Registered No: 793051

PRUDENTIAL HOLBORN LIFE LIMITED

Annual Report and Financial Statements for the year ended 31 December 2018

PRUDENTIAL HOLBORN LIFE LIMITED

Incorporated and registered in England and Wales. Registered No. 793051.
Registered office: 10 Fenchurch Avenue, London EC3M 5AG.

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PRUDENTIAL HOLBORN LIFE LIMITED

Directors

S Fitzgerald (appointed 31 May 2019)

J Owens (appointed 26 June 2018)

Secretary

Prudential Group Secretarial Services Limited

Auditor

KPMG LLP, London

PRUDENTIAL HOLBORN LIFE LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

Principal activity

The principal activity of Prudential Holborn Life Limited (the Company) was to act as the holding company of Prudential Vietnam Finance Company Limited (PVFC) of which it owned 100%.

On 23 January 2018, the Company announced that it had reached an agreement to sell all of its interest in PVFC, subject to regulatory approvals.

On 14 June 2019, the Company sold its entire holding in PVFC, having received regulatory approval. The Company, therefore, ceased trading as a holding company from this date.

As the Company has ceased trading as a holding company and the Directors do not intend to acquire a replacement trade, the Directors have not prepared the financial statements on a going concern basis. The effect of this is explained in note 16.

Business review

Throughout 2018, the Company has acted as the holding company of PVFC and ceased trading as holding company post the balance sheet date.

The principal activity of PVFC is consumer finance and its country of incorporation is Vietnam where it aims to provide financing solutions to the general public.

Market review and strategy

The operations of the Company are managed as part of the M&GPrudential business unit of the Prudential Group.

PVFC has continued to be profitable in 2018, recording a profit before tax of £10.7m (2017: £9.2m). This increase in profit is mainly attributable to PVFC continuing to pursue its strategy of providing financial solutions to the general public and maintaining its strong risk management culture.

In March 2018, Prudential plc announced its intention to demerge M&GPrudential from Prudential plc, which will result in two separately-listed companies, with different characteristics and opportunities.

Performance and measurement

The following table sets out the key performance indicators for the Company. These are considered to be the key metrics for the Company.

Key Performance Indicators	**2018** **£'000**	**2017** **£'000**	**Change** **%**
Profit on ordinary activities before tax	—	4	(100)%
Shareholder funds	21,633	21,633	— %

The Shareholder funds have not moved due to the Company making no profit.

Risks and 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 (GGM) and Group Risk Framework (GRF). The control procedures and systems established within the Group are designed to manage, rather than eliminate the risk of failure to meet business objectives. As such, they can only provide reasonable rather than absolute assurance against material misstatement or loss and focus on optimising the levels of risk and reward with the aim of achieving the business objectives.

The GRF requires all business units and functions within the Group, including the Company, to establish processes for identifying, evaluating and managing key risks. The risk management framework for the Company is approved by the Board and operates based on the concept of three lines of defence: risk management, risk oversight and independent assurance.

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2018 (continued)

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

Financial Risks

The Company is exposed to minimal financial risk, the only financial asset being cash.

Non-Financial Risks

The Company was exposed to group risk, through its investment in PVFC and reliance on other Group members to protect the value of the investment. This risk has been eliminated with the sale of PVFC.

Signed for and on behalf of the Board of Directors of the Company

Ms E Colvin

Authorised Signatory
Signed for and on behalf of Prudential Group Secretarial Services Limited
Company Secretary

30 July 2019

PRUDENTIAL HOLBORN LIFE LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

Introduction

The directors present their report and the audited financial statements of the Company for the year ended 31 December 2018.

Likely developments, business strategies and prospects

Likely future developments in the business of the Company are discussed in the strategic report in accordance with section 414C(11) of the Companies Act 2006 (the Act).

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; and
- Protecting the environment: The Group takes responsibility for the environment in which it operates.

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

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

Post balance sheet events

On 14 June 2019, the subsidiary PVFC was sold for $151m. This generated a $26m capital gains tax payment to the Vietnam Government.

Accounts and dividends

The state of affairs of the Company at 31 December 2018 is shown in the Statement of Financial Position on page 11. The Statement of Comprehensive Income appears on page 9.

No dividends have been declared or paid in 2018. A final dividend of £5.8m was paid in 2017.

Political donations

The Company did not make any political donations during the year (2017: £nil).

Share capital

There were no changes in the Company's share capital during 2018.

Directors

The present directors are shown on page 1.

S Fitzgerald was appointed as a Director on 31 May 2019.
J Owens was appointed as a Director on 26 June 2018.
M Hawes resigned as a Director on 20 February 2019.
J Deeks resigned as a Director on 26 March 2018.
R Webster was appointed as a Director on 26 June 2018 and resigned as a Director on 31 May 2019.

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 they ought to have taken as a director to make themselves 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

KPMG LLP is deemed to be re-appointed as auditor of the Company in accordance with the provisions of S487(2) of the Companies Act 2006.

Directors' and Officers' Protection

Prudential plc has arranged appropriate insurance cover in respect of legal action against directors and senior managers of companies within the Prudential Group. In addition, the Articles of Association of the Company permit the directors, officers and employees of the Company to be indemnified in respect of liabilities incurred as a result of their office. Prudential plc also provides protections for directors and senior managers of companies within the Group against personal financial exposure they may incur in their capacity as such. These indemnities were in force during 2018 and remain in force.

Signed for and on behalf of the Board of Directors of the Company

E Colin

Ms E Colvin

Authorised Signatory
Signed for and on behalf of Prudential Group Secretarial Services Limited
Company Secretary

30 July 2019

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE STRATEGIC REPORT, THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

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

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

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so. As explained in note 16, the Directors do not believe it is appropriate to prepare these financial statements on a 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 are responsible for such internal control as they determine is necessary to enable preparation of financial statements that are free from material misstatement, whether due to fraud or error, and 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PRUDENTIAL HOLBORN LIFE LIMITED

Opinion

We have audited the financial statements of Prudential Holborn Life Limited ("the company") for the year ended 31 December 2018 which comprise the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Financial Position and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its results for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS *101 Reduced Disclosure Framework,* and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Emphasis of matter - non going concern basis of preparation

We draw attention to the disclosure made in note 1 to the financial statements which explains that the financial statements have not been prepared on a going concern basis for the reasons set out in that note. Our opinion is not modified in respect of this matter.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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.

We have nothing to report in these respects.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PRUDENTIAL HOLBORN LIFE LIMITED

Directors' responsibilities

As explained more fully in their statement set out on page 4, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.

William Greenfield.

William Greenfield (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square,
Canary Wharf
London. E14 5GL
30 July 2019

PRUDENTIAL HOLBORN LIFE LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2018

	2018 £'000	2017 £'000	**Note**
Investment income	—	4	3
Profit before tax	—	4	
Tax on profit	—	(1)	4
Profit and comprehensive income for the financial year	—	3	

All of the amounts above are in respect of discontinued operations.

The accounting policies on pages 12 to 14 along with the accompanying notes on pages 15 to 18 form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2018

	Share Capital £'000	Profit & Loss Account £'000	Total £'000
Balance at 1 January 2017	20,885	6,528	27,413
Total comprehensive income for the year			
Profit	—	3	3
Total comprehensive income for the year	—	3	3
Dividends			
Total distribution to owners recognised directly in equity		(5,783)	(5,783)
Total dividends	—	(5,783)	(5,783)
Balance at 31 December 2017	20,885	748	21,633
Balance at 1 January 2018	**20,885**	**748**	**21,633**
Total comprehensive income for the year			
Profit	—	—	—
Total comprehensive income for the year	—	—	—
Balance at 31 December 2018	**20,885**	**748**	**21,633**

The accounting policies on pages 12 to 14 along with the accompanying notes on pages 15 to 18 form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2018

	2018 £'000	2017 £'000	Note
Assets			
Current assets			
Investments in group undertakings and participating interests - held for sale	**21,595**	21,595	8
Other debtors	**1**	—	11
Cash at bank and in hand	**37**	53	9
Total assets	**21,633**	21,648	
Equity and liabilities			
Capital and reserves			
Called up share capital	**20,885**	20,885	10
Profit and loss account	**748**	748	
Total shareholder's funds attributable to equity interests	**21,633**	21,633	
Creditors			
Other creditors including taxation and social security	**—**	15	12
Total equity and liabilities	**21,633**	21,648	

The financial statements on pages 9 to 18 were approved by the board of directors on 30 July 2019.

The accounting policies on pages 12 to 14 along with the accompanying notes on pages 15 to 18 form an integral part of these financial statements.

S Fitzgerald
Director
30 July 2019

NOTES ON THE FINANCIAL STATEMENTS

1. Accounting Policies

A. Company Information

Prudential Holborn Life Limited is a company incorporated and domiciled in the UK.

B. Basis of Preparation

These financial statements were prepared in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework* (FRS 101), Part 15 of the Companies Act 2006 and Schedule 1 of The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008.

IFRS 9 *Financial Instruments* (IFRS 9) sets out the requirements for recognising and measuring financial assets and financial liabilities. This standard is effective from 1 January 2018 and replaces IAS 39 *Financial Instruments : Recognition and Measurement*. The adoption of IFRS 9 did not result in any material impact on the 1 January 2018 opening balance of retained earnings.

IFRS 15 *Revenue from Contracts with Customers* (IFRS 15) sets out the requirements for recognising and measuring revenue. This standard is effective from 1 January 2018 and replaces IAS 18 *Revenue*. The adoption of IFRS 15 did not result in any impact on the opening balance of retained earnings or affect accounting for revenue as from 1 January 2018.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("EU-adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The immediate parent company is The Prudential Assurance Company Limited. The Company's ultimate parent undertaking, Prudential plc includes the Company in its consolidated financial statements. The consolidated financial statements of Prudential plc are prepared in accordance with IFRS and are available to the public. Copies of these accounts can be obtained from the Company Secretary, Prudential plc, 1 Angel Court, London EC2R 7AG.

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- Cash Flow Statement and related notes;
- Comparative period reconciliations for share capital;
- Disclosures in respect of transactions between wholly owned subsidiaries within the Prudential Group;
- The effects of new but not yet effective IFRSs; and
- Disclosures in respect of the compensation of Key Management Personnel.

As the consolidated financial statements of Prudential plc include the equivalent disclosures, the Company has also taken advantage of the exemption available under FRS 101 in respect of any relevant disclosures required by IFRS 7 "*Financial Instrument Disclosures*".

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

Until 14 June 2019, the Company's principal activity was to act as the holding company for its subsidiary. However, as the Company sold the subsidiary, the Directors took the decision to cease trading as a holding company. As the Directors do not intend to acquire a replacement trade, they have not prepared the financial statements on a going concern basis. The effect of this is explained in note 16.

This decision does not affect the presentation of the financial statements as the company made no significant profit in the current year or prior year and all assets and liabilities are already classified as current and recoverable or payable within one year.

C. Financial instruments - recognition and measurement

Financial assets - Policy applicable from 1 January 2018

Recognition and initial measurement

A financial asset is initially measured at fair value plus, for a financial asset not measured at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue.

Classification and subsequent measurement

On initial recognition, a financial asset is classified and measured at either amortised cost or fair value through profit or loss (FVTPL).

A financial asset is measured at amortised cost if it meets both of the following conditions and is not recognised as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets that do not meet the criteria for being measured at amortised cost, as described above, are measured at FVTPL. This includes assets that are held for trading or are part of a portfolio that is managed on a fair value basis. Derivatives are included in this category.

Financial assets are not reclassified subsequent to their initial recognition unless the entity changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Financial assets at FVTPL are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial liabilities - Policy applicable from 1 January 2018

Financial liabilities are classified as measured at amortised cost (using the effective interest method) or FVTPL. A financial liability is classified as at FVTPL if it is held-for-trading or a derivative. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Financial instruments - Policy applicable before 1 January 2018

Under IAS 39, upon initial recognition financial instruments are recognised at fair value. The Company is permitted, subject to specific criteria, to designate its instruments as either at fair value through profit and loss, held on an available-for-sale basis, held to maturity, or loans and receivables. The Company holds financial instruments on the following bases:

Loans and receivables - this comprises instruments that have fixed or determinable payments and are not designated as fair value through profit and loss. These instruments include deposits and other unsecured loans and receivables and trade and other creditors. These instruments are carried at amortised cost using the effective interest method and subject to impairment reviews. The Company measures the amount of the impairment loss, if any, by comparing the amortised cost with the present value of its estimated future cash flows discounted at the original effective interest rate.

D. Financial instruments - Impairment

Impairment is recognised on financial assets measured at amortised cost based on expected credit losses (ECL). ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the entity expects to receive).
The impact of any collateral and financial guarantees is taken into account when determining ECL.
ECLs are discounted at the effective interest rate of the financial asset.

A financial instrument is considered to have low credit risk where it has an external credit rating of 'investment grade'. The entity has determined that the cash balances and deposits with credit institutions are considered to have low credit risk and therefore impairment is based on a twelve month ECL for these assets.

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs, where material.

Financial assets impairment - Policy applicable before 1 January 2018

Loans and receivables are carried at amortised cost using the effective interest method and subject to impairment reviews. The Company measures the amount of the impairment loss, if any, by comparing the amortised cost with the present value of its estimated future cash flows discounted at the original effective interest rate.

E. Revenue recognition

Investment income and realised and unrealised gains are included in the statement of comprehensive income.

Realised gains are determined as the difference between net proceeds on disposal and the purchase price. Movements in unrealised gains comprise the change in the value of investments held at the Statement of Financial Position date and the reversal of unrealised investment gains and losses recognised in earlier accounting periods in respect of investment disposals.

F. Tax

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

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

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future are not provided for. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

G. 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.

H. Investment in group undertakings (held for sale)

The Company measures its subsidiaries (held for sale) at the carrying amount (i.e. cost less impairment).

2. Transition to IFRS 9

(a) Classification and measurement

Under IFRS 9, the Company classifies its financial assets at FVTPL or amortised cost. For an explanation of how the Company classifies and measures financial instruments and accounts for related gains and losses under IFRS 9, see Note 1C.

The following table shows the original measurement category and carrying amount under IAS 39 and the new measurement category and carrying amount under IFRS 9 for each class of financial assets and financial liabilities as at 1 January 2018.

	Original classification under IAS 39	New classification under IFRS 9	Original carrying amount under IAS 39 £'000	New carrying amounts under IFRS £'000
Cash at bank and in hand	Loans and receivables	Amortised cost	53	53
Total financial assets			**53**	**53**
Trade and other creditors	Loans and receivables	Amortised cost	15	15
Total financial liabilities			**15**	**15**

Cash balances and trade and other debtors that were classified as loans and receivables under IAS 39 are now classified at amortised cost. There have been no reclassifications of financial assets out of FVTPL to the amortised cost category as a result of transition to IFRS 9.

The adoption of IFRS 9 did not result in any changes to the carrying value of financial assets or liabilities.

(b) Impairment

IFRS 9 replaces the 'incurred loss' model in IAS 39 with an expected credit loss (ECL) model. The new impairment model applies to financial assets measured at amortised cost. Under IFRS 9, credit losses are recognised earlier than under IAS 39. The adoption of IFRS 9 did not result in a material change to the amount of impairment losses recognised.

3. Revenue and investment return

	2018 £'000	2017 £'000
Bank and other interest receivable	—	4
Total revenue and investment return	—	4

4. Tax

(a) Tax charged/(credited)

	2018 £'000	2017 £'000
Current tax		
UK Corporation tax on profits of the period	—	1
Total current tax	—	1
Tax charge on profit on ordinary activities	—	1

(b) Factors affecting the tax charge for the period

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

	2018 £'000	2017 £'000
Profit on ordinary activities before tax	—	4
Profit on ordinary activities multiplied by effective rate of corporation tax in the UK of 19.00% (2017: 19.25%)	—	1
Current tax charge for the period	—	1

In July 2016 the UK Government announced additional reductions in the main rate of corporation tax rate to 19% from 1 April 2017 and to 17% from 1 April 2020.

5. Staff costs

The Company has no employees (2017: none).

6. Directors' emoluments

During the year the directors of the Company received the following emoluments in respect of work on behalf of the Company which were borne by the parent company, The Prudential Assurance Company Limited:

	2018 £'000	2017 £'000
Aggregate emoluments and benefits	2	3
Highest Paid Director:		
Aggregate emoluments and benefits	1	1

Retirement benefits are accruing to no directors under the Group's defined benefit scheme (2017: 1).

7. Auditor's remuneration

	2018 £'000	2017 £'000
Audit of these financial statements	13	13

Auditors' remuneration is £13k (2017: £13k) for the audit of the Company's financial statements. This is borne by the parent company, The Prudential Assurance Company Limited.

No non-audit services were provided by the auditor in 2018 or 2017.

8. Investments

Investments in group undertakings and participating interests (held for sale)

The Company's only subsidiary undertaking at 31 December 2018 was Prudential Vietnam Finance Company (PVFC). The Company holds 100% of the ordinary share capital of PVFC. PVFC's principal activity is consumer finance and its country of incorporation is Vietnam. Its head office is located at 23rd Floor, Saigon Trade Center, 7 Ton Duc Thang, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam.

The Company has during the period classified its subsidiary as 'held for sale' valued at cost less impairment. The Company has reached an agreement to sell all of its interest in PVFC, which was sold in June 2019.

9. Bank current accounts

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.

10. Share capital

	2018 £'000	2017 £'000
Issued and fully paid		
20,884,792 ordinary shares (2017: 20,884,792) of £1 each	20,885	20,885

There has been no change in the share capital in the year.

11. Other debtors

	2018 £'000	2017 £'000
Tax recoverable	1	—

12. Creditors

All creditors are payable within one year.

	2018 £'000	2017 £'000
Tax payable	—	15

13. Related party transactions

The Company has taken advantage of the exemption under paragraph 8(k) of FRS 101 from disclosing transactions with other subsidiary undertakings of the Prudential Group. There were no other transactions with related parties.

NOTES ON THE FINANCIAL STATEMENTS (continued)

14. Immediate and ultimate parent company

The immediate parent company is The Prudential Assurance Company Limited. The ultimate parent company is Prudential plc which is the only parent company which prepares consolidated accounts; copies of which can be obtained from the Company Secretary, Prudential plc, 1 Angel Court, London EC2R 7AG.

15. Post balance sheet events

On 23 January 2018, the Company announced that it had reached an agreement to sell all of its interest in PVFC, subject to regulatory approvals.

Having received regulatory approval, the subsidiary PVFC was sold for $151m, on 14 June 2019. This generated a $26m capital gains tax payment to the Vietnam Government.

16. Going concern

As the company ceased to trade as a holding company from 14 June 2019, and is not expected to do so in the foreseeable future, the Directors have not prepared the financial statements on a going concern basis.

This decision does not affect the presentation of the financial statements as the company made no significant profit in the current year or prior year and all assets and liabilities are already classified as current and recoverable or payable within one year.