

Registered No: 5739054

PRUDENTIAL FINANCIAL PLANNING LIMITED

Annual Report and Financial Statements for the year ended 31 December 2013

PRUDENTIAL FINANCIAL PLANNING LIMITED

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

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PRUDENTIAL FINANCIAL PLANNING LIMITED

Directors

The Directors in office during the year were as follows:

	Appointed on	Resigned on
Mr J Deeks		
Mr C Haines		
Mr R Devey		05/09/2013
Mr J Warburton (Chairman)	02/08/2013	

Secretary

Prudential Group Secretarial Services Limited

Independent Auditor

KPMG Audit Plc, London

PRUDENTIAL FINANCIAL PLANNING LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2013

Principal activity

The principal activity of Prudential Financial Planning Limited ("the Company") is to provide professional face to face restricted advice services, largely distributing products of the group companies which are distributed through non-intermediated channels.

Prudential Financial Planning was launched in December 2011, as a professional face to face restricted advice service channel, and was part of another group company, Prudential Distribution Limited (PDL). Formation of a new distribution company was approved in March 2012. Prudential Six Limited (PSL) was renamed as Prudential Financial Planning Limited on 03 April 2012. PSL had a share capital of £1 with a corresponding debtor of £1 as of the date of formation of the Company and as at 31 December 2012. An application for authorisation was filed with the Financial Services Authority, now the Financial Conduct Authority (FCA) and the approval for the operation of the Company as a distribution company was obtained in February 2013. The Company commenced operations on 9 September 2013 and the advisors and sales management team associated with the financial planning channel were transferred from PDL to the Company.

Business review

Key Performance Indicators	2013 £000	2012 £000
Turnover	12,835	-
Operating expenses	(6,711)	-
Profit before tax	174	-
Shareholders funds	4,133	-
Regulatory capital requirement (higher of IPRU INV and MIPRU requirements-see below)	3,158	-

The Company incurs distribution expenses on behalf of the statutory entities within the UKIO Business Unit, for which it provides a service and recharges the expenses after charging a margin of 5% with the exception of the With-profits funds of The Prudential Assurance Company Limited and its subsidiary, Prudential Annuities Limited on which no margin is charged. The Company receives advice charges for the services rendered and these charges are contingent on a product sale. Advice charges are made by deduction from the amount invested and are collected by the product providers on behalf of the Company, except for Collectives, where the charges are collected separately from the client as a platform is used in order to facilitate adviser charging. The Company earns commission on the sale of protection products.

The Company generated a pre-tax profit of £174k during its first year of trading. (2012: NIL).

The Company has remained solvent throughout the period under review and has adequate capital resources to meet its regulatory capital requirements. The Company holds Professional Indemnity Insurance (PII) to meet the requirement for capital adequacy. The regulatory requirements in the Company are driven by Interim Prudential Sourcebook for Investment Business (IPRU (INV)) and Prudential sourcebook for Mortgage and Home Finance Firms, and Insurance Intermediaries (MIPRU).

Risks & uncertainties

The Company is a wholly owned subsidiary of the Prudential Group and is subject to the Group's internal control and risk management processes as detailed in the Group Governance Manual and Group Risk Framework.

PRUDENTIAL FINANCIAL PLANNING LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2013 (continued)

The control procedures and systems established within the Group are designed to manage, rather than eliminate, the risk of failure to meet business objectives. They can only provide reasonable and not absolute assurance against material misstatement or loss, and focus on aligning the levels of risk-taking with the achievement of business objectives.

The Group's risk governance framework requires all businesses and functions within the Group, including the Company, to establish processes for identifying, evaluating and managing key risks. The risk governance framework is based on the concept of three lines of defence: risk management, risk oversight and independent assurance.

A number of factors (risk factors) have the potential to impact the Company's results and financial condition. The key risk factors of the Company are mentioned below.

Financial risk

Whilst the Company is exposed to financial risks these are largely mitigated as explained below:

a) Credit risk

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

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

b) Liquidity risk

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

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

Non-financial risk

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

a) Business environment risk

Business environment risk is the risk that can arise as a result of changing external factors in the business environment and the impact on the fundamentals that drive the Company's overall strategy.

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

Any further changes or modification to Financial Reporting Standards, or adoption of International Financial Reporting Standards (IFRS) may require a change in the reporting basis of future results, or a restatement of reported results.

PRUDENTIAL FINANCIAL PLANNING LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2013 (continued)

b) Strategic risk

Strategic risk is the risk that can arise as a result of ineffective or inadequate business strategy decisions in relation to competitors, the market and consumers.

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

c) Operational risk

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

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

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

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

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

d) Group risk

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

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



Susan Windridge
On behalf of Prudential Group Secretarial Services Limited.
Company Secretary
28 March 2014

PRUDENTIAL FINANCIAL PLANNING LIMITED

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DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2013

Introduction

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

Corporate Responsibility

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

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

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

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

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

These themes provide clarity to the businesses as to how they should focus their CR efforts and resources in the context of their individual markets.

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

Results and dividends

The state of affairs of the Company at 31 December 2013 is shown in the balance sheet on page 10. The profit and loss account appears on page 9.

Share Capital

During the year the Company issued 4,000,000 ordinary shares of £1 each to Prudential Financial Services Limited.

Changes in the Company's share capital during 2013 are shown on page 13 in note 10.

PRUDENTIAL FINANCIAL PLANNING LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2013 (continued)

Post Balance sheet events

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

Directors

The present directors are shown on page 1.

Mr R Devey resigned on 5 September and Mr J Warburton was appointed on 2 August 2013.

There have been no further changes.

Disclosure of information to auditor

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

Auditor

In accordance with Section 487(2) of the Companies Act 2006, KPMG Audit Plc were appointed auditors of the Company on 26 April 2013. KPMG Audit Plc will be deemed to be re-appointed auditor of the Company for the current financial year.

Directors' and Officers' Protection

Prudential plc has arranged appropriate insurance cover in respect of legal action against directors and senior managers of companies within the Prudential Group. In addition, the Articles of Association of the Company permit the directors, officers and employees of the Company to be indemnified in respect of liabilities incurred as a result of their office.

Financial risk management objectives, policies and exposure

The Company's objectives and policy in relation to the management of financial risk resulting from its financial assets and liabilities are to minimise any risk. The Company's exposure to financial risk through its financial assets and liabilities is not considered material to the assessment of the Company's assets, liabilities, financial position and the profit and loss of the Company.

On behalf of the Board of Directors



Susan Windridge

On behalf of Prudential Group Secretarial Services Limited
Company Secretary

28 March 2014

PRUDENTIAL FINANCIAL PLANNING LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE STRATEGIC REPORT AND DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

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

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

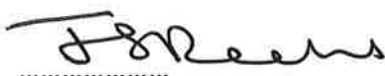
Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required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

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis

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

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

Approved by the Board of Directors on 28 March 2014 and signed on its behalf by



J Deeks
Director

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PRUDENTIAL FINANCIAL PLANNING LIMITED FOR THE YEAR ENDED 31 DECEMBER 2013

We have audited the financial statements of Prudential Financial Planning Limited for the year ended 31 December 2013 set out on pages 9 to 14. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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

Respective responsibilities of directors and auditor

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2013 and of its profit for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

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



Marie Williams (Senior Statutory Auditor)
for and on behalf of KPMG Audit Plc, Statutory Auditor

Chartered Accountants
15 Canada Square
Canary Wharf
London
E14 5GL

28 March 2014

PRUDENTIAL FINANCIAL PLANNING LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2013

	Note	2013 £000	2012 £000
Turnover		12,835	-
Staff costs	2	(5,957)	-
Other operating charges		(6,711)	-
Operating expenses		(12,668)	-
Operating Profit		167	-
Interest income	3	12	-
Interest expense	4	(5)	-
Net Interest Receivable		7	-
Profit on ordinary activities before tax		174	-
Tax on profit on ordinary activities	6	(41)	-
Retained profit for the year		133	-

No statement of total recognised gains or losses has been included as there are no recognised gains or losses other than those reported in the profit and loss account.

A statement of historical cost profits and losses has not been prepared as the amounts are not materially different from the profit for the period.

Turnover and profit on ordinary activities before taxation for the year relate exclusively to continuing operations as defined under the terms of Financial Reporting Standard 3.

RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS FOR THE YEAR ENDED 31 DECEMBER 2013

	2013 £000	2012 £000
Opening Shareholders' funds	-	-
Share capital injected during the year	4,000	-
Profit for the year	133	-
Closing Shareholders' funds	4,133	-

PRUDENTIAL FINANCIAL PLANNING LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2013

		2013	2012
		£000	£000
	Note		
Current assets			
Debtors and prepayments	7	1,273	-
Cash at bank and in hand	8	7,368	-
Total current assets		8,641	-
Creditors: amounts falling due within one year	9	(4,508)	-
Net current assets		4,133	-
Net assets		4,133	-
Capital and reserves			
Called-up share capital	10	4,000	-
Retained Earnings	11	133	-
Shareholders' funds		4,133	-

The accounting policies and notes on pages 11 to 14 form an integral part of these financial statements.

The accounts on pages 9 to 14 were approved by the board of directors on 28 March 2014.



J Deeks
Director

PRUDENTIAL FINANCIAL PLANNING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting Policies

a) Changes in Accounting Policies

In 2013 there have been no changes to accounting policies arising from changes to, or new Financial Reporting Standards.

b) Basis of preparation

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

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

c) Turnover

Turnover represents recharges including profit margin, commission and other income received from group companies and third parties. Turnover is accounted for on an accruals basis.

d) Taxation

Tax is charged on all profits in the period. Except where otherwise required by accounting standards, full provision without discounting is made for all timing differences which have arisen but not reversed at the balance sheet date.

e) Pension costs

The charge to revenue in respect of employer's contributions is calculated in accordance with applicable accounting standards.

f) Cash flow statement

The Company has taken advantage of the exemption under paragraph 8(c) of Financial Reporting Standard 1 (Revised) from disclosing a cash flow statement on the basis that a consolidated statement including the cash flows of the Company is prepared by the ultimate parent company.

2. Staff costs

	2013 £000	2012 £000
Wages and salaries	4,972	-
Other pension costs	346	-
Social security costs	639	-
Total	5,957	-
	No.	
Average number of employees during the period	205	-

PRUDENTIAL FINANCIAL PLANNING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

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

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

3. Interest income

	2013 £000	2012 £000
Bank interest received	12	-
Total	<u>12</u>	<u>-</u>

4. Interest expense

	2013 £000	2012 £000
Bank interest recharged	5	-
Total	<u>5</u>	<u>-</u>

5. Auditors' remuneration

The audit of the Company's accounts and the Company's reporting pack for the parent's consolidated accounts amounted to £15k (2012: NIL)

6. Taxation

a) Analysis of charge in the period

	2013 £000	2012 £000
Current tax:		
Current period corporation tax at effective rate of 23.25% (2012: 24.5%)	41	-
Adjustments in respect of prior years	-	-
Total current tax charge on ordinary activities	<u>41</u>	<u>-</u>

b) Factors affecting tax charge for the period

	2013 £000	2012 £000
Profit on ordinary activities before tax	174	-
Tax on Profit at effective rate of 23.25% (2012: 24.5%)	41	-
Current tax charge for the year	<u>41</u>	<u>-</u>

PRUDENTIAL FINANCIAL PLANNING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

c) Factors that may affect future tax charges

From 1 April 2013, the standard corporation tax rate for the UK changed from 24% to 23%. Further reductions in the standard corporation tax rate to 21% from 1 April 2014 and to 20% from 1 April 2015 have also been enacted.

7. Debtors and prepayments

	2013 £000	2012 £000
Amounts falling due within one year:		
Amounts owed by group undertakings	1,199	-
Prepayments and accrued income	74	-
Total Debtors	1,273	-

8. Cash at bank and in hand

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

9. Creditors

	2013 £000	2012 £000
Amounts falling due within one year:		
Amounts owed to group undertakings	126	-
Accruals and deferred income	4,341	-
Group relief payable	41	-
Total	4,508	-

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

10. Called-up share capital

	2013 £000	2012 £000
Ordinary shares		
Issued and fully paid:		
4,000,000 ordinary shares of £1 each	4,000	-
Issued and unpaid:		
1 ordinary shares of £1	-	-
Total Issued and Paid Share Capital	4,000	-

PRUDENTIAL FINANCIAL PLANNING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

The company was formed by changing the name of Prudential Six Limited to Prudential Financial Planning Limited. During the year the Company issued further 4,000,000 ordinary shares of £1 each to Prudential Financial Services Limited. The total consideration was £4,000,000 has been received in cash.

11. Movement in Retained Earnings

	2013 £000	2012 £000
Balance as at 1 January	-	-
Profit for the year	133	-
Balance as at 31 December	133	-

12. Related party transactions

The Company has taken advantage of the exemption under paragraph 3(c) of Financial Reporting Standard 8 relating to the disclosure of transactions with other wholly owned subsidiary undertakings of the Prudential Group.

13. Ultimate and immediate parent company

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