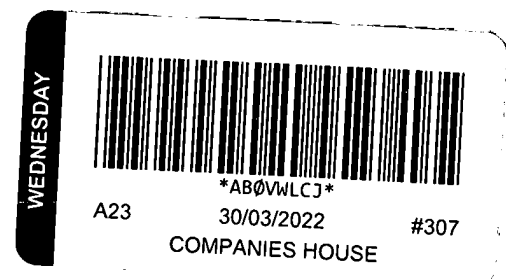


Registered No: 793051

PRUDENTIAL HOLBORN LIFE LIMITED

Annual Report and Financial Statements for period ended 30 June 2021



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

J Owens

Secretary

M&G Management Services Limited

Auditor

KPMG LLP, London

PRUDENTIAL HOLBORN LIFE LIMITED

STRATEGIC REPORT FOR THE PERIOD ENDED 30 JUNE 2021

Principal activity

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

On 14 June 2019, the Company sold its entire holding in PVFC. 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 continued to not prepare the financial statements on a going concern basis. The effect of this is explained in note 12.

Business review

Market review and strategy

The Company acted as the holding company of PVFC until completion of the sale on 14 June 2019. The Company ceased trading as a holding company from this date.

The operations of the Company are managed as part of the M&G plc business. M&G plc became the ultimate parent of the Company following a demerger from Prudential plc on 21 October 2019. M&G plc is a public limited company, limited by shares, incorporated and registered in England and Wales and is the parent company of the M&G plc group ('the Group'). The Group is an international financial services group, with significant operations in the United Kingdom and overseas.

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	18 month period ended 30 June 2021 £'000	Year ended 31 December 2019 £'000
Profit on ordinary activities before tax	—	95,062
Shareholder funds	—	10

As the Company ceased to trade in the prior year, there is no profit on ordinary activities before tax during the period. Shareholder funds have decreased as an interim dividend was paid during the period.

Risks and uncertainties

The Company is a wholly owned subsidiary of The Prudential Assurance Company Limited which is a subsidiary of M&G plc. The Company is subject to the Group's internal control and risk management processes as detailed in the Group Governance Framework (GGF) and associated Risk Management Framework (RMF). The RMF requires all entities within the Group, including the Company, to establish processes for identifying, measuring, managing, monitoring and reporting key risks.

The Company has ceased trading and has limited assets and liabilities therefore there is no material financial risk. There is limited non-financial risk and this primarily relates to the ongoing administration of the Company including compliance with Company Law.

PRUDENTIAL HOLBORN LIFE LIMITED

STRATEGIC REPORT FOR THE PERIOD ENDED 30 JUNE 2021 (continued)

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

A handwritten signature in black ink, appearing to be 'B B' followed by a long horizontal stroke.

I Bothamley
Signed for and on behalf of M&G Management Services Limited
Company Secretary
30 March 2022

PRUDENTIAL HOLBORN LIFE LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 30 JUNE 2021

Introduction

The directors present their report and the audited financial statements of the Company for the 18 month period to 30 June 2021.

Political donations

The Company made no political donations or incurred any political expenditure during the period. (Year ended 31 December 2019: £nil)

Future developments

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).

Ultimate parent company

The Company is a wholly owned subsidiary undertaking of The Prudential Assurance Company Limited. The Prudential Assurance Company Limited is a wholly owned subsidiary of its intermediate parent M&G Group Regulated Entity Holding Company Ltd. The Company's ultimate parent company, M&G plc, is a public limited company, limited by shares, incorporated and registered in England and Wales

Corporate responsibility

The Company is a wholly owned subsidiary of M&G plc 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. The Group has a clearly defined overarching social purpose with flagship programmes (urban regeneration; economic empowerment; and skills and education) to support each pillar of the Group's strategy.

The Group's social purpose is to help empower a million people to build better futures for themselves, their families and their communities over the next three years. The Group's ambition is to build inclusive and resilient communities through urban regeneration, economic empowerment and skills and education. Social mobility is our core focus and we want to use community investment to help break down the barriers that prevent people from living the life they want. The Group do this by investing in essential needs for communities to thrive, strengthening social networks and equipping people with the skills, tools and opportunities to be financially secure.

The Group establishes long-term relationships with the Group's charity partners to improve lives, build communities and provide support, not only through funding, but also with the experience and expertise of our colleagues. The projects the Group supports are sustainable and the Group work closely with the partners to ensure that the Group's programmes continuously improve.

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 M&G 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.

PRUDENTIAL HOLBORN LIFE LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 30 JUNE 2021 (continued)

Post balance sheet events

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

Accounts and dividends

The state of affairs of the Company at 30 June 2021 is shown in the Statement of Financial Position on page 12. The Statement of Comprehensive Income appears on page 10.

An interim dividend of £10k was paid in 2020. An interim dividend of £96.9m was paid in 2019.

Share capital

There have been no changes in the Company's share capital during the period as shown in note 7.

Directors

The present directors are shown on page 1. There have been no changes in the period.

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

On 28 October 2020, the Company approved the appointment of PricewaterhouseCoopers LLP as its auditor for the year ended 31 June 2022, subject to shareholder approval at the M&G plc 2022 Annual General meeting.

Directors' and Officers' Protection

M&G plc has arranged appropriate insurance cover in respect of legal action against directors and senior managers of companies within the M&G plc 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. M&G 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 include qualifying third party indemnity provisions (as defined by the relevant Companies Act) for the benefit of directors of M&G plc, including, where applicable, in their capacity as a director of the Company and other companies within the Group. These indemnities were in force during the 18 month period ended 30 June 2021 and remain in force.

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



I Bothamley
Signed for and on behalf of M&G Management Services Limited
Company Secretary
30 March 2022

PRUDENTIAL HOLBORN LIFE LIMITED

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 period. 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:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and estimates that are reasonable and prudent;
- c. state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- d. assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- e. 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 12, 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 the 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.

PRUDENTIAL HOLBORN LIFE LIMITED

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 period ended 30 June 2021 which comprise the Statement of Comprehensive Income, the 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:

- a. give a true and fair view of the state of the Company's affairs as at 30 June 2021 and of its result for the period then ended;
- b. have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework*; and
- c. 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 the going concern basis for the reasons set out in that note. Our opinion is not modified in respect of this matter.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- enquiring of management, as to the Company's high-level policies and procedures to prevent and detect fraud and the Company's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud;
- reading Board of Directors meeting minutes; and
- using analytical procedures to identify any usual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, and taking into account our overall knowledge of the control environment, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because the company does not have any revenue. We did not identify any additional fraud risks.

We also performed procedures including testing all journals posted during the period.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, through discussion with the directors and other management (as required by auditing standards), and from inspection of the Company's legal correspondence and have discussed the directors and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

PRUDENTIAL HOLBORN LIFE LIMITED

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

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

This Company, as a company that has ceased to trade, is not subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

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:

- a. we have not identified material misstatements in the strategic report and the directors' report;
- b. in our opinion the information given in those reports for the financial period is consistent with the financial statements; and
- c. 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:

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

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 6, 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.

PRUDENTIAL HOLBORN LIFE LIMITED

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

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 (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
Canary Wharf
London
E14 5GL
30 March 2022

PRUDENTIAL HOLBORN LIFE LIMITED**STATEMENT OF COMPREHENSIVE INCOME PERIOD ENDED 30 JUNE 2021**

	18 month period ended 30 June 2021	Year ended 31 December 2019	
	£'000	£'000	Note
Profit on sale of subsidiary	—	95,059	2
Interest income	—	3	
Profit before tax	—	95,062	
Tax charge	—	(19,809)	3
Profit and comprehensive income	—	75,253	

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

The accounting policies on pages 13 to 15 along with the accompanying notes on pages 15 to 18 form an integral part of these financial statements.

PRUDENTIAL HOLBORN LIFE LIMITED**STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2021**

	Share Capital £'000	Profit & Loss Account £'000	Total £'000
Balance at 1 January 2019	20,885	748	21,633
Total comprehensive income for the year			
Profit	—	75,253	75,253
Total comprehensive income for the year	—	75,253	75,253
Share capital reduction	(20,885)	20,885	—
Total dividends	—	(96,876)	(96,876)
Total distribution to owners recognised directly in equity	(20,885)	(75,991)	(96,876)
Balance at 31 December 2019	—	10	10
Balance at 1 January 2020	—	10	10
Total comprehensive income for the period			
Result	—	—	—
Total comprehensive income for the period	—	—	—
Total dividends	—	(10)	(10)
Total distribution to owners recognised directly in equity	—	(10)	(10)
Balance at 30 June 2021	—	—	—

The accounting policies on pages 13 to 15 along with the accompanying notes on pages 15 to 18 form an integral part of these financial statements.

PRUDENTIAL HOLBORN LIFE LIMITED

STATEMENT OF FINANCIAL POSITION

	30 June 2021	31 December 2019	
	£'000	£'000	Note
Assets			
Current assets			
Other debtors	—	41	8
Total assets	<u>—</u>	<u>41</u>	
Equity and liabilities			
Capital and reserves			
Called up share capital	—	—	7
Profit and loss account	—	10	
Total shareholder's funds attributable to equity interests	<u>—</u>	<u>10</u>	
Creditors			
Other creditors including taxation	—	31	9
Total equity and liabilities	<u>—</u>	<u>41</u>	

The financial statements on pages 10 to 18 were approved by the Board of directors on 30 March 2022.

The accounting policies on pages 13 to 15 along with the accompanying notes on pages 15 to 18 form an integral part of these financial statements.



S Fitzgerald
Director
30 March 2022

PRUDENTIAL HOLBORN LIFE LIMITED

NOTES ON THE FINANCIAL STATEMENTS

1. Accounting Policies

A. Company Information

Prudential Holborn Life Limited (the Company) is a private limited company incorporated and domiciled in England and Wales.

The address of its registered office is 10 Fenchurch Avenue, London EC3M 5AG.

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.

In preparing these financial statements, the Company applies the recognition, measurement and the disclosure requirements of international accounting standards in conformity of the requirements of the Companies Act 2006 (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.

There were no other significant accounting pronouncements taking effect from 1 January 2020.

The immediate parent company is The Prudential Assurance Company Limited. The Company's ultimate parent undertaking, M&G plc, includes the Company in its consolidated financial statements. The consolidated financial statements of M&G plc are prepared in accordance with adopted IFRSs. Copies of these accounts can be obtained from the Company Secretary at 10 Fenchurch Avenue, London EC3M 5AG.

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 Group;
- The effects of new but not yet effective accounting standards;
- Disclosures in respect of the compensation of Key Management Personnel; and
- Disclosures in respect of revenue from contracts with customers.

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 has 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 12.

This decision does not affect the presentation of the financial statements as the Company made no significant profit, other than on the sale of the subsidiary, in the current period 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

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

PRUDENTIAL HOLBORN LIFE LIMITED

NOTES ON THE FINANCIAL STATEMENTS (continued)

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 designated 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 de-recognition is recognised in profit or loss.

Financial liabilities

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 de-recognition is also recognised in profit or loss.

D. Financial instruments - Impairment

Impairment is recognised on financial assets measured at amortised cost based on expected credit losses (ECLs). 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 Company 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.

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.

NOTES ON THE FINANCIAL STATEMENTS (continued)**F. Tax**

Tax on the profit or loss 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, 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 Statement of Financial Position 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 and period 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 and period end exchange rates.

2. Profit on sale of subsidiary

	18 month period ended 30 June 2021	Year ended 31 December 2019
	£'000	£'000
Gain realised on sale of subsidiary	—	98,303
Exchange gains	—	159
Transaction costs	—	(3,403)
Total profit on sale of subsidiary	—	95,059

PRUDENTIAL HOLBORN LIFE LIMITED**NOTES ON THE FINANCIAL STATEMENTS (continued)****3. Tax****(a) Tax charged**

	18 month period ended 30 June 2021	Year ended 31 December 2019
	£'000	£'000
Current tax		
UK Corporation tax on profits of the period	—	31
	—	31
Foreign tax	—	19,778
Total current tax	—	19,778
Tax charge on profit on ordinary activities	—	19,809

(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.

	18 month period ended 30 June 2021	Year ended 31 December 2019
	£'000	£'000
Profit on ordinary activities before tax	—	95,062
Profit on ordinary activities multiplied by effective rate of corporation tax in the UK of 19% (Year ended 31 December 2019: 19%)	—	18,062
Effects of overseas tax rates	—	1,747
Total tax charge for the period	—	19,809

The standard rate of Corporation Tax in the UK was due to change from 19% to 17% with effect from 1 April 2020. Following the budget announcement on 11 March 2020, the repeal of the legislation to reduce the tax rate was substantively enacted on 17 March 2020. Accordingly, the reduction in tax rate will no longer take place.

4. Staff costs

The Company has no employees (Year ended 31 December 2019: none).

5. Directors' emoluments

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

	18 month period ended 30 June 2021	Year ended 31 December 2019
	£'000	£'000
Aggregate emoluments and benefits	<u>4</u>	<u>4</u>

The Company's directors perform services for other group companies. These costs are not included in the amounts charged to the Company as shown in the table above.

6. Auditor's remuneration

	18 month period ended 30 June 2021	Year ended 31 December 2019
	£'000	£'000
Audit of these financial statements	<u>12</u>	<u>5</u>

Auditor's remuneration for the audit of the Company's financial statements is borne by the immediate parent company, The Prudential Assurance Company Limited.

No non-audit services were provided by the auditor in the 18 month period ended 30 June 2021 or Year ended 31 December 2019.

7. Share capital

	18 month period ended 30 June 2021	Year ended 31 December 2019
	£'000	£'000
Issued and fully paid		
1 ordinary share (2019: 1) of £1 each	<u>—</u>	<u>—</u>

There has been no change to the share capital in the period.

8. Other debtors

All debtors are receivable within one year.

	18 month period ended 30 June 2021	Year ended 31 December 2019
	£'000	£'000
Amounts owed by group undertakings	<u>—</u>	<u>41</u>
Total other debtors	<u>—</u>	<u>41</u>

PRUDENTIAL HOLBORN LIFE LIMITED

NOTES ON THE FINANCIAL STATEMENTS (continued)

9. Creditors

All creditors are payable within one year.

	18 month period ended 30 June 2021	Year ended 31 December 2019
	£'000	£'000
Tax payable	<u>—</u>	<u>31</u>

10. Immediate and ultimate parent company

The immediate parent company is The Prudential Assurance Company Limited and copies of its accounts are available from the Company Secretary, 10 Fenchurch Avenue, London EC3M 5AG. The ultimate parent company is M&G plc which is the only parent company which prepares group accounts. Copies of the M&G plc accounts can be obtained from the Company Secretary, 10 Fenchurch Avenue, London EC3M 5AG.

11. Post balance sheet events

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

12. 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, other than on the sale of the subsidiary, in the current period or prior year and all assets and liabilities are already classified as current and recoverable or payable within one year.