts						
Group pension : Reinsurance from GILP		5822	5820 omb			
Group pension : Reinsurance from PACL		130872	129799 omb			
Sub total: Other Linked Contracts		136694	135619 omb			
Total: Pension Insurance Business		136694	135619 omb			
Total: UK Reinsurance Accepted		136694	135619 omb			

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

Name of insurer **Prudential Pensions Limited**

Global business

Financial year ended **31st December 2004**

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

		Company registration number	GL/UK/CM	Period ended			Units	Category of assets	
		R48	992726	GL	31 day	12 month	2004 year	£000	10
Type of asset			Value of admissible assets as shown on Form 13 1		Expected income from admissible assets 2		Yield % 3		
Land and buildings			11						
Fixed interest securities	Approved securities	12	2056	126	4.58				
	Other	13							
Variable interest and variable yield securities (excluding items shown at line 16)	Approved securities	14							
	Other	15							
Equity shares and holdings in collective investment schemes			16						
Loans secured by mortgages			17						
All other assets	Producing income	18	2295	109	4.75				
	Not producing income	19	2480						
Total (11 to 19)			29	6831	235	2.97			

Long term insurance business : Analysis of admissible fixed interest and variable interest and variable yield securities not held to match liabilities in respect of linked benefitsName of insurer **Prudential Pensions Limited**

Global business

Financial year ended **31st December 2004**Category of assets **Total long term business assets**Company
registration
number

GL/UK/CM

Period ended

day

month

year

Units

Category
of assets

R49	992726	GL	31	12	2004	£000	10
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Redemption period in years			Value of admissible assets as shown on Form 13 1	Gross redemption yield % 2	Value of admissible higher yielding assets 3		Value of admissible assets as shown on Form 13 4	Gross redemption yield % 5	Value of admissible higher yielding assets 6
One year or less	11	Fixed interest approved securities				Variable interest and variable yield approved securities excluding equities			
More than one year but not more than five years	12								
More than five years but not more than ten years	13								
More than ten years but not more than fifteen years	14		2056	4.58					
More than fifteen years but not more than twenty years	15								
More than twenty years but not more than twenty five years	16								
More than twenty five years	17								
Irredeemable	18								
Total (11 to 18)	19		2056	4.58					
One year or less	21	Other fixed interest securities				Other variable interest and variable yield securities excluding equities			
More than one year but not more than five years	22								
More than five years but not more than ten years	23								
More than ten years but not more than fifteen years	24								
More than fifteen years but not more than twenty years	25								
More than twenty years but not more than twenty five years	26								
More than twenty five years	27								
Irredeemable	28								
Total (21 to 28)	29								

PRUDENTIAL PENSIONS LIMITED

Appendix 9.4

VALUATION REPORT ON PRUDENTIAL PENSIONS LIMITED

1. The investigation relates to 31 December 2004.
2. The previous investigation related to 31 December 2003.
3. The valuation of long term insurance business liabilities shown in this report conforms with rule PRU 7.3.10R.
4. Non-linked business arises from annuities purchased under the option available in the linked contracts; see Form 51.
5. (1) Categories of in force linked business are as follows:

A. The Group Investment Linked Plan (GILP)

- (a) The Group Investment Linked Plan (GILP).
- (b) The contract type is: United Kingdom insurance business, pension.
- (c) Insurance business, direct insurance business and reinsurance accepted, non-profit policies, group pension.
- (d) Premiums are payable as single premiums.
- (e) The benefits are the realisation values of the units held in the internal linked funds.

Units are surrendered to release cash to provide benefits for members of the pension schemes for which the policyholders are trustees.

Units may also be surrendered on the same terms if premiums are discontinued.

All policies contain an open market option and an option to secure an annuity on the then current annuity rates.

- (f) There are no guaranteed investment returns.
- (g) The charges made by the Company are:

a continuing investment charge of a percentage of the value of units, deducted as 1/365 of the annual amount each day, of:-

Smaller Companies Fund	0.75% p.a.
Balanced Non Property Fund	0.50% p.a.
Specialist UK Equity Fund	0.50% p.a.
Specialist Global Equity Fund	0.40% p.a.
Light Green Fund	0.35% p.a.
All Stocks Corporate Bond Fund	0.30% p.a.
Emerging Markets Fund	0.50% p.a.

PRUDENTIAL PENSIONS LIMITED

Appendix 9.4 (continued)

Equity Fund	0.40% p.a.
Europe Fund	0.50% p.a.
International Fund	0.50% p.a.
Japan Fund	0.50% p.a.
Long Dated Corporate Bond Fund	0.30% p.a.
North America Fund	0.50% p.a.
Pacific Basin (excluding Japan) Fund	0.50% p.a.
Property Fund	0.30% p.a.
Fixed Interest Fund	0.25% p.a.
Index Linked Fund	0.25% p.a.
International Bond Fund	0.25% p.a.
Mid Term Balanced Fund	0.20% p.a.
Pre-Retirement Fund	0.20% p.a.
UK Equity (Passive) Fund	0.10% p.a.
Europe (Passive) Fund	0.15% p.a.
Global Equity (Passive) Fund	0.15% p.a.
International (Passive) Fund	0.20% p.a.
Japan (Passive) Fund	0.15% p.a.
North America (Passive) Fund	0.15% p.a.
Pacific Markets (Passive) Fund	0.15% p.a.
Cash Fund	0.10% p.a.
Index Linked (Passive) Fund	0.10% p.a.
Long Term Gilt Fund	0.10% p.a.
GEI Fund	0.00% p.a.
Tactical Long Dated Corporate Bond Fund	0.00% p.a.
Tactical Medium Dated Corporate Bond Fund	0.00% p.a.
Tactical Short Dated Corporate Bond Fund	0.00% p.a.
International (GDP) Fund	0.50% p.a.
Superlong Fixed Interest Fund	0.10% p.a.
Superlong Index Linked Fund	0.10% p.a.
GUS Passive Lifestyle Fund	0.20% p.a.
GUS Passive Lifestyle Retirement Fund	0.15% p.a.

Discretionary Fund, Consensus Fund Long Term Growth Fund and Global Equity Fund charges are a weighted average of their constituent sector fund charges. For Discretionary Fund this is around 0.40% p.a, for Consensus Fund it is between 0.12% and 0.16% p.a, for Long Term Growth it is 0.20% p.a and for Global Equity Fund it is 0.43% p.a.

Additional services are charged on a cost basis.

- (g) The Company may increase these charges at any time upon giving six months notice.
- (h) See (d) above.

PRUDENTIAL PENSIONS LIMITED

Appendix 9.4 (continued)

- (i) Benefits are determined by reference to the value of internal linked funds. The following funds are available:

Fund

All Stocks Corporate Bond Fund
Balanced Non Property Fund
Cash Fund
Consensus Fund
Discretionary Fund
Emerging Markets Fund
Equity Fund
UK Equity (Passive) Fund
Europe Fund
Europe (Passive) Fund
Fixed Interest Fund
GEI Fund
Global Equity Fund
Global Equity (Passive) Fund
Index Linked Fund
Index Linked (Passive) Fund
International Fund
International (Passive) Fund
International Bond Fund
Japan Fund
Japan (Passive) Fund
Light Green Fund
Long Dated Corporate Bond Fund
Long Term Gilt Fund
Long Term Growth Fund
Medium Term Balanced Fund
North America Fund
North America (Passive) Fund
Pacific Basin (excluding Japan) Fund
Pacific Markets (Passive) Fund
Pre-Retirement Fund
Property Fund
Smaller Companies Fund
Specialist Global Equity Fund
Specialist UK Equity Fund
Tactical Long Dated Corporate Bond Fund
Tactical Medium Dated Corporate Bond Fund
Tactical Short Dated Corporate Bond Fund
International (GDP) Fund

PRUDENTIAL PENSIONS LIMITED

Appendix 9.4 (continued)

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

All Stocks Corporate Bond Fund:	Predominantly high quality sterling corporate debt, with a longer than average maturity.
Balanced Non Property Fund:	Holdings currently in the following funds: Cash Fund Emerging Markets Fund Europe Fund Fixed Interest Fund Index Linked Fund International Bond Fund Japan Fund Long Dated Corporate Bond Fund North America Fund Pacific Basin (excluding Japan) Fund Specialist UK Equity Fund
Cash Fund:	Short term money market deposits and instruments.
Consensus Fund:	Holdings currently in the following funds: Cash Fund Emerging Markets Fund Europe (Passive) Fund Index Linked (Passive) Fund International Bond Fund Japan (Passive) Fund Long Term Gilt Fund North America (Passive) Fund Pacific Markets (Passive) Fund Property Fund UK Equity (Passive) Fund Long Dated Corporate Bond Fund
Discretionary Fund:	Holdings currently in the following funds: Cash Fund Equity Fund Fixed Interest Fund Index Linked Fund International Fund International Bond Fund Light Green Fund Long Dated Corporate Bond Fund Property Fund
Emerging Markets Fund:	Stocks and shares of companies in South America and South Africa.

PRUDENTIAL PENSIONS LIMITED

Appendix 9.4 (continued)

Equity Fund:	Stocks and shares of companies in the United Kingdom and investments in the UK Equity (Passive) and Smaller Companies Funds.
UK Equity (Passive) Fund:	Stocks and shares of companies in the United Kingdom
Europe Fund:	Stocks and shares of European companies and holdings of European currencies.
Europe (Passive) Fund:	Stocks and shares of European companies and holdings of European currencies.
Fixed Interest Fund:	Fixed interest securities issued by the UK Government and units of the Long Dated Corporate Bond and All Stocks Corporate Bond Funds issued by UK and Overseas companies.
GEI Fund:	UK listed securities of GEI International plc
Global Equity Fund:	Units of the Equity and International Funds.
Global Equity (Passive) Fund:	Units of the UK Equity (Passive), Europe (Passive), Japan (Passive), North America (Passive), Pacific Markets (Passive) and Emerging Markets Funds.
Index Linked Fund:	UK Government Index linked stocks with over 5 years to maturity.
Index Linked (Passive) Fund:	UK Government Index linked stocks with over 5 years to maturity.
International Fund:	Stocks and shares of overseas companies and holdings of foreign currencies and investments in the Emerging Markets, Europe, Japan, North America, International (Passive), Pacific Basin (excluding Japan), North America (Passive), Europe (Passive), Japan (Passive) and Pacific Markets (Passive) Funds.
International (Passive) Fund:	Units of the Emerging Markets Fund, Europe (Passive), Japan (Passive), North America (Passive) and Pacific Markets (Passive) Funds.
International Bond Fund:	Fixed interest securities issued by UK and overseas governments and corporations.
Japan Fund:	Stocks and shares of Japanese companies and holdings of Japanese currencies.

PRUDENTIAL PENSIONS LIMITED

Appendix 9.4 (continued)

Japan (Passive) Fund:	Stocks and shares of Japanese companies and holdings of Japanese currencies.
Light Green Fund:	Stocks and shares of companies in the United Kingdom.
Long Dated Corporate Bond Fund:	High quality sterling corporate debt.
Long Term Gilt Fund:	UK Government fixed interest securities with outstanding terms of 15 years or more.
Long Term Growth Fund:	Units of the UK Equity (Passive), North America (Passive), Europe (Passive), Pacific Markets (Passive), Emerging Markets and Japan (Passive) Funds.
Medium Term Balanced Fund:	Units of the Long Term Growth and Pre-Retirement Funds.
North America Fund:	Stocks and shares of North American companies and holdings of North American currencies.
North America (Passive) Fund:	Stocks and shares of North American companies and holdings of North American currencies.
Pacific Basin (excl Japan) Fund:	Stocks and shares of Pacific Basin (excluding Japanese) companies and holdings of Pacific Basin (excluding Japanese) currencies.
Pacific Markets (Passive) Fund:	Stocks and shares of Pacific Basin (excluding Japanese) companies and holdings of Pacific Basin (excluding Japanese) currencies.
Pre-Retirement Fund:	Units of the Long Term Gilt and Long Dated Corporate Bond Funds.
Property Fund:	Office, shop, industrial and agricultural properties in the UK.
Smaller Companies Fund:	Shares of UK Smaller Companies.
Specialist Global Equity Fund:	Holdings currently in the following funds: Specialist UK Equity Fund North America (Passive) Fund Europe (Passive) Fund Pacific Markets (Passive) Fund Emerging Markets Fund Japan Passive Fund
Specialist UK Equity Fund:	Shares of UK quoted companies.

PRUDENTIAL PENSIONS LIMITED

Appendix 9.4 (continued)

Tactical Long Dated Corporate Bond Fund:	Predominantly high quality sterling corporate debt with a maturity date of over 15 years.
Tactical Medium Dated Corporate Bond Fund:	Predominantly high quality sterling corporate debt with a maturity date of between 5 and 15 years.
Tactical Short Dated Corporate Bond Fund:	Predominantly high quality sterling corporate debt with a maturity date of less than 5 years.
International (GDP) Fund:	Holdings currently in the following funds: North America Fund Europe Fund Japan Fund Pacific Markets Fund Emerging Markets Fund
Superlong Fixed Interest Fund	Long duration UK Index Linked Bonds
Superlong Index Linked Fund	Long duration UK Bonds
GUS Passive Lifestyle Fund	Holdings currently in the following funds: UK Equity (Passive) Fund Index Linked (Passive) Fund Cash Fund
GUS Passive Lifestyle Retirement Fund	Holdings currently in the following funds: Index Linked (Passive) Fund Cash Fund

The policyholder may invest in any or all of these funds except that:

- the GEI Fund is only available to the trustees of the GEI Pension Scheme.
- The Tactical Short, Medium and Long Dated Corporate Bond Funds are only available to segregated fund schemes managed by M&G Investment Management Limited.
- The GUS Passive Lifestyle funds are only available to the trustees of the Great Universal Pension Scheme.

Expenses incurred by M&G in the maintenance of assets are charged to the respective funds. M&G charge PPL a management fee for their services.

- (j) None.
- (k) The contract was open to new business during the year to the valuation date.
- (l) There were no increases to the rates of charge applied to these contracts during the reporting period.

PRUDENTIAL PENSIONS LIMITED

Appendix 9.4 (continued)

B. The Pensions Investment Account (PIA)

- (a) The Pensions Investment Account (PIA)
- (b) The contract type is: United Kingdom, pensions business, direct written business, non-profit, group pension.
- (c) Premiums are payable as single premiums.
- (d) The benefits are the realisation values of the units held in the internal linked funds.

Units are surrendered to release cash to provide benefits for members of the pension scheme for which the policyholders are trustees.

Units may also be surrendered on the same terms if premiums are discontinued.

All policies contain an open market option and an option to secure an annuity on the then current annuity rates.

- (e) There are no guaranteed investment returns.
- (f) The charges made by the Company are:

an initial investment charge of 5% of each premium paid

a continuing investment charge of 0.75% p.a. of the value of the units, deducted as 1/365 of 0.75% each day

(the initial and continuing investment charges are allowed for in the offer and bid prices)

the percentage of premium applied to the purchase of units, assuming 4% commission is payable, is derived as follows:

<u>Amount Invested</u>	<u>Unit Allocation</u>
£5,000 - £49,000	99.0%
£50,000 - £99,000	100.0%
£100,000 +	100.5%

If a new investment increases the total amount invested into a higher unit allocation band, then the whole of the new investment will qualify for the increased unit allocation.

Higher allocations have been granted in appropriate circumstances with a maximum allocation rate of 102%.

- (g) The Company may increase these charges at any time upon giving six months notice.
- (h) See (d) above.

PRUDENTIAL PENSIONS LIMITED

Appendix 9.4 (continued)

- (i) Benefits are determined by reference to the value of internal linked funds. The following funds are available:

Fund

Series 1 Cash Fund
Series 1 Discretionary Fund
Series 1 Equity Fund
Series 1 Fixed Interest
Series 1 Global Equity Fund
Series 1 Index Linked
Series 1 International Fund
Series 1 Property Fund

These funds are wholly invested in the GILP funds of the same name. See 5(1)(A)(i) above.

- (j) None.
- (k) The contract was open to new business during the year to the valuation date.
- (l) There were no increases to the rates of charge applied to these contracts during the reporting period.

C. The Pru-Link Retirement Plan (PLRP)

- (a) The Pru-Link Retirement Plan (PLRP).
- (b) The contract type is: United Kingdom, pensions business, direct written business, non-profit, deferred annuity.
- (c) Regular and single premiums are accepted.
- (d) On retirement the bid value of units allocated will be available to purchase a pension from Prudential Pensions Limited (PPL) and to provide cash (subject to Inland Revenue Limits). Alternatively the open market option can be taken where the cash value of units allocated would be transferred to purchase a pension from another life office.

On death the bid value of units allocated is payable.

On discontinuance of premiums under a Regular Premium Plan policy, the Plan will be made paid-up. The units remaining will provide benefits on either death or retirement.

- (e) There is a guarantee that the unit price of the Pru-Link Cash Fund will not go down.

PRUDENTIAL PENSIONS LIMITED

Appendix 9.4 (continued)

- (f) The charges made by the Company are a continuing investment charge of 0.75% p.a. of the offer value of the fund, deducted as 1/365 of 0.75% each day. 100% of premiums are applied to the purchase of units.
- (g) The allocation rates for future top-ups are not guaranteed. The Company may increase the continuing investment charge upon giving six months notice.
- (h) See (d) above.
- (i) Benefits are determined by reference to the value of internal linked funds. The following funds are available:

Fund

Pru-Link Managed Fund
Pru-Link Cash Fund

The Pru-Link Managed Fund is wholly invested in the Series 1 Discretionary Fund.

The Pru-Link Cash Fund is wholly invested in the Series 1 Cash Fund.

See 5(1)(B)(i) above.

- (j) None.
- (k) The Pru-Link Retirement Plan was closed to new business with effect from 1 July 1988. Top ups to existing policies are allowed.
- (l) There were no increases to the rates of charge applied to these contracts during the reporting period.

D. PACL Group Business Reassurance accepted

- (a) Group pension investment-linked unit liabilities reassured from Prudential Assurance Company Limited (PACL).
- (b) The contract type is: United Kingdom, pensions business, reassurance accepted, non-profit, group pension.
- (c) The underlying contracts in PACL accept regular and single premiums.
- (d) Cover is granted in respect of:
 - retirement benefits;
 - transfer benefits;
 - death benefits; and,
 - sums representing transfer values of investment redispositions; to the extent that, in each case, the value therefore is determined by reference to the realisation value of notionally realised units of the Funds or is met by the cancellation of such units.

PRUDENTIAL PENSIONS LIMITED

Appendix 9.4 (continued)

(e) There are no guaranteed investment returns.

(f) The charges made by the Company are:

a continuing investment charge of a percentage of the value of units, deducted as 1/365 of the annual amount each day, of:-

Series 1 Cash Fund	0.75% p.a.
Series 1 Corporate Bond Fund	0.75% p.a.
Series 1 Discretionary Fund	0.75% p.a.
Series 1 Equity Fund	0.75% p.a.
Series 1 Fixed Interest Fund	0.75% p.a.
Series 1 Global Equity Fund	0.75% p.a.
Series 1 Index Linked Fund	0.75% p.a.
Series 1 International Fund	0.75% p.a.
Series 1 International Bond Fund	0.75% p.a.
Series 1 Long Term Growth Fund	0.65% p.a.
Series 1 Overseas Equity Fund	0.65% p.a.
Series 1 Pre-Retirement Fund	0.65% p.a.
Series 1 Property Fund	0.75% p.a.
Series 1 Retirement Protection Fund	0.75% p.a.
Series 1 Socially Responsible Fund	0.75% p.a.
Series 1 UK Specialist Equity Fund	0.65% p.a.
Series 1 Equity (Passive) Fund	0.65% p.a.
Series 1 Global Equity (Passive) Fund	0.15% p.a.
Series II Cash Fund	1.00% p.a.
Series II Discretionary Fund	1.00% p.a.
Series II Equity Fund	1.00% p.a.
Series II Fixed Interest Fund	1.00% p.a.
Series II Global Equity Fund	1.00% p.a.
Series II Index Linked Fund	1.00% p.a.
Series II International Bond Fund	1.00% p.a.
Series II International Equity Fund	1.00% p.a.
Series II Property Fund	1.00% p.a.
Series II Index Linked (Passive) Fund	0.90% p.a.
Series II UK Equity (Passive) Fund	0.90% p.a.
Series II Retirement Protection Fund	0.90% p.a.

which is reflected in the offer and bid prices; this charge is then refunded to PACL

PRUDENTIAL PENSIONS LIMITED

Appendix 9.4 (continued)

the charge payable to PPL by PACL under the reinsurance agreement is a continuing investment charge of 0.25% p.a. of the value of the units

Series III Ascent European Equity
Series III Ascent Global Equity 50:50
Series III Ascent Japan Equity
Series III Ascent Overseas Equity
Series III Ascent Pacific Rim Equity
Series III Ascent US Equity
Series III UK Smaller Companies Fund
Series III UK Specialist Equity Fund
Series III Socially Responsible Fund
Series III All Stocks Corporate Bond Fund
Series III Equity Fund
Series III Global Equity Fund
Series III International Equity Fund
Series III Property Fund
Series III Discretionary Fund
Series III Fixed Interest Fund
Series III Index Linked Fund
Series III International Bond Fund
Series III Global Equity (Passive) Fund
Series III UK Equity (Passive) Fund
Series III Cash Fund
Series III Index Linked (Passive) Fund
Series III Retirement Protection Fund
Series III Long Term Growth Fund
Series III Pre Retirement Fund
Series III Overseas Passive Fund
Series III Corporate Bond Fund
Series III Overseas Equity Fund
Series III Newton Higher Income
Series III Newton Income
Series III Newton International Growth
Series III Northern Trust International Equity
Series III Northern Trust Aggregate Fixed Interest
Series III Northern Trust UK Equity Fund
Series III North American (Passive) Fund
Series III European (Passive) Fund
Series III Pacific Basin (Passive) Fund
Series III Japan (Passive) Fund
Series III UBS Global Optimal
Series III UBS UK Select Equity

There are no charges in the unit prices for the Series III funds as the charges are taken explicitly by unit deduction from the policyholders unit holding. The charges vary by client and by the contract to which they are invested.

- (g) The Company may increase these charges upon giving three months notice.
- (h) See (d) above.

PRUDENTIAL PENSIONS LIMITED

Appendix 9.4 (continued)

- (i) Benefits are determined by reference to the value of internal linked funds. The following funds are available:

Fund

Series 1 Cash Fund
Series 1 Corporate Bond Fund
Series 1 Discretionary Fund
Series 1 Equity Fund
Series 1 Equity (Passive) Fund
Series 1 Fixed Interest Fund
Series 1 Global Equity Fund
Series 1 Global Equity (Passive) Fund
Series 1 Index Linked Fund
Series 1 International Fund
Series 1 International Bond Fund
Series 1 Long Term Growth Fund
Series 1 Overseas Equity Fund
Series 1 Pre-Retirement Fund
Series 1 Property Fund
Series 1 Retirement Protection Fund
Series 1 Socially Responsible Fund
Series 1 UK Specialist Equity Fund

These funds are wholly invested in the GILP funds of the same name (Series 1 Retirement Protection Fund invests in the GILP Long Term Gilt Fund, Series 1 Socially Responsible Fund invests in the GILP Light Green Fund and Series 1 Overseas Equity invests in the GILP International Passive Fund). See 5(1)(A)(i) above.

The following funds (Series II) are wholly invested in the Series 1 funds of the same name shown above.

Series II Cash Fund
Series II Discretionary Fund
Series II Equity Fund
Series II Fixed Interest Fund
Series II Index Linked Fund
Series II International Bond Fund
Series II Property Fund

The following funds (Series II) are wholly invested in the GILP funds of the same name (Series II International Equity Fund invests in the GILP International Fund and Series II Retirement Protection Fund invests in the GILP Long Term Gilt Fund). See 5(1)(A)(I) above.

Series II UK Equity (Passive) Fund
Series II Global Equity Fund
Series II Index Linked (Passive) Fund
Series II International Equity Fund
Series II Retirement Protection Fund

PRUDENTIAL PENSIONS LIMITED

Appendix 9.4 (continued)

The following funds (Series III) are wholly invested in the GILP funds of the same name (International Equity Fund invests in the GILP International Fund, Retirement Protection Fund invests in the GILP Long Term Gilt Fund, Socially Responsible Fund invests in the GILP Light Green Fund, Overseas Passive Fund invests in the GILP International Passive Fund), Corporate Bond fund invests in the GILP Long Dated Corporate Bond Fund and Overseas Equity Fund invests in the GILP International GDP Fund. See 5(1)(A)(I) above.

Series III Cash Fund
Series III Discretionary Fund
Series III Equity Fund
Series III Fixed Interest Fund
Series III Index Linked Fund
Series III International Bond Fund
Series III Property Fund
Series III UK Equity (Passive) Fund
Series III Global Equity Fund
Series III Index Linked (Passive) Fund
Series III International Equity Fund
Series III Retirement Protection Fund
Series III All Stocks Corporate Bond Fund
Series III Global Equity Passive Fund
Series III Socially Responsible Fund
Series III UK Smaller Companies Fund
Series III UK Specialist Equity Fund
Series III Long Term Growth Fund
Series III Pre Retirement Fund
Series III Overseas Passive Fund
Series III Overseas Equity Fund
Series III Corporate Bond Fund
Series III North American (Passive) Fund
Series III European (Passive) Fund
Series III Pacific Basin (Passive) Fund
Series III Japan (Passive) Fund

The following funds are invested in the Northern Trust Open Ended Investment Company with Variable Capital (OEICs) of the same name:

Series III Northern Trust International Equity
Series III Northern Trust Aggregate F.I.
Series III Northern Trust Equity Fund

PRUDENTIAL PENSIONS LIMITED

Appendix 9.4 (continued)

The following funds are invested with Barclays Global Investors;

Ascent European Equity Fund
Ascent Global Equity Fund
Ascent Japan Equity Fund
Ascent Overseas Equity Fund
Ascent Pacific Rim Equity Fund
Ascent US Equity Fund

The following funds are invested with UBS;

UBS UK Select Equity Fund
UBS Global Optimal Fund

The following funds are invested with Mellon European Fund Services;

Newton Higher Income Fund
Newton International Growth Fund

The following funds are invested with Baillie Gifford;

Baillie Gifford UK Equity Fund
Baillie Gifford Overseas Equity Fund

- (j) None.
- (k) The contract was open to new business during the year to the valuation date.
- (l) There were no increases to the rates of charge applied to the existing contracts during the reporting period.
- (2) No linked contract contains a with-profits option.
- (3) Not applicable.
- (4) *Points applicable to each of the groups of internal linked funds are as follows:*

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

Specific points for each of the groups of internal linked funds are as follows:

GILP Funds

The business is currently administered on a daily dealing platform.

PRUDENTIAL PENSIONS LIMITED

Appendix 9.4 (continued)

Daily Platform

The “Swinging single pricing” approach is used. If the net cashflow on the day is positive, all transactions are at the offer price. If the net cashflow on the day is negative, all transactions are at the cancellation (bid/bid) price.

Unit prices are calculated daily and transactions in these funds are carried out at the next available price (i.e. on a forward pricing basis).

Series I, II & III Funds

Series I, II & III funds are 100% invested in units of the GILP Funds at the daily pricing of the GILP funds. Purchases of GILP fund units are made at the creation price of the GILP fund, and sales at the cancellation price. Creation and cancellation prices are determined daily by reference to the appropriate GILP price.

A smoothed equity approach is taken to unit pricing. This is different to the approach adopted for GILP funds. Units are allocated to policyholders at the offer price and deallocated at the bid price. While the trend in the number of units in a unit fund is believed to be upward, the bid price is the creation price. While the trend in the number of units is believed to be downward, the bid price is the cancellation price, where the trend is unclear or changing the bid price may be between the creation price and the cancellation price. The offer price is then set equal to the bid price plus the initial charge plus a rounding adjustment not exceeding 0.1p (there is no initial charge for Series II and Series III funds).

Pru-Link Funds

The Pru-Link Managed Fund is wholly invested in units of the Series I Discretionary Fund. The Pru-Link Cash Fund is wholly invested in units of the Series I Cash Fund. Creation and cancellation prices are determined once a week by reference to the appropriate Series I price. Transactions are carried out at the next available price (i.e. on a forward pricing basis).

Pru-Link Funds buy and sell Series I units at the current Series I bid price. No further adjustments are made for buying or selling expenses.

A smoothed equity approach is taken to unit pricing. This is different to the approach adopted for GILP funds. Units are allocated to policyholders at the offer price and deallocated at the bid price. While the trend in the number of units in the underlying unit fund (which is taken to be the Series I, II & III funds as a whole) is believed to be upward, the bid price is the creation price. While the trend in the number of units is believed to be downward, the bid price is the cancellation price. Where the trend is unclear or changing the bid price may be between the creation price and the cancellation price. The offer price is then set equal to the bid price plus the initial charge plus a rounding adjustment not exceeding 0.1p. (The initial charge was removed on 1 April 2001).

- (5) No provision for tax on realised or unrealised capital gains is required, as only pension business is written.
- (6) Not applicable.

PRUDENTIAL PENSIONS LIMITED

Appendix 9.4 (continued)

6. (1) The mathematical reserve for non-linked business (annuities in payment) is the present value of the benefits with provision for the expenses of payment.

The mathematical reserve for linked business consists of the unit liability together with a non unit liability. A discounted cashflow method of valuation is used to determine the non-unit liability.

In particular the following principles have been observed:

- (a) No derivatives were held outside of the internal linked funds.
- (b) No allowance has been made for increasing fund management charges. However, the Company reserves the right to do so after the appropriate period of notice and to a level consistent with industry practice.
- (c) The net premium method has not been used.
- (d) Negative values have been eliminated from the liability. Additionally, all negative values which would arise at future valuations using the current basis projected forward have also been eliminated.
- (e) No reserve for future bonuses is required.
- (f) No reserve for tax on unrealised capital gains is required, as only pension business is written
- (g) No reserve for investment performance guarantees is held as the only investment performance guarantee is that the unit price of the Pru-Link Cash Fund will not go down. Units of this fund are ultimately invested in units of the GILP Cash Fund, where the practice is to invest only in short term assets.
- (h) An additional reserve of £990,000 is held in respect of contingencies.

- (2) Not applicable.

7. (1) The rates of interest and tables of mortality assumed in the valuation are shown in 9(a) below and Note 5101.
- (2) The mortality tables used are published tables.
- (3) All business is written in the UK, and UK based mortality tables have been used.
- (4) All annuity business is wholly reassured (see 12 below). The mortality assumptions for annuities in payment allow for future mortality improvement as follows :

Business reassured with PAL :

Annuities are generally valued using a percentage of the 92 series (year of birth) tables for annuitants and pensioners. In order to allow for mortality improvement, the CMIR 17 mortality improvement factors are applied up to and including 2004, and future improvement factors are applied from 2005 in line with a percentage of the CMI medium cohort projections. Improvement factors are subject to a minimum of 1.25% for male and 0.75% for females.

Business reassured with PACL : Using the mortality table on a calendar year basis, the calendar year being 2004.

PRUDENTIAL PENSIONS LIMITED

Appendix 9.4 (continued)

- (5) No allowance has been made or reserve held, in addition to the assumptions in 7(4) above, in respect of possible changes in the incidence of disease or development in medical science.
 - (6) In accordance with PRU 4.2.16R(3), 4.12.18G and 4.2.23R(3), the scenarios of future changes in the value of assets which have been tested are:
 - (a) a rise of 0.95% in the yield on short and long term gilts and cash, and a fall in unit funds of 20%.
 - (b) a fall of 0.95% in the yield on short and long dated gilts and cash, and a fall in unit funds of 20%.

Scenario (a) proved to be the most onerous.
 - (7) The assets backing the non-unit UK liabilities are all UK gilts and cash.
 - (8) In respect of the most onerous scenario described above:
 - (a) No Resilience Capital Requirement was held.
 - (b) There was a £575,237 decrease in the aggregate amount of the long term liabilities.
 - (c) In aggregate, the assets allocated to match such liabilities reduced in value by £141,048 from the amount of the assets shown in Form 13.
 - (9) Not applicable.
- 8.
- (a) Not applicable.
 - (b) Specific allowance is made for expenses of payment for all immediate annuities as indicated in note 5102.
 - (c) Not applicable.
 - (d) Not applicable.

PRUDENTIAL PENSIONS LIMITED

Appendix 9.4 (continued)

9. (a) For group and individual linked business the unit liability has been obtained by valuing those units allocated to policyholders at the valuation unit price. This price is based on the mid-market price of the assets and includes investment income received.

The non unit liability in respect of PACL Group Business reinsurance accepted is that amount required to cover the loss likely to arise in the period of notice required before any increase in charges can take effect.

In determining the non-unit liability for GILP and PIA business, and Pru-Link Retirement Plan (PLRP) policies, the following parameters were used:

Valuation interest:	4.00%
Fund growth rate:	5.00% (before reduction for fund charge)
Renewal expenses:	<p>GILP* £3,184,700 p.a. plus £950 p.a. per scheme (of which £640,000 is covered by charges for additional administration services)</p> <p>* includes reinsurance from Investment Solutions Limited</p> <p>PIA £50,000 p.a. plus £130 p.a. per scheme</p> <p>PLRP - per policy for premium-paying policies £30.00 p.a. - per policy for other policies £20.00 p.a. - per claim £48.00</p> <p>Reinsurance from PACL £660,000 p.a.</p>
Expense inflation:	3.50%
	<p>Fund charge: The actual charged rate less investment expense in respect of PPM investment management charges. The investment expense varies depending on fund size. On average, it is 0.05%.</p> <p>In determining the future income from net fund charges, the value of units is based on 80% of bid prices for equity investments and 90% of the bid price of fixed interest securities at 31 December 2004.</p>
Mortality:	<p>AM92 -3 (males)</p> <p>AF92 -3 (females)</p>

These reserves are also adequate in the context of a lower inflation scenario with unchanged assumptions of real interest and real fund growth.

- (b) Not applicable.
10. (1) See 9 (a) above.
- (2) The aggregate amount of expense allowance arising in the next twelve months from the loadings described in paragraph 9 is £7,388,000. This excludes an allowance of £1,848,000 in respect of segregated clients and the annual management charge rebate of £187,000 to PACL arising from the associated linked funds, both of which are included in line 44 of Form 41.
- (3) and (4) New business costs are covered by expected future profits.

PRUDENTIAL PENSIONS LIMITED

Appendix 9.4 (continued)

- 11. Not applicable.
- 12 (1) No premiums were paid in 2004 in respect of reinsurance business ceded on a facultative basis to reinsurers not authorised to carry on business in the United Kingdom.
- (2) The following reinsurance treaties were in force at 31 December 2004.
 - (2.1) (a) **Baillie Gifford Life Limited**
 - (b) The reinsurer is authorised to carry on insurance business in the United Kingdom.
 - (c) The reinsurer and the Company are not connected.
 - (d) Reinsurance of certain liabilities in relation to unit-linked pensions business. The liability reassured is not covered by first charges on any assets.
 - (e) The net premiums payable under the treaty during 2004 were £1,000.
 - (f) There were no deposit back arrangements.
 - (g) The net liability includes no allowance for the refund of any reinsurance commission.
 - (h) The treaty is open to new business.
 - (2.2) (a) **Barclays Global Investors Pension Management Ltd (BGIPM)**
 - (b) The reinsurer is authorised to carry on insurance business in the United Kingdom.
 - (c) The reinsurer and the Company are not connected.
 - (d) Reinsurance of certain liabilities of PPL in relation to certain unit-linked pension contracts issued by PAC. (PPL's liability arising as a result of reinsurance agreement between PPL and PAC).
 - (e) The net premiums payable under the treaty during 2004 were £8,000.
 - (f) There were no deposit back arrangements.
 - (g) The net liability includes no allowance for the refund of any reinsurance commission.
 - (h) The treaty is open to new business.

PRUDENTIAL PENSIONS LIMITED

Appendix 9.4 (continued)

(2.3) (a) The Prudential Assurance Company Limited

- (b) The reinsurer is authorised to carry on insurance business in the United Kingdom.
- (c) The reinsurer is a connected company.
- (d) All immediate annuities are wholly reassured on original terms. The reinsurer is a member of the Prudential group of companies and the reinsurance is not covered by a first charge on assets
- (e) There were no premiums payable under the treaty during 2004.
- (f) There were no deposit back arrangements.
- (g) The net liability includes no allowance for the refund of any reinsurance commission.
- (h) The treaty is open to new business.

(2.4) (a) The Prudential Assurance Company Limited

- (b) The reinsurer is authorised to carry on insurance business in the United Kingdom.
- (c) The reinsurer is a connected company.
- (d) Covering former Scottish Amicable Pensions Investments Limited pension IAs (excluding administration costs).
- (e) There were no premiums payable under the treaty during 2004.
- (f) There were no deposit back arrangements.
- (g) The net liability includes no allowance for the refund of any reinsurance commission.
- (h) The treaty is open to new business.

(2.5) (a) Prudential Annuities Limited

- (b) The reinsurer is authorised to carry on insurance business in the United Kingdom.
- (c) The reinsurer is a connected company.
- (d) All immediate annuities are wholly reassured on original terms. The reinsurer is a member of the Prudential group of companies and the reinsurance is not covered by a first charge on assets
- (e) The net premiums payable under the treaty during were £53,000.

PRUDENTIAL PENSIONS LIMITED

Appendix 9.4 (continued)

- (f) There were no deposit back arrangements.
- (g) The net liability includes no allowance for the refund of any reinsurance commission.
- (h) The treaty was closed to new business on 24 November 2004

(2.6) (a) **Prudential Retirement Income Limited**

- (b) The reinsurer is authorised to carry on business in the United Kingdom.
- (c) The reinsurer is a connected company.
- (d) Annuity liabilities for relevant annuities issued by PPL from 25 November 2004. Under the terms of the agreement Prudential Retirement Income Limited will meet the liability of the Company to pay the benefits due under the reassured policies.
- (e) The net premiums payable under the treaty during were £81,000.
- (f) There is no deposit back arrangement.
- (g) The net liability includes no allowance for the refund of any reinsurance commission.
- (h) The treaty is open to new business.

(2.7) (a) **Prudential Retirement Income Limited**

- (b) The reinsurer is authorised to carry on business in the United Kingdom.
- (c) The reinsurer is a connected company.
- (d) Annuity liabilities for relevant annuities vested during the period from 1 July 2004 to 25 November 2004. Under the terms of the agreement Prudential Retirement Income Limited will meet the liability of the Company to pay the benefits due under the reassured policies.
- (e) There were no premiums payable under the treaty during 2004.
- (f) There is no deposit back arrangement.
- (g) The net liability includes no allowance for the refund of any reinsurance commission.
- (h) The treaty is closed to new business.

(3) Not applicable.

PRUDENTIAL PENSIONS LIMITED

Appendix 9.4 (continued)

13.-16. Not applicable.

17. See Form 46.

Group contracts not included in Form 46 are:

Group Investment Linked Policies (GILP) - 373 schemes at 31 December 2004.

GILP reinsurance accepted - 1 scheme at 31 December 2004.

Pensions Investment Account (PIA) – 70 schemes at 31 December 2004.

Reinsurance accepted from The Prudential Assurance Company - an estimated 55,000 lives are covered by this business.

18. See Form 47.

19. See Forms 48 and 49.

No derivative contracts were held to cover non-linked long term liabilities at 31 December 2003.

20. See Forms 51 and 53.

21. (1) See Form 57.

(2) There was no adjustment to the yield on Gilts. The yield on deposits has been reduced by 0.05% to take account of risk of default.

(3) No such assets were held.

22. See Form 58.

23. See Form 60.

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

Name of insurer **Prudential Pensions Limited**

Global business

United Kingdom business

Financial year ended **31st December 2004**Type of business **Pension Insurance Business**Category of surplus **Ordinary Long Term**

Financial year ended 31st December 2004		Type of business Pension Insurance Business		Company registration number		GL/UK/CM		Period ended			Units		UK/OS		Type of business		Category of surplus						
Category of surplus Ordinary Long Term				R51		992726		GL		31		12		2004		£000		UK		Pens		11	
Type of insurance or name of contract		Valuation basis		No of contracts	Amount of sums assured or annuities per annum, including vested reversionary bonuses	Amount of annual premiums		Proportion of office premiums reserved for expenses and profits	Value of sums assured or annuities per annum, including vested reversionary bonuses	Value of annual premiums		Amount of mathematical reserves											
		Rate of interest	Mortality or morbidity table			Office premiums	Net premiums			Office premiums	Net premiums												
1		2		3		4		5		6		7		8		9		10		11		12	
DIRECT WRITTEN INSURANCE BUSINESS																							
Non-Profit Policies																							
INDIVIDUAL - Annuities in Payment		4.83%	(a)	849	626 pa				6786												6786		
		4.71%	(b)	1	1 pa				13												13		
GROUP - Annuities in Payment		4.83%	(a)	7733	7504 pa				98296												98296		
		4.71%	(b)	9	3 pa				69												69		
		4.50%	(c)	6	69 pa				674												674		
Sub total: Non-Profit Policies				8598	8203 pa				105838												105838		
Sub total: Direct Written Insurance Business				8598	8203 pa				105838												105838		
REASSURANCE CEDED																							
Non-Profit Policies																							
INDIVIDUAL - Annuities in Payment		4.83%	(a)	849	626 pa				6786												6786		
		4.71%	(b)	1	1 pa				13												13		
GROUP - Annuities in Payment		4.83%	(a)	7733	7504 pa				98296												98296		
		4.71%	(b)	9	3 pa				69												69		
		4.50%	(c)	6	69 pa				674												674		

Long term insurance business : Valuation summary of non-linked contracts (other than accumulating with-profit policies)Name of insurer **Prudential Pensions Limited**

Global business

United Kingdom business

Financial year ended **31st December 2004**Type of business **Pension Insurance Business**Category of surplus **Ordinary Long Term**

Financial year ended		31st December 2004		Company registration number		GL/UK/CM		Period ended			Units		UK/OS		Type of business		Category of surplus			
Type of business		Pension Insurance Business						day month year												
Category of surplus		Ordinary Long Term		R51		992726		GL		31 12 2004			£000		UK		Pens		11	
Type of insurance or name of contract		Valuation basis		No of contracts	Amount of sums assured or annuities per annum, including vested reversionary bonuses	Amount of annual premiums		Proportion of office premiums reserved for expenses and profits	Value of sums assured or annuities per annum, including vested reversionary bonuses	Value of annual premiums		Amount of mathematical reserves								
		Rate of interest	Mortality or morbidity table			Office premiums	Net premiums			Office premiums	Net premiums									
1		2	3	4	5	6	7	8	9	10	11	12								
Sub total: Non-Profit Policies				8598	8203 pa				105838			105838								
Sub total: Reassurance Ceded				8598	8203 pa				105838			105838								
Net total: Pension Insurance Business				8598																
Net total: United Kingdom Insurance Business				8598																

Long term insurance business : Valuation summary of property linked contractsName of insurer **Prudential Pensions Limited**

Global business

United Kingdom business

Financial year ended **31st December 2004**Type of business **Pension Insurance Business**Category of surplus **Ordinary Long Term**

Type of business		Pension Insurance Business				Company registration number		GL/UK/CM		Period ended			Units	UK/OS	Type of business	Category of surplus	
Category of surplus		Ordinary Long Term				R53	992726		GL		31	12	2004	£000	UK	Pens	11
Name of contract	Valuation basis		No of contracts	Amount of sums assured or annuities per annum, including vested reversionary bonuses			Amount of annual premiums		Category of unit link	Unit liability		Other liabilities		Amount of mathematical reserves			
	Rate of interest	Mortality or morbidity table		Guaranteed on death	Current on death/current payable per annum	Guaranteed on maturity	Office premiums	Net premiums		Current benefit value	Discounted value	Mortality and expenses	Options and guarantees other than investment performance guarantees				
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15			
DIRECT WRITTEN INSURANCE BUSINESS Non-Profit Policies																	
DIRECT INDIVIDUAL																	
Deferred annuity :																	
Pru-Link Retirement Plan - regular premium	(a)	(a)	5123		56293 pa		1010		internal funds	56293	56293	359		56652			
Pru-Link Retirement Plan - single premium	(a)	(a)	113		3955 pa				internal funds	3955	3955	1		3956			
DIRECT GROUP																	
Group pension :																	
PIA SAS Business	(a)	(a)	70						internal funds	6727	6727	410		7137			
GILP SAS Business	(a)	(a)	373						internal funds	4436172	4436172	2500		4438672			
MISMATCHING RESERVE																	
ADDITIONAL RESERVE																	

Long term insurance business : Valuation summary of property linked contracts

Name of insurer **Prudential Pensions Limited**

Global business

United Kingdom business

Financial year ended **31st December 2004**Type of business **Pension Insurance Business**Category of surplus **Ordinary Long Term**Company
registration
number

GL/UK/CM

Period ended
day month year

Units

UK/OS

Type of
businessCategory
of surplus

R53	992726	GL	31	12	2004	£000	UK	Pens	11
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Name of contract 1	Valuation basis		No of contracts 4	Amount of sums assured or annuities per annum, including vested reversionary bonuses			Amount of annual premiums		Category of unit link 10	Unit liability		Other liabilities		Amount of mathematical reserves 15
	Rate of interest 2	Mortality or morbidity table 3		Guaranteed on death 5	Current on death/current payable per annum 6	Guaranteed on maturity 7	Office premiums 8	Net premiums 9		Current benefit value 11	Discounted value 12	Mortality and expenses 13	Options and guarantees other than investment performance guarantees 14	
Sub total: Direct Written Insurance Business			5679		60248 pa		1010			4503147	4503147	4260		4507407
REASSURANCE ACCEPTED Non-Profit Policies														
Accepted from PACL	(a)	(a)							internal funds	691669	691669			691669
GILP Business	(a)	(a)	1						internal funds	23155	23155			23155
Sub total: Non-Profit Policies			1							714824	714824			714824
Sub total: Reassurance Accepted			1							714824	714824			714824
REASSURANCE CEDED Non-Profit Policies														
BGIPM	(a)	(a)			10					10	10			10
Sub total: Non-Profit Policies					10					10	10			10

Long term insurance business : Valuation summary of property linked contractsName of insurer **Prudential Pensions Limited**

Global business

United Kingdom business

Financial year ended **31st December 2004**Type of business **Pension Insurance Business**Category of surplus **Ordinary Long Term**Company
registration
number

GL/UK/CM

Period ended
day month year

Units

UK/OS

Type of
businessCategory
of surplus

Category of surplus				Ordinary Long Term			R53	992726	GL	31	12	2004	£000	UK	Pens	11
Name of contract	Valuation basis		No of contracts	Amount of sums assured or annuities per annum, including vested reversionary bonuses			Amount of annual premiums		Category of unit link	Unit liability		Other liabilities		Amount of mathematical reserves		
	Rate of interest	Mortality or morbidity table		Guaranteed on death	Current on death/current payable per annum	Guaranteed on maturity	Office premiums	Net premiums		Current benefit value	Discounted value	Mortality and expenses	Options and guarantees other than investment performance guarantees			
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15		
Sub total: Reassurance Ceded					10					10	10			10		
Net total: Pension Insurance Business			5680		(10) 60248 pa		1010			5217961	5217961	4260		5222221		
Net total: United Kingdom Insurance Business			5680		(10) 60248 pa		1010			5217961	5217961	4260		5222221		

Long term insurance business : Valuation summary of index linked contractsName of insurer **Prudential Pensions Limited**

Global business

United Kingdom business

Financial year ended **31st December 2004**Type of business **Pension Insurance Business**Category of surplus **Ordinary Long Term**Company
registration
number

GL/UK/CM

Period ended
day month year

Units

UK/OS

Type of
businessCategory
of surplus

R54	992726	GL	31	12	2004	£000	UK	Pens	11
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Name of contract 1	Valuation basis		No of contracts 4	Amount of sums assured or annuities per annum, including vested reversionary bonuses			Amount of annual premiums		Name of index link 10	Investment liability		Other liabilities		Amount of mathematical reserves 15
	Rate of interest 2	Mortality or morbidity table 3		Guaranteed on death 5	Current on death/current payable per annum 6	Guaranteed on maturity 7	Office premiums 8	Net premiums 9		Current benefit value 11	Discounted value 12	Mortality and expenses 13	Options and guarantees other than investment performance guarantees 14	
DIRECT WRITTEN INSURANCE BUSINESS Non-Profit Policies														
GROUP - Annuities in Payment	4.71%	(b)	2	2				54						54
Sub total: Non-Profit Policies			2	2				54						54
Sub total: Direct Written Insurance Business			2	2				54						54
REASSURANCE CEDED Non-Profit Policies														

Long term insurance business : Valuation summary of index linked contractsName of insurer **Prudential Pensions Limited**

Global business

United Kingdom business

Financial year ended **31st December 2004**Type of business **Pension Insurance Business**Category of surplus **Ordinary Long Term**Company
registration
number

GL/UK/CM

Period ended
day month year

Units

UK/OS

Type of
businessCategory
of surplus

Name of contract	Valuation basis		No of contracts	Amount of sums assured or annuities per annum, including vested reversionary bonuses			Amount of annual premiums		Name of index link	Investment liability		Other liabilities		Amount of mathematical reserves
	Rate of interest	Mortality or morbidity table		Guaranteed on death	Current on death/current payable per annum	Guaranteed on maturity	Office premiums	Net premiums		Current benefit value	Discounted value	Mortality and expenses	Options and guarantees other than investment performance guarantees	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
GROUP - Annuities in Payment	4.71%	(b)	2	2				54						54
Sub total: Non-Profit Policies			2	2				54						54
Sub total: Reassurance Ceded			2	2				54						54
Net total: Pension Insurance Business			2											
Net total: United Kingdom Insurance Business			2											

(Sheet 1)

Name of insurer **Prudential Pensions Limited**

Global business

United Kingdom business

Financial year ended **31st December 2004**

Category of surplus	Ordinary Long Term
---------------------	---------------------------

Internal linked fund

Category of surplus			Ordinary Long Term			Company registration number	GL/UK/CM	Period ended			Units	UK/OS	Category of surplus	IL/DH						
Internal linked fund									day month year											
						R55	992726	GL	31	12	2004	£000	UK	11	ILH					
Name of fund link or directly held asset	Name of unit type	Valuation price per unit or asset	Total actual number of units in force or directly held assets	Value of total actual units in force or directly held assets	Value of actual units held by other internal linked funds	Value of directly held assets and actual units in force excluding those held by other internal linked funds (5-6)	Value of units or directly held assets deemed allocated to contracts		Value of surplus units or directly held assets (7-8+9)											
1	2	3	4	5	6	7	8	9	10											
All Stocks Corporate Bond		14.4608	74418151	1076146	3998	1072148	1072148													
Sub total: All Stocks Corporate Bond				1076146	3998	1072148	1072148													
Balanced Non Property		10.3061	2037729	21001		21001	21001													
Sub total: Balanced Non Property				21001		21001	21001													
Cash		62.4353	1822915	113814	68737	45077	45077													
Sub total: Cash				113814	68737	45077	45077													
Concensus		9.3766	653742	6130		6130	6130													
Sub total: Concensus				6130		6130	6130													
Discretionary		513.5727	1800397	924635	411027	513608	513608													
Sub total: Discretionary				924635	411027	513608	513608													
Emerging Markets		18.9790	1762355	33448	32497	951	951													
Sub total: Emerging Markets				33448	32497	951	951													
Equity		622.5705	1566468	975237	645347	329890	329890													

Long term insurance business : Analysis of units in internal linked funds and direct holdings of assets matching liabilities in respect of property linked benefitsName of insurer **Prudential Pensions Limited****(Sheet 2)**

Global business

United Kingdom business

Financial year ended **31st December 2004**Category of surplus **Ordinary Long Term**

Internal linked fund

Category of surplus			Ordinary Long Term			Company registration number		GL/UK/CM		Period ended			Units		UK/OS		Category of surplus		IL/DH			
Internal linked fund											day month year											
			R55		992726		GL		31		12		2004		£000		UK		11		ILH	
Name of fund link or directly held asset			Name of unit type		Valuation price per unit or asset		Total actual number of units in force or directly held assets		Value of total actual units in force or directly held assets		Value of actual units held by other internal linked funds		Value of directly held assets and actual units in force excluding those held by other internal linked funds (5-6)		Value of units or directly held assets deemed allocated to contracts				Value of surplus units or directly held assets (7-8+9)			
1			2		3		4		5		6		7		8		9		10			
Sub total: Equity							975237		645347		329890		329890									
Europe					13.5274		18055727		244247		161826		82421		82421							
Sub total: Europe							244247		161826		82421		82421		82421							
Europe Passive					10.4246		4502206		46934		28003		18931		18931							
Sub total: Europe Passive							46934		28003		18931		18931		18931							
Fixed Interest					290.4624		809871		235237		52812		182425		182425							
Sub total: Fixed Interest							235237		52812		182425		182425		182425							
GEI					0.1424		54370		8				8		8							
Sub total: GEI									8				8		8							
Global Equity					27.0445		5472579		148003		95084		52919		52919							
Sub total: Global Equity							148003		95084		52919		52919		52919							
Global Equity Passive					9.9824		13925730		139012		3279		135733		135733							
Sub total: Global Equity Passive							139012		3279		135733		135733		135733							

Long term insurance business : Analysis of units in internal linked funds and direct holdings of assets matching liabilities in respect of property linked benefitsName of insurer **Prudential Pensions Limited****(Sheet 3)**

Global business

United Kingdom business

Financial year ended **31st December 2004**Category of surplus **Ordinary Long Term**

Internal linked fund

Category of surplus			Ordinary Long Term			Company registration number	GL/UK/CM	Period ended			Units	UK/OS	Category of surplus	IL/DH
Internal linked fund								day	month	year				
			R55	992726	GL	31	12	2004	£000	UK	11	ILH		
Name of fund link or directly held asset			Name of unit type	Valuation price per unit or asset	Total actual number of units in force or directly held assets	Value of total actual units in force or directly held assets	Value of actual units held by other internal linked funds	Value of directly held assets and actual units in force excluding those held by other internal linked funds (5-6)	Value of units or directly held assets deemed allocated to contracts		Value of surplus units or directly held assets (7-8+9)			
1			2	3	4	5	6	7	8	9	10			
GUS Bal Life				10.1445	100	1		1	1					
Sub total: GUS Bal Life						1		1	1					
GUS Life Retirement				10.1485	100	1		1	1					
Sub total: GUS Life Retirement						1		1	1					
Index Linked				208.4561	548782	114397	16160	98237	98237					
Sub total: Index Linked						114397	16160	98237	98237					
Index Linked (Passive)				16.5890	5765384	95642	78	95564	95564					
Sub total: Index Linked (Passive)						95642	78	95564	95564					
Internal Long Dated Corporate Bond				13.9097	1183203	16458		16458	16458					
Sub total: Internal Long Dated Corporate Bond						16458		16458	16458					
Internal Medium Dated Corporate Bond				13.4000	491419	6585		6585	6585					
Sub total: Internal Medium Dated Corporate Bond						6585		6585	6585					
Internal Short Dated Corporate Bond				12.8547	756604	9726		9726	9726					

Long term insurance business : Analysis of units in internal linked funds and direct holdings of assets matching liabilities in respect of property linked benefitsName of insurer **Prudential Pensions Limited****(Sheet 4)**

Global business

United Kingdom business

Financial year ended **31st December 2004**Category of surplus **Ordinary Long Term**

Internal linked fund

			Company registration number		GL/UK/CM		Period ended			Units	UK/OS	Category of surplus	IL/DH
							day	month	year				
			R55	992726	GL	31	12	2004		£000	UK	11	ILH
Name of fund link or directly held asset	Name of unit type	Valuation price per unit or asset	Total actual number of units in force or directly held assets	Value of total actual units in force or directly held assets	Value of actual units held by other internal linked funds	Value of directly held assets and actual units in force excluding those held by other internal linked funds (5-6)	Value of units or directly held assets deemed allocated to contracts					Value of surplus units or directly held assets (7-8+9)	
							Gross	Reinsurance ceded					
1	2	3	4	5	6	7	8	9				10	
Sub total: Internal Short Dated Corporate Bond				9726		9726	9726						
International		63.1512	6247488	394536	376131	18405	18405						
Sub total: International				394536	376131	18405	18405						
International (Passive)		8.8848	724947	6441	1240	5201	5201						
Sub total: International (Passive)				6441	1240	5201	5201						
International Bond		32.3688	1783570	57732	24135	33597	33597						
Sub total: International Bond				57732	24135	33597	33597						
International GDP		12.7064	34360	437	437								
Sub total: International GDP				437	437								
Japan		5.8284	13675515	79706	45430	34276	34276						
Sub total: Japan				79706	45430	34276	34276						
Japan (Passive)		7.8815	4415958	34804	23667	11137	11137						
Sub total: Japan (Passive)				34804	23667	11137	11137						

Long term insurance business : Analysis of units in internal linked funds and direct holdings of assets matching liabilities in respect of property linked benefitsName of insurer **Prudential Pensions Limited****(Sheet 5)**

Global business

United Kingdom business

Financial year ended **31st December 2004**Category of surplus **Ordinary Long Term**

Internal linked fund

Category of surplus			Ordinary Long Term			Company registration number			GL/UK/CM			Period ended			Units		UK/OS		Category of surplus		IL/DH								
Internal linked fund												day month year																	
						R55			992726			GL			31 12 2004			£000		UK		11		ILH					
Name of fund link or directly held asset			Name of unit type			Valuation price per unit or asset			Total actual number of units in force or directly held assets			Value of total actual units in force or directly held assets			Value of actual units held by other internal linked funds			Value of directly held assets and actual units in force excluding those held by other internal linked funds (5-6)			Value of units or directly held assets deemed allocated to contracts			Value of surplus units or directly held assets (7-8+9)					
1			2			3			4			5			6			7			8			9			10		
Light Green						9.4042			1231825			11585			9886			1699			1699								
Sub total: Light Green												11585			9886			1699			1699								
Long Dated Corporate Bond						17.5600			29358979			515543			33106			482437			482437								
Sub total: Long Dated Corporate Bond												515543			33106			482437			482437								
Long Term Gilt						25.2270			13955411			352053			26146			325907			325907								
Sub total: Long Term Gilt												352053			26146			325907			325907								
Long Term Growth						8.7241			2177427			18996			4568			14428			14428								
Sub total: Long Term Growth												18996			4568			14428			14428								
Medium Term Balanced						10.9317			11687			128						128			128								
Sub total: Medium Term Balanced												128						128			128								
North America						11.7070			9438312			110494			65196			45298			45298								
Sub total: North America												110494			65196			45298			45298								
North America (Passive)						8.1089			4925380			39939			19687			20252			20252								

Long term insurance business : Analysis of units in internal linked funds and direct holdings of assets matching liabilities in respect of property linked benefitsName of insurer **Prudential Pensions Limited**

(Sheet 6)

Global business

United Kingdom business

Financial year ended **31st December 2004**Category of surplus **Ordinary Long Term**

Internal linked fund

Category of surplus			Ordinary Long Term			Company registration number			GL/UK/CM			Period ended			Units		UK/OS		Category of surplus		IL/DH					
Internal linked fund												day month year														
						R55			992726			GL			31 12 2004			£000		UK		11		ILH		
Name of fund link or directly held asset			Name of unit type			Valuation price per unit or asset			Total actual number of units in force or directly held assets			Value of total actual units in force or directly held assets			Value of actual units held by other internal linked funds			Value of directly held assets and actual units in force excluding those held by other internal linked funds (5-6)			Value of units or directly held assets deemed allocated to contracts			Value of surplus units or directly held assets (7-8+9)		
1			2			3			4			5			6			7			8		9		10	
Sub total: North America (Passive)									39939			19687			20252			20252								
Pacific Basin (excluding Japan)						12.3645			9560069			118206			50656			67550			67550					
Sub total: Pacific Basin (excluding Japan)									118206			50656			67550			67550								
Pacific Markets (Passive)						12.9056			3621764			46741			33823			12918			12918					
Sub total: Pacific Markets (Passive)									46741			33823			12918			12918								
Pre-Retirement						12.6193			330861			4175			1571			2604			2604					
Sub total: Pre-Retirement									4175			1571			2604			2604								
Property						406.7811			1059107			430825			14001			416824			416824					
Sub total: Property									430825			14001			416824			416824								
Prulink Cash						5.3085			26720			142						142			142					
Sub total: Prulink Cash									142						142			142								
Prulink Managed						10.9228			5502852			60107						60107			60107					
Sub total: Prulink Managed									60107						60107			60107								

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

Name of insurer **Prudential Pensions Limited**

(Sheet 7)

Global business

United Kingdom business

Financial year ended **31st December 2004**Category of surplus **Ordinary Long Term**

Internal linked fund

		Company registration number		GL/UK/CM		Period ended			Units		UK/OS		Category of surplus		IL/DH	
						day	month	year								
						R55	992726	GL	31	12	2004	£000	UK	11	ILH	
1	2	3	4	5	6	7	8	9	10	Value of units or directly held assets deemed allocated to contracts						
										Gross	Reinsurance ceded					
Smaller Companies		9.5780	7012079	67162	66677	485	485									
Sub total: Smaller Companies				67162	66677	485	485									
Specialist Global Equity		12.2678	638586	7834		7834	7834									
Sub total: Specialist Global Equity				7834		7834	7834									
Specialist UK Equity		16.5208	5616542	92790	34743	58047	58047									
Sub total: Specialist UK Equity				92790	34743	58047	58047									
Superlong Fixed		10.9989	1292136	14212	11	14201	14201									
Sub total: Superlong Fixed				14212	11	14201	14201									
Superlong Index Linked		11.1975	421730	4722		4722	4722									
Sub total: Superlong Index Linked				4722		4722	4722									
UK Equity Passive		11.3373	30679237	347821	154258	193563	193563									
Sub total: UK Equity Passive				347821	154258	193563	193563									
MPP All Stocks Corporate Bond		1.1171	317313	354		354	354									

Long term insurance business : Analysis of units in internal linked funds and direct holdings of assets matching liabilities in respect of property linked benefitsName of insurer **Prudential Pensions Limited****(Sheet 8)**

Global business

United Kingdom business

Financial year ended **31st December 2004**Category of surplus **Ordinary Long Term**

Internal linked fund

Category of surplus			Ordinary Long Term			Company registration number		GL/UK/CM		Period ended			Units		UK/OS		Category of surplus		IL/DH										
Internal linked fund										day month year																			
						R55		992726		GL		31 12 2004			£000		UK		11 ILH										
Name of fund link or directly held asset			Name of unit type			Valuation price per unit or asset			Total actual number of units in force or directly held assets			Value of total actual units in force or directly held assets			Value of actual units held by other internal linked funds			Value of directly held assets and actual units in force excluding those held by other internal linked funds (5-6)			Value of units or directly held assets deemed allocated to contracts			Value of surplus units or directly held assets (7-8+9)					
1			2			3			4			5			6			7			8			9			10		
Sub total: MPP All Stocks Corporate Bond									354						354			354											
MPP Cash						2.0094			7609689			15291			222			15069			15069								
Sub total: MPP Cash									15291			222			15069			15069											
MPP Discretionary						2.6444			139058470			367725			61332			306393			306393								
Sub total: MPP Discretionary									367725			61332			306393			306393											
MPP Equity						2.8789			21698877			62468			586			61882			61882								
Sub total: MPP Equity									62468			586			61882			61882											
MPP Equity (Passive)						0.8680			19688092			17089						17089			17089								
Sub total: MPP Equity (Passive)									17089						17089			17089											
MPP Fixed Interest						3.0602			4086279			12505			110			12395			12395								
Sub total: MPP Fixed Interest									12505			110			12395			12395											
MPP Global Equity						2.6039			33359091			86862						86862			86862								
Sub total: MPP Global Equity									86862						86862			86862											

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

Name of insurer **Prudential Pensions Limited**

(Sheet 9)

Global business

United Kingdom business

Financial year ended **31st December 2004**Category of surplus **Ordinary Long Term**

Internal linked fund

Category of surplus			Ordinary Long Term			Company registration number			GL/UK/CM			Period ended			Units			UK/OS			Category of surplus			IL/DH					
Internal linked fund												day month year																	
						R55			992726			GL			31 12 2004			£000			UK			11			ILH		
Name of fund link or directly held asset			Name of unit type			Valuation price per unit or asset			Total actual number of units in force or directly held assets			Value of total actual units in force or directly held assets			Value of actual units held by other internal linked funds			Value of directly held assets and actual units in force excluding those held by other internal linked funds (5-6)			Value of units or directly held assets deemed allocated to contracts			Value of surplus units or directly held assets (7-8+9)					
1			2			3			4			5			6			7			8			9			10		
MPP Global Equity (Passive)						0.8430			3896109			3285						3285			3285								
Sub total: MPP Global Equity (Passive)												3285						3285			3285								
MPP Index Linked						2.7777			3452002			9589			52			9537			9537								
Sub total: MPP Index Linked												9589			52			9537			9537								
MPP International						1.9581			12756756			24979						24979			24979								
Sub total: MPP International												24979						24979			24979								
MPP International Bond						2.1423			355204			761			77			684			684								
Sub total: MPP International Bond												761			77			684			684								
MPP Long Term Growth						1.3673			1381084			1888						1888			1888								
Sub total: MPP Long Term Growth												1888						1888			1888								
MPP Overseas Equity (Passive)						1.3745			92336			127						127			127								
Sub total: MPP Overseas Equity (Passive)												127						127			127								
MPP Pre Retirement						1.1165			688745			769						769			769								

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

Name of insurer **Prudential Pensions Limited**

(Sheet 10)

Global business

United Kingdom business

Financial year ended **31st December 2004**Category of surplus **Ordinary Long Term**

Internal linked fund

Category of surplus			Ordinary Long Term			Company registration number	GL/UK/CM	Period ended			Units	UK/OS	Category of surplus	IL/DH
Internal linked fund								day	month	year				
			R55	992726	GL	31	12	2004	£000	UK	11	ILH		
Name of fund link or directly held asset	Name of unit type	Valuation price per unit or asset	Total actual number of units in force or directly held assets	Value of total actual units in force or directly held assets	Value of actual units held by other internal linked funds	Value of directly held assets and actual units in force excluding those held by other internal linked funds (5-6)	Value of units or directly held assets deemed allocated to contracts		Value of surplus units or directly held assets (7-8+9)					
1	2	3	4	5	6	7	8	9	10					
Sub total: MPP Pre Retirement				769		769	769							
MPP Property		3.4790	2968713	10328	171	10157	10157							
Sub total: MPP Property				10328	171	10157	10157							
MPP Retirement Protection		2.0396	8013514	16345		16345	16345							
Sub total: MPP Retirement Protection				16345		16345	16345							
MPP Socially Responsible		0.8465	6365465	5389		5389	5389							
Sub total: MPP Socially Responsible				5389		5389	5389							
MPP Specialist Equity		1.4219	265488	377		377	377							
Sub total: MPP Specialist Equity				377		377	377							
MPP Series II Cash		1.3147	60664	80		80	80							
Sub total: MPP Series II Cash				80		80	80							
MPP Series II Discretionary		1.0194	1193333	1217		1217	1217							
Sub total: MPP Series II Discretionary				1217		1217	1217							

Long term insurance business : Analysis of units in internal linked funds and direct holdings of assets matching liabilities in respect of property linked benefitsName of insurer **Prudential Pensions Limited****(Sheet 11)**

Global business

United Kingdom business

Financial year ended **31st December 2004**Category of surplus **Ordinary Long Term**

Internal linked fund

Category of surplus			Ordinary Long Term			Company registration number		GL/UK/CM		Period ended			Units		UK/OS		Category of surplus		IL/DH			
Internal linked fund											day month year											
			R55		992726		GL		31		12		2004		£000		UK		11		ILH	
Name of fund link or directly held asset			Name of unit type		Valuation price per unit or asset		Total actual number of units in force or directly held assets		Value of total actual units in force or directly held assets		Value of actual units held by other internal linked funds		Value of directly held assets and actual units in force excluding those held by other internal linked funds (5-6)		Value of units or directly held assets deemed allocated to contracts				Value of surplus units or directly held assets (7-8+9)			
1			2		3		4		5		6		7		8		9		10			
MPP Series II Equity					0.9112		639617		583				583		583							
Sub total: MPP Series II Equity									583				583		583							
MPP Series II Fixed Interest					1.4039		77507		109				109		109							
Sub total: MPP Series II Fixed Interest									109				109		109							
MPP Series II Global Equity					0.8756		100															
Sub total: MPP Series II Global Equity																						
MPP Series II Index Linked					1.4450		35834		52				52		52							
Sub total: MPP Series II Index Linked									52				52		52							
MPP Series II Index Linked Passive					1.2965		100															
Sub total: MPP Series II Index Linked Passive																						
MPP Series II International Bond					1.3276		57288		76				76		76							
Sub total: MPP Series II International Bond									76				76		76							
MPP Series II International Equity					0.9094		100															

Long term insurance business : Analysis of units in internal linked funds and direct holdings of assets matching liabilities in respect of property linked benefitsName of insurer **Prudential Pensions Limited****(Sheet 12)**

Global business

United Kingdom business

Financial year ended **31st December 2004**Category of surplus **Ordinary Long Term**

Internal linked fund

Category of surplus			Ordinary Long Term			Company registration number			GL/UK/CM			Period ended			Units			UK/OS			Category of surplus			IL/DH											
Internal linked fund												day month year																							
						R55			992726			GL			31			12			2004			£000			UK			11			ILH		
Name of fund link or directly held asset			Name of unit type			Valuation price per unit or asset			Total actual number of units in force or directly held assets			Value of total actual units in force or directly held assets			Value of actual units held by other internal linked funds			Value of directly held assets and actual units in force excluding those held by other internal linked funds (5-6)			Value of units or directly held assets deemed allocated to contracts			Value of surplus units or directly held assets (7-8+9)											
1			2			3			4			5			6			7			8			9			10								
Sub total: MPP Series II International Equity																																			
MPP Series II Property						1.8076			96345			174						174			174														
Sub total: MPP Series II Property												174						174			174														
MPP Series II Retirement Protection						1.3044			100																										
Sub total: MPP Series II Retirement Protection																																			
MPP Series II UK Equity (Passive)						0.8972			100																										
Sub total: MPP Series II UK Equity (Passive)																																			
MPP Series III Ascent European Equity			Wholly reinsured			1.1327																		2			2								
Sub total: MPP Series III Ascent European Equity																								2			2								
MPP Series III Ascent Glob Equity 50:50			Wholly reinsured			1.0838																		1			1								
Sub total: MPP Series III Ascent Glob Equity 50:50																								1			1								
MPP Series III Ascent Overseas Equity			Wholly reinsured			1.0755																		1			1								
Sub total: MPP Series III Ascent Overseas Equity																								1			1								

(Sheet 13)

Global business

United Kingdom business

Financial year ended **31st December 2004**

Category of surplus	Ordinary Long Term
---------------------	---------------------------

Internal linked fund

Category of surplus			Ordinary Long Term															
			Company registration number		GL/UK/CM		Period ended			Units		UK/OS		Category of surplus		IL/DH		
							day month year											
			R55		992726		GL		31 12 2004			£000		UK		11 ILH		
Name of fund link or directly held asset			Name of unit type		Valuation price per unit or asset		Total actual number of units in force or directly held assets		Value of total actual units in force or directly held assets		Value of actual units held by other internal linked funds		Value of directly held assets and actual units in force excluding those held by other internal linked funds (5-6)		Value of units or directly held assets deemed allocated to contracts		Value of surplus units or directly held assets (7-8+9)	
1			2		3		4		5		6		7		8		9 10	
MPP Series III Ascent Pacific Rim Equity			Wholly reinsured		1.1788												3 3	
Sub total: MPP Series III Ascent Pacific Rim Equity																	3 3	
MPP Series III Ascent US Equity			Wholly reinsured		1.0203												2 2	
Sub total: MPP Series III Ascent US Equity																	2 2	
MPP Series III Ascent Japan Equity			Wholly reinsured		0.9836												1 1	
Sub total: MPP Series III Ascent Japan Equity																	1 1	
MPP Series III Cash Fund					1.1969		6831209		8176				8176		8176			
Sub total: MPP Series III Cash Fund									8176				8176		8176			
MPP Series III Corporate Bond					1.2986		2813946		3654				3654		3654			
Sub total: MPP Series III Corporate Bond									3654				3654		3654			
MPP Series III Discretionary					1.0849		40794665		44259				44259		44259			
Sub total: MPP Series III Discretionary									44259				44259		44259			
MPP Series III Equity					1.0234		4646048		4755				4755		4755			

Long term insurance business : Analysis of units in internal linked funds and direct holdings of assets matching liabilities in respect of property linked benefitsName of insurer **Prudential Pensions Limited****(Sheet 14)**

Global business

United Kingdom business

Financial year ended **31st December 2004**Category of surplus **Ordinary Long Term**

Internal linked fund

Category of surplus			Ordinary Long Term			Company registration number	GL/UK/CM	Period ended			Units	UK/OS	Category of surplus	IL/DH
								day	month	year				
			R55	992726	GL	31	12	2004	£000	UK	11	ILH		
Name of fund link or directly held asset	Name of unit type	Valuation price per unit or asset	Total actual number of units in force or directly held assets	Value of total actual units in force or directly held assets	Value of actual units held by other internal linked funds	Value of directly held assets and actual units in force excluding those held by other internal linked funds (5-6)	Value of units or directly held assets deemed allocated to contracts		Value of surplus units or directly held assets (7-8+9)					
							Gross	Reinsurance ceded						
1	2	3	4	5	6	7	8	9	10					
Sub total: MPP Series III Equity				4755		4755	4755							
MPP Series III Fixed Interest		1.2297	1992556	2450		2450	2450							
Sub total: MPP Series III Fixed Interest				2450		2450	2450							
MPP Series III Global Equity		1.0380	8351013	8668		8668	8668							
Sub total: MPP Series III Global Equity				8668		8668	8668							
MPP Series III Global Equity (Passive)		1.0259	100											
Sub total: MPP Series III Global Equity (Passive)														
MPP Series III Index Linked		1.3003	1684662	2191		2191	2191							
Sub total: MPP Series III Index Linked				2191		2191	2191							
MPP Series III Index Linked (Passive)		1.2879	36667	47		47	47							
Sub total: MPP Series III Index Linked (Passive)				47		47	47							
MPP Series III International		1.0347	1540609	1594		1594	1594							
Sub total: MPP Series III International				1594		1594	1594							

(Sheet 15)

Name of insurer **Prudential Pensions Limited**

Global business

United Kingdom business

Financial year ended **31st December 2004**

Category of surplus	Ordinary Long Term
---------------------	---------------------------

Internal linked fund

Category of surplus			Ordinary Long Term			Company registration number	GL/UK/CM	Period ended			Units	UK/OS	Category of surplus	IL/DH
Internal linked fund								day	month	year				
			R55	992726	GL	31	12	2004	£000	UK	11	ILH		
Name of fund link or directly held asset	Name of unit type	Valuation price per unit or asset	Total actual number of units in force or directly held assets	Value of total actual units in force or directly held assets	Value of actual units held by other internal linked funds	Value of directly held assets and actual units in force excluding those held by other internal linked funds (5-6)	Value of units or directly held assets deemed allocated to contracts							
1	2	3	4	5	6	7	8	9	10					
MPP Series III International Bond		1.1600	157847	183		183	183							
Sub total: MPP Series III International Bond				183		183	183							
MPP Series III Light Green		1.0548	1695212	1788		1788	1788							
Sub total: MPP Series III Light Green				1788		1788	1788							
MPP Series III Long Dated Corporate Bond		1.1085	59965	66		66	66							
Sub total: MPP Series III Long Dated Corporate Bond				66		66	66							
MPP Series III Long Term Growth		1.0553	2493253	2631		2631	2631							
Sub total: MPP Series III Long Term Growth				2631		2631	2631							
MPP Series III Newton Higher Income		1.1642	3264	4		4	4							
Sub total: MPP Series III Newton Higher Income				4		4	4							
MPP Series III Newton Income		1.1463	1000	1		1	1							
Sub total: MPP Series III Newton Income				1		1	1							
MPP Series III Newton International Growth		1.1382	1000	1		1	1							

Long term insurance business : Analysis of units in internal linked funds and direct holdings of assets matching liabilities in respect of property linked benefitsName of insurer **Prudential Pensions Limited****(Sheet 16)**

Global business

United Kingdom business

Financial year ended **31st December 2004**Category of surplus **Ordinary Long Term**

Internal linked fund

Category of surplus			Ordinary Long Term									
Internal linked fund			Company registration number	GL/UK/CM	Period ended			Units	UK/OS	Category of surplus	IL/DH	
					day	month	year					
			R55	992726	GL	31	12	2004	£000	UK	11	ILH
Name of fund link or directly held asset	Name of unit type	Valuation price per unit or asset	Total actual number of units in force or directly held assets	Value of total actual units in force or directly held assets	Value of actual units held by other internal linked funds	Value of directly held assets and actual units in force excluding those held by other internal linked funds (5-6)	Value of units or directly held assets deemed allocated to contracts		Value of surplus units or directly held assets (7-8+9)			
							Gross	Reinsurance ceded				
1	2	3	4	5	6	7	8	9	10			
Sub total: MPP Series III Newton International Growth				1		1	1					
MPP Series III NT Managed Fixed Income		1.0795	20397	22		22	22					
Sub total: MPP Series III NT Managed Fixed Income				22		22	22					
MPP Series III NT Managed Int Equity		1.1271	134674	152		152	152					
Sub total: MPP Series III NT Managed Int Equity				152		152	152					
MPP Series III NT Managed UK Equity		1.2705	109636	139		139	139					
Sub total: MPP Series III NT Managed UK Equity				139		139	139					
MPP Series III Overseas Equity		1.2837	340756	437		437	437					
Sub total: MPP Series III Overseas Equity				437		437	437					
MPP Series III Overseas Equity (Passive)		1.0425	215492	225		225	225					
Sub total: MPP Series III Overseas Equity (Passive)				225		225	225					
MPP Series III Pre-Retirement		1.2338	598156	738		738	738					
Sub total: MPP Series III Pre-Retirement				738		738	738					

Long term insurance business : Analysis of units in internal linked funds and direct holdings of assets matching liabilities in respect of property linked benefitsName of insurer **Prudential Pensions Limited****(Sheet 17)**

Global business

United Kingdom business

Financial year ended **31st December 2004**Category of surplus **Ordinary Long Term**

Internal linked fund

Category of surplus			Ordinary Long Term			Company registration number			GL/UK/CM			Period ended			Units			UK/OS			Category of surplus			IL/DH											
Internal linked fund												day month year																							
						R55			992726			GL			31			12			2004			£000			UK			11			ILH		
Name of fund link or directly held asset			Name of unit type			Valuation price per unit or asset			Total actual number of units in force or directly held assets			Value of total actual units in force or directly held assets			Value of actual units held by other internal linked funds			Value of directly held assets and actual units in force excluding those held by other internal linked funds (5-6)			Value of units or directly held assets deemed allocated to contracts			Value of surplus units or directly held assets (7-8+9)											
1			2			3			4			5			6			7			8			9			10								
MPP Series III Property						1.4790			2399010			3548						3548			3548														
Sub total: MPP Series III Property												3548						3548			3548														
MPP Series III Pru Europe Passive						1.1787			146184			172						172			172														
Sub total: MPP Series III Pru Europe Passive												172						172			172														
MPP Series III Pru Japan Passive						0.9653			78827			76						76			76														
Sub total: MPP Series III Pru Japan Passive												76						76			76														
MPP Series III Pru North American Passive						1.0544			182136			192						192			192														
Sub total: MPP Series III Pru North American Passive												192						192			192														
MPP Series III Pru Pacific Basin Passive						1.0937			68234			75						75			75														
Sub total: MPP Series III Pru Pacific Basin Passive												75						75			75														
MPP Series III Retirement Protection						1.2263			6109147			7492						7492			7492														
Sub total: MPP Series III Retirement Protection												7492						7492			7492														
MPP Series III UBS Global Optimal						1.1036			1168			1						1			1														

Long term insurance business : Analysis of units in internal linked funds and direct holdings of assets matching liabilities in respect of property linked benefitsName of insurer **Prudential Pensions Limited****(Sheet 18)**

Global business

United Kingdom business

Financial year ended **31st December 2004**Category of surplus **Ordinary Long Term**

Internal linked fund

Category of surplus			Ordinary Long Term		Company registration number		GL/UK/CM		Period ended			Units		UK/OS		Category of surplus		IL/DH		
Internal linked fund									day month year											
			R55		992726		GL		31 12 2004			£000		UK		11		ILH		
Name of fund link or directly held asset			Name of unit type		Valuation price per unit or asset		Total actual number of units in force or directly held assets		Value of total actual units in force or directly held assets		Value of actual units held by other internal linked funds		Value of directly held assets and actual units in force excluding those held by other internal linked funds (5-6)		Value of units or directly held assets deemed allocated to contracts		Value of surplus units or directly held assets (7-8+9)			
1			2		3		4		5		6		7		8		9		10	
Sub total: MPP Series III UBS Global Optimal							1						1		1					
MPP Series III UBS UK Select Equity					1.1157		1142		1				1		1					
Sub total: MPP Series III UBS UK Select Equity									1				1		1					
MPP Series III UK Equity (Passive)					1.0073		26042190		26232				26232		26232					
Sub total: MPP Series III UK Equity (Passive)									26232				26232		26232					
MPP Series III UK Smaller Companies					1.1742		902933		1060				1060		1060					
Sub total: MPP Series III UK Smaller Companies									1060				1060		1060					
MPP Series III UK Specialist Equity					1.1421		1298094		1483				1483		1483					
Sub total: MPP Series III UK Specialist Equity									1483				1483		1483					
Total: Ordinary Long Term									7784728		2566767		5217961		5217961		10		10	

Long-term insurance business - analysis of valuation interest ratesName of insurer **Prudential Pensions Limited**Financial year ended **31st December 2004**Category of surplus **Ordinary Long Term**

	Company registration number	GL/UK/CM	Period ended			Units	Category of surplus	
			day	month	year			
	R57	992726	GL	31	12	2004	£000	11
Product group		Net mathematical reserves		Net valuation interest rate		Gross valuation interest rate		Risk adjusted yield on matching assets
1		2		3		4		5
Mortality & Expenses		3270		4.00		4.00		4.62
Additional Reserves		990						4.70
Total: Ordinary Long Term		4260						

Long term insurance business : Valuation result and distribution of surplusName of insurer **Prudential Pensions Limited**

Global business

Financial year ended **31st December 2004**Company
registration
number

GL/UK/CM

Period ended

Units

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

Category of surplus	Ordinary Long Term		number	day	month	year			
			R58	992726	GL	31	12	2004	£000
Valuation result	Fund carried forward					11	5222221		
	Bonus payments made to policyholders in anticipation of a surplus					12			
	Transfers out of fund/ parts of fund	Transfer to non-technical account				13	8356		
		Transfer to other funds/parts of funds				14			
	Net transfer out of funds/parts of funds (13+14)					15	8356		
	Total (11+12+15)					16	5230577		
	Mathematical reserves for accumulating with profit policies					17			
	Mathematical reserves for other non linked contracts					18			
	Mathematical reserves for property linked contracts					19	5222221		
	Mathematical reserves for index linked contracts					20			
	Total (17 to 20)					21	5222221		
	Surplus including contingency and other reserves held towards the solvency margin (deficiency) (16-21)					29	8356		
Composition of surplus	Balance of surplus brought forward unappropriated from last valuation					31	4160		
	Transfers into fund/part of fund	Transfer from non-technical account				32			
		Transfer from other funds/parts of fund				33			
	Net transfer into fund/part of fund (32+33)					34			
	Surplus arising since the last valuation					35	4196		
	Total (31+34+35)					39	8356		
Distribution of surplus	Bonus payments made to policyholders in anticipation of a surplus					41			
	Allocated to policyholders by way of	Cash bonuses				42			
		Reversionary bonuses				43			
		Other bonuses				44			
		Premium reductions				45			
	Total allocated to policyholders (41 to 45)					46			
	Net transfer out of fund/part of fund					47	8356		
	Total distributed surplus (46+47)					48	8356		
	Balance of surplus (including contingency and other reserves held towards the solvency margin) carried forward unappropriated					49			
	Total (48+49)					59	8356		
Percentage of distributed surplus allocated to policyholders of fund/part of fund						61			
Corresponding percentage at three immediately previous valuations	Latest	(year of valuation 2003)				62			
	Earlier	(year of valuation 2002)				63			
	Earliest	(year of valuation 2001)				64			

Long term insurance capital requirementName of insurer **Prudential Pensions Limited**

Global business

Financial year ended **31st December 2004**Company
registration
number

GL/UK/CM

Period ended
day month year

Units

		R60	992726	GL	31	12	2004	£000
	LTICR factor	Gross reserves / capital at risk	Net reserves / capital at risk	Reinsurance factor	LTICR Financial year	LTICR Previous year		
	1	2	3	4	5	6		

Insurance death risk capital component

Classes I, II and IX	11	0.1%			0.0000		
Classes I, II and IX	12	0.15%					
Classes I, II and IX	13	0.3%					
Classes III, VII and VIII	14	0.3%			0.0000		
Total	15						

Insurance health risk capital component

Class IV and supplementary classes 1 and 2	21						
--	----	--	--	--	--	--	--

Insurance expense risk capital component

Classes I, II and IX	31	1%	105891		0.8500	900	
Classes III, VII and VIII (investment risk)	32	1%	4402	4402	1.0000	44	
Classes III, VII and VIII (expenses fixed 5 yrs +)	33	1%			0.0000		
Classes III, VII and VIII (other)	34	25%				1305	
Class IV	35	1%			0.0000		
Class V	36	1%					
Class VI	37	1%			0.0000		
Total	38					2249	

Insurance market risk capital component

Classes I, II and IX	41	3%	105891		0.8500	2700	
Classes III, VII and VIII (investment risk)	42	3%	4402	4402	1.0000	132	
Classes III, VII and VIII (expenses fixed 5 yrs +)	43	0%					
Classes III, VII and VIII (other)	44	0%	5217829	5217819			
Class IV	45	3%			0.0000		
Class V	46	0%					
Class VI	47	3%			0.0000		
Total	48		5328122	5222221		2832	

Long term insurance capital requirement	51					5081	
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PRUDENTIAL PENSIONS LIMITED

Returns for the year ended 31 December 2004

Notes to the Return

Form 2

***0201* Orders under Section 68, Insurance Companies Act 1982 (as amended)**

The Secretary of State for Trade and Industry has issued to the Company Orders under Section 68 of the Insurance Companies Act 1982 directing that Section 31 of that Act shall not apply to the Company in respect of transactions entered into with The Prudential Assurance Company Limited and Prudential Annuities Limited pursuant to various life reinsurance agreements.

The Section 68 orders granted under the Insurance Companies Act 1982 continued to have effect under the transitional arrangements set out in the supervision manual. Section 31(2)(c) of the Insurance Companies Act 1982 was replaced by Rule 3.4 of the Interim Prudential Sourcebook for Insurers. Rule 3.4 ceased to have effect on implementation of the Integrated Prudential Sourcebook for Insurers on 31 December 2004 and there is no equivalent requirement within the Integrated Sourcebook.

Form 3

***0301* Reconciliation of net admissible assets to total capital resources after deductions**

	£'000
Form 13 Line 89 (Long term) Grand total of admissible assets	5,237,938
Form 14 Line 59 Total liabilities and margins	(5,237,938)
Form 13 Line 89 (Other than long term) Grand total of admissible assets	25,521
Form 15 Line 69 Total	<u>(7,452)</u>
	18,069
Form 3 Line 79 Capital resources after deductions	<u>18,069</u>
Difference	<u><u>0</u></u>

***0308* Details of positive and negative valuation differences**

	£'000
Additional reserves held in the long term fund	1,690
Deferred tax on additional reserves held in the long term fund & on inadmissible asset	<u>(511)</u>
Form 3 Line 35 Other negative valuation differences	<u><u>1,179</u></u>

Form 13

Notes 1301 to 1306 apply to other than long term business fund.

***1301* Assets specified instruction 5**

The company held no unlisted investments, listed investments that are not readily realisable, or any other investments specified in instruction 5.

Notes to the Return (continued)

***1304* Statement on Set Off**

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

***1305* Maximum Counterparty Limits**

The Company's investment guidelines set maximum counterparty limits in order to maintain the admissibility of assets in accordance with Rule 4.14. The limits were breached twice during the financial year.

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

Counterparty exposures held at year end that were greater than 5% of the sum of the base capital resources requirements and long term insurance liabilities, excluding property linked liabilities and net of reinsurance ceded. These include cash on deposit with; Commonwealth Bank of Australia £1m, Swedbank £4m, Britannia Building Society £4m, ING £4m, Irish Life and Permanent £2.2m and a cash balance of £8.9m with HSBC Bank.

Notes 1308 to 1312 apply to long term business fund.

***1308* Assets specified in instruction 5.**

The company held no unlisted investments, listed investments that are not readily realisable, or any other investments specified in instruction 5.

***1310* Statement on Set Off**

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

***1311* Maximum Counterparty Limits**

The Company's investment guidelines set maximum counterparty limits in order to maintain the admissibility of assets in accordance with Rule 4.14. The limits were breached twice during the financial year. As at two month ends, stock out on loan to Barclays Bank Plc exceeded 10% of the Long Term Fixed Interest Fund.

***1312* Counterparty exposures at year end**

Counterparty exposures held at year end that were greater than 5% of the sum of the base capital resources requirements and long term insurance liabilities, excluding property linked liabilities and net of reinsurance ceded. These include an intercompany debtor of £1.2m with The Prudential Assurance Company Limited and a cash balance of £2.3m with HSBC Bank.

***1320* Other debtors and cash at bank**

	Other debtors	Cash at bank
	£000's	£000's
<i>Per the Annual Returns</i>		
Form 13 line 76/78/81 Other than long term business	1,380	8,941
Form 13 line 78/81 Long term business	2,201	2,295
	<u>3,581</u>	<u>11,236</u>
<i>Per shareholder accounts</i>	<u>3,581</u>	<u>11,236</u>
Difference	<u>0</u>	<u>0</u>

Notes to the Return (continued)

Form 14

***1401* Provision for adverse changes**

No derivatives were held outside of the internally linked funds at any time during the year and therefore no provision for adverse changes is required.

***1402* Uncertain and Potential Liabilities**

- a) There were no charges attributable to the long-term business assets.
- b) There were no potential capital gains tax liabilities at the year end.
- c) There were no contingent liabilities at the year end.
- d) There were no guarantees, indemnities or other contractual commitments other than in the ordinary course of insurance business and in respect of related companies.
- e) Provision for claims outstanding: the company has instigated a full review of its defined benefit payment processes and has set up a reasonable and prudent provision to cover the cost of performing the review and the cost of any contingent loss, if any, arising out of the review's findings. A provision of £366,000 is included on F14 line 15 (2003: £366,000).

Form 15

***1501* Provision for adverse changes**

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

***1502* Charges, potential tax liability, contingent liabilities, guarantees and fundamental uncertainties**

- a) There were no charges attributable to the other than long term business assets.
- b) There was no potential tax liability arising in the other than long term fund at the year end.
- c) There were no contingent liabilities at the year-end.
- d) There are no guarantees, indemnities or other contractual commitments, effected other than in the ordinary course of insurance business, in respect of related companies.
- e) There were no fundamental uncertainties at the year-end.

Notes to the Return (continued)

Form 16

***1601* Foreign Currencies**

Foreign currency assets and liabilities are translated at year-end exchange rates. Foreign currency revenue transactions are translated at rates ruling at the transaction dates, except for accrued revenue items that are translated at year-end exchange rates.

Form 17

***1700* Derivative Contracts**

As all figures, including comparatives, are zero for the long-term and other than long term fund form 17, this form has been omitted. All derivative contracts are held in the internally linked funds and not within the other assets of the long-term fund or the other than long-term fund.

Form 40

***4003* Investment income and capital gains**

Included in the Line 26 figure (Transfer to non technical account) are the following investment incomes and capital gains:

	2004	2003
	£'000	£'000
Cash on deposit interest received	1,511	1,739
Bank overdraft interest paid	(860)	(789)
UK government gilt interest received	126	126
Unrealised capital gain on UK government gilt	(13)	(94)
	<u>764</u>	<u>982</u>

***4008* Provision of management services**

The Company was provided throughout the year with day to day management services by The Prudential Assurance Company Limited (the immediate holding company), and Prudential Property Investment Managers Limited, Prudential UK Services Limited and M&G Investment Management Limited, all group companies. The Company was further assisted during the year with day to day management services by Mellon European Fund Services, a third party.

***4009* The Company has a reinsurance agreement with a related company, The Prudential Assurance Company Limited, in respect of linked premiums. Included in earned premiums for the year is an amount of £131m received under this reinsurance agreement. The reinsurance agreement was drawn up under normal commercial terms which reflect the level of business transacted with the Company.**

Also included within claims incurred is an amount of £39m arising from claims under this reinsurance agreement and a claims recovery of £8m received from a related company, Prudential Annuities Limited.

The Company has a reinsurance agreement with a related company, Prudential Retirement Income Limited, in respect of linked annuities. Included in claims incurred for the year is an amount of £122,000 paid under this reinsurance agreement. The reinsurance agreement was drawn up under normal commercial terms which reflect the level of business transacted with the Company.

Notes to the Return (continued)

Form 43

4301 Valuation of Linked Assets

Linked assets are valued at market value.

Investment properties, though, are independently valued each month on the basis of open market value in accordance with the RICS Appraisal and Valuation Manual. All the properties are currently valued by CB Richard Ellis Limited. Securities are valued at a market offer price except where a linked fund is priced on a full bid basis in which case the securities are valued on a bid basis. In accordance with the policy documents, an adjustment is made to the linked asset prices to account for buying or selling expenses.

4302 Derivative Contracts

The value of rights under derivative contracts held by each internal linked fund were as follows. The figures are gross of variation margin and net of variation margin:

	Gross Assets £'000	Gross Liabilities £'000	Net Assets £'000	Net Liabilities £'000
Equity Passive	35	-	27	-
Far East	250	(251)	250	(251)
Europe Passive	-	-	-	-
International Bond	2,822	(2,912)	2,822	(2,912)
Fixed Interest	21,337	(21,969)	21,337	(21,969)
North America Passive	214		201	

4304 Variation in directly held assets and other liabilities

As described in note 5501, the total assets held to cover linked liabilities include credit balances, hence the difference between linked assets and linked liabilities. However, some of the linked liability balances (such as the net overdraft position), when split by fund, include debit balances. This is the reason why the asset and liability figures in form 43 differ from those in other forms, as detailed below:

The value of directly held assets:

	Assets £'000		Liabilities £'000	
	5,231,107	(Form 13 Line 59)	13,146	(Included in Form 14 Line 38) *
Creditors	(6,448)		(6,448)	
Cash balances	782		782	
Tax	775		775	
Interest	20		20	
Form 43 Total	5,226,236		8,275	

* (Note the total liabilities on Form 14 Line 38 includes £2,205,000 non linked liabilities)

Notes to the Return (continued)

Form 44

4402	Other Expenditure	2004
		£'000
	Other investment expenses	35
	Safe custody fees	(589)
	Transaction fees	(155)
Total		<u>(709)</u>

Form 48

4801 Accrued income

Line 12, column 1 includes £8,000 accrued interest.

Form 51

5101 Mortality Bases

The mortality bases corresponding to the codes are :

code (a) 97% PMA92 (u=2004), 84% PFA92 (u=2004)

code (b) 87% PMA92 (u=2004), 82% PFA92 (u=2004)

code (c) 82% PMA92(c=2004), 80% PFA92 (c=2004)

For (a) and (b), the CMIR17 improvement factors from 1992 to 2004 are applied to PMA92 and PFA92 mortality tables respectively. Future improvement factors from 2005 onwards are in line with a percentage adjustment of the Medium Cohort projection (CMI mortality subcommittee 2002: Working paper 1: An interim basis for adjusting the '92' series mortality projections for cohort effects), 100% for males and 75% for females. Future improvement factors are subject to a minimum improvement in any year, of 1.25% for males and 0.75% for females.

5102 Provision for annuity payment expenses

The provisions for the cost of paying annuities in possession corresponding to the codes are :

code (a)&(b) 2.0 % increase in value of annuity

code (c) £26.52 pa per annuitant plus 3.5% p.a. inflation

Form 53

5301 Interest and Mortality Bases

See answer to Appendix 9.4 question 9(a).

5302 Non-unit reserves

Certain expenses associated with managing a property portfolio have not been included in the renewal expense margins used in the calculation of the non-unit reserves. These expenses are deducted from the investment return credited to policyholders.

Notes to the Return (continued)

Form 55

5501 Unit linked liabilities

Included in the total assets held to cover linked liabilities (£5,217,961,000) are liabilities netted off against assets to the value of £13,146,298. This is the reason for the excess assets shown in forms 13 and 14 as follows:

	<u>£000's</u>
Property linked assets (per form 13 line 59)	5,231,107
Less unit linked creditors:	
Income in advance	(6,483)
Property	(595)
Sterling brokers	(4,400)
Sundry creditors	(829)
Safe custody creditors	(58)
Transaction fees	(23)
Overseas brokers	(758)
	(13,146)
Directly held assets (per Form 55 column 8)	5,217,961

Returns under the Interim Prudential Sourcebook for Insurers and the Integrated Prudential Sourcebook

PRUDENTIAL PENSIONS LIMITED

Directors' Certificate required by rule 9.34 of the Accounts and Statements Rules

Financial year ended 31 December 2004

We certify:

1. (a) that the return has been properly prepared in accordance with the requirements in IPRU(INS) and PRU as modified by a section 68 order granted on 5 December 1997 which ceased to have effect on 31 December 2004; and:
 - (b) we are satisfied that:
 - (i) throughout the financial year in question, the insurer has complied in all material respects with the requirements of SYSC and PRIN as well as the provisions of IPRU(INS) and PRU, except for 17th and 18th February 2004 when the company was technically insolvent due to asset inadmissibility. This was corrected immediately and resulted in no financial profit or loss for the Company or policyholders; and
 - (ii) it is reasonable to believe that the insurer has continued so to comply subsequently, and will continue so to comply in future.
2. (a) that in our opinion, premiums for contracts entered into during the financial year and the resulting income earned are sufficient, under reasonable actuarial methods and assumptions, and taking into account the other financial resources of the insurer that are available for the purpose, to enable the insurer to meet its obligations in respect of those contracts and, in particular, to establish adequate mathematical reserves;
 - (b) that the sum of the mathematical reserves and the deposits received from reinsurers as shown in Form 14 constitute proper provision at the end of the financial year in question for the long-term insurance liabilities (including all liabilities arising from deposit back arrangements, but excluding other liabilities which had fallen due before the end of the financial year) including any increase in those liabilities arising from a distribution of surplus as a result of an actuarial investigation as at that date into the financial condition of the long-term insurance business;
 - (c) that we have, in preparing the return, taken and paid due regard to advice in preparing the return from every actuary appointed by the insurer to perform the actuarial function in accordance with SUP 4.3.13R.

.....
G M Wood
Chief Executive

.....
D J Belsham
Director

.....
R C Everett
Director

March 2005

Report of the auditor to the Directors pursuant to rule 9.35 of the Accounts and Statements Rules.

PRUDENTIAL PENSIONS LIMITED

Financial year ended 31 December 2004

We have examined the following documents prepared by the company pursuant to the Accounts and Statements Rules set out in part I and part IV of chapter 9 to the Interim Prudential Sourcebook for Insurers and PRU, the Integrated Prudential Sourcebook, (“the Rules”) made by the Financial Services Authority under section 138 of the Financial Services and Markets Act 2000:

- Forms 2, 3, 13 to 16, 40 to 45, 48, 49, 58 and 60, (including the supplementary notes) on pages 1 to 98 (‘the Forms’);
- the statement required by rule 9.29 on pages 102 to 103 (‘the Statement’);
- the methods and assumptions determined by the insurer and used to perform the actuarial investigation as set out in the valuation report required by rule 9.31(a) (‘the methods and assumptions included in the valuation report’).

We are not required to examine and do not express an opinion on:

- Forms 46 to 47, 51 to 55 and 57 (including the supplementary notes) on pages 35 to 98;
- the statement required by rule 9.30 on page 104;
- the directors’ certificate signed in accordance with rule 9.34 on page 99 (‘the directors’ certificate’); and
- the valuation report required by rule 9.31 (a) except as set out above.

This report is made solely to the company’s directors, as a body, in accordance with the requirements of rule 9.35 of the Rules. We acknowledge that the directors are required to submit this report to the FSA, to enable the FSA to verify that an auditor’s report has been commissioned by the company’s directors and issued in accordance with the requirements of rule 9.35 of the Rules and to facilitate the discharge by the FSA of its regulatory functions in respect of the company, conferred on the FSA by or under the Financial Services and Markets Act 2000. Our audit work has been undertaken so that we might state to the company’s directors those matters we are required to state to them in an auditor’s report issued pursuant to rule 9.35 of the Rules 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 directors as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the company and its auditors

The company is responsible for the preparation of an annual return (including the Forms, the Statement and the valuation report, the forms and statement not examined by us and the directors’ certificate) under the provisions of the Rules. Under rule 9.11 the Forms, the Statement, valuation report, the forms and statement not examined by us and the directors’ certificate are required to be prepared in the manner specified by the Rules and to state fairly the information provided on the basis required by the Rules.

The methods and assumptions determined by the insurer and used to perform the actuarial investigation as set out in the valuation report, prepared in accordance with rule 9.31 are required to reflect appropriately the requirements of PRU 7.3.

It is our responsibility to form an independent opinion as to whether the Forms, the Statement and the methods and assumptions included in the valuation report meet these requirements, and to report our opinions to you. We also report to you if, in our opinion, the company has not kept proper accounting records or if we have not received all the information we require for our examination.

Basis of opinion

We conducted our work in accordance with Practice Note 20 “The audit of insurers in the United Kingdom” and Bulletin 2004/5 issued by the Auditing Practices Board. Our work included examination, on a test basis, of evidence relevant to the amounts and disclosures in the Forms, the Statement and the methods and assumptions included in the valuation report. The evidence included that previously obtained by us relating to the audit of the financial statements of the company for the financial year. It also included an assessment of the significant estimates and judgements made by the company in the preparation of the Forms, the Statement and in determining the methods and assumptions included in the valuation report.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Forms, the Statement and the methods and assumptions included in the valuation report are free from material misstatement, whether caused by fraud or other irregularity or error, and comply with rule 9.11.

In accordance with rule 9.35(1A), to the extent that any document, Form, Statement, analysis or report to be examined under rule 9.35(1) contains amounts or information abstracted from the actuarial investigation performed pursuant to rule 9.4, we have obtained and paid due regard to advice from a suitably qualified actuary who is independent of the insurer.

Opinion

In our opinion:

- i) the Forms and the Statement fairly state the information provided on the basis required by the Rules and have been properly prepared in accordance with the provisions of those Rules; and
- ii) the methods and assumptions determined by the insurer and used to perform the actuarial investigation as set out in the valuation report prepared in accordance with rule 9.31 appropriately reflect the requirements of PRU 7.3.

KPMG Audit Plc
Registered Auditor

London

March 2005

PRUDENTIAL PENSIONS LIMITED

Returns for the year ended 31 December 2004

Statement in accordance with Rule 9.29 of the Accounts and Statements Rules

a. **Investment Guidelines**

During 2004, investment guidelines allowed the use of derivative contracts in the GILP (and hence MPP) internal linked funds. The derivatives and use thereof was restricted to that permitted by Appendix 3.2 of the Accounts and Statements Rules. The use of derivatives was not permitted in the non-linked funds.

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

b. **Derivatives where exercise is unlikely**

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

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

No such contracts were used by the company.

d. **Effect on Form 13 at 31 December 2004 of exercising derivatives where it would be prudent to assume options would be exercised**

The only derivatives on Form 13 relate to property linked assets and are included on line 59 of Form 13, which would not change in value.

The company would not be exposed to any fluctuation in asset values.

e. **Effect on Form 13 of exercising all derivatives at year end**

The only change would be to line 59 of Form 13 which would not reduce by a significant amount and would be directly offset by a reduction in the long-term liabilities shown on Form 14.

The assets of the company would not be impacted.

f. **Effect on Form 13 of exercising all derivatives at any time during year**

The assets of the company would not be impacted. Movement in linked assets would be offset by a corresponding change in the linked liability.

The assets of the company would not be impacted.

g. **Maximum loss**

The net assets of the company would not be impacted. At the year end, linked assets would be reduced by a maximum of:

Existing market conditions £251,000

Foreseeable market conditions £344,000

The highest exposure throughout the year was £1,153,000.

h. **Provisions for reasonably foreseeable variations arising from derivative contracts, rule PRU 4.3. 17R**

The only derivatives on Form 13, relate to property linked assets and are included on line 59 of Form 13, which would not change in value.

The company would not be exposed to any fluctuation in asset values.

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

The investment guidelines did not allow the writing of options.

PRUDENTIAL PENSIONS LIMITED

Returns for the year ended 31 December 2004

Statement in accordance with rule 9.30 of the Accounts and Statements Rules

Additional information on shareholder controllers

We confirm that the following is a list of:

- (a) Persons who, to the knowledge of Prudential Pensions Limited ("the Company"), have been, at any time during the year ended 31 December 2004, a shareholder controller of the Company; and
- (b) In the case of each person who was a shareholder controller of the Company at 31 December 2004:
 - (i) the percentage of shares he held at that time in the Company, or in another company of which the Company was a subsidiary undertaking; and
 - (ii) the percentage of the voting power which he was entitled at that time to exercise, or control the exercise of, at any general meeting of the Company, or another company of which it was a subsidiary undertaking;

in each case, either alone or with any associate or associates.

Persons who, to the knowledge of the Company, have been, at any time during the year ended 31 December 2004, a shareholder controller of the Company.	In the case of each person who was a shareholder controller of the Company at 31 December 2004:	
	The percentage of shares he held at that time in the Company, or in another company of which the Company was a subsidiary undertaking, either alone or (<i>shown separately</i>) with any associate or associates	The percentage of the voting power which he was entitled at that time to exercise, or control the exercise of, at any general meeting of the Company, or another company of which it was a subsidiary undertaking, either alone or (<i>shown separately</i>) with any associate or associates
The Prudential Assurance Company Limited, being its immediate holding company	100%	100%
Prudential plc, being its ultimate holding company	100%	100%