

Registered No. 843822

PRUDENTIAL GROUP HOLDINGS LIMITED

Annual Report and Accounts

For the year ended 31 December 2020

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Incorporated and registered in England and Wales. Registered no. 843822.

Registered office: 1 Angel Court, London EC2R 7AG.

Annual report and accounts for the year ended 31 December 2020

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PRUDENTIAL GROUP HOLDINGS LIMITED

Directors

K J Devlin
D W Sheppard

Secretary

Prudential Group Secretarial Services Limited

Auditor

KPMG LLP

PRUDENTIAL GROUP HOLDINGS LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

Principal activity

The principal activity of the Company is to act as the holding company of the Prudential Group's Head Office business operations. This activity is expected to continue in 2021.

Strategic objective

The strategic objective of the Company is to support the business operations of the Prudential Group.

Company performance and measurement

Key performance indicators	2020 (\$000)	2019 (\$000)
Profit before tax	11,794	174,158
Net assets	235,443	223,649

The Company made a profit before tax of \$11.8m for 2020, driven by foreign exchange gains and the release of an expected credit loss provision.

Section 172 and Stakeholder engagement statement

Section 172 of the UK Companies Act requires each Director to act in a way that he or she considers, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole. In doing this, Section 172 requires a Director to have regard (among other matters) to the needs of employees, suppliers, customers and other wider stakeholder interests. In particular, during the year the Directors' had regards to stakeholders interests during the Company's restructuring process.

The Board received a briefing reminding Directors of their statutory duties under Section 172 and reiterating who the Company's key stakeholders are. Due to the nature of the Company's principal activity as a holding company within the Prudential Group, the stakeholders and strategic business activities of the Company are aligned with the Prudential Group and engagement occurs at the Group level. Details of how the Group engaged with stakeholders and the outcome of that engagement is detailed in the Prudential plc 2020 Annual Report and Accounts.

Principal risks and uncertainties

Apart from the financial risk management objectives, policies and exposure set out below, the Covid-19 outbreak has disrupted activity in many countries in which the Prudential Group's subsidiaries operate and led to economic volatility across the globe. While the Prudential business has remained operationally resilient to date, the nature of the Covid-19 outbreak means that it is not possible to estimate the effect that the outbreak may have on the Company's financial position in the future.

Financial risk management objectives, policies and exposure

Principal risks primarily relate to the future performance of its subsidiary undertakings which are managed and monitored at a Group level and the Group's risk management and internal frameworks are described in the Group financial statements of Prudential plc. Due to the current financial strength of the Group, the Directors consider that there is a minimal level of risk associated with the Company.

PRUDENTIAL GROUP HOLDINGS LIMITED

Signed on behalf of the Board of Directors.

A handwritten signature in black ink, appearing to read 'K J Devlin'.

K J Devlin
Director
9 September 2021

PRUDENTIAL GROUP HOLDINGS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

Incorporated and registered in England and Wales. Registered no. 843822.

Accounts and dividend

The state of affairs of the Company at 31 December 2020 is shown in the statement of financial position on page 10. The statement of comprehensive income is shown on page 9. No dividend was paid in 2020 (2019: Nil).

Post balance sheet events

In January 2021 and June 2021, the subsidiary companies Prudential Corporation Australasia Holdings Pty Limited and Hyde HoldCo1 Limited respectively were dissolved.

Directors

The present Directors of the Company are shown on page 1.

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 provide for the directors, officers and employees of the Company to be indemnified in respect of liabilities incurred as a result of their office.

Disclosure of information to the auditor

The Directors who held office at the date of approval of this Directors' report confirm that, so far as they are aware, there is no relevant audit information of which the Company's auditor is unaware; and that 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.

Political donations

The Company did not make any political donations or incur any political expenditure during the year.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

Signed on behalf of the Board of Directors.



Ian Smith
On behalf of
Prudential Group Secretarial Services Limited
Secretary
9 September 2021

PRUDENTIAL GROUP HOLDINGS 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 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.

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.

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.

PRUDENTIAL GROUP HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PRUDENTIAL GROUP HOLDINGS LIMITED

Opinion

We have audited the financial statements of Prudential Group Holdings Limited ("the company") for the year ended 31 December 2020 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 2020 and of its profit 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.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the company will continue in operation.

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 directors and inspecting policies and procedures to prevent and detect fraud, including the Group's channel for "whistleblowing", as well as enquiring whether the directors have knowledge of any actual, suspected or alleged fraud.
- Reading board minutes

PRUDENTIAL GROUP HOLDINGS LIMITED

As required by auditing standards, 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 revenue is limited to dividends received from intergroup investments. We did not identify any additional fraud risks.

We performed procedures including identifying journal entries, if any, to test based on risk criteria and comparing the identified entries, if any, to supporting documentation. These include journal entries, if any, impacting distributable profits.

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 and through discussion with the directors (as required by auditing standards), and discussed with the directors the policies and procedures regarding compliance with laws and regulations.

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 holding company, 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.

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:

- 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.

PRUDENTIAL GROUP HOLDINGS LIMITED

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.

Directors' responsibilities

As explained more fully in their statement set out on page 5, 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.

Kushan Tikkoo

Kushan Tikkoo (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL
9 September 2021

PRUDENTIAL GROUP HOLDINGS LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 \$000	2019 \$000
Income from shares in subsidiary undertakings	3	1,486	37,402
Interest income - Group undertakings	4	820	458
Interest expense - Group undertakings	5	-	(9,152)
Gain on foreign currency exchange translation	4	4,615	27,300
Amounts written off investments	3	(1,102)	(19,148)
Loan provision release/(loan impairment)	4	5,987	(2,800)
Gain from restructuring of investment in subsidiary		-	140,098
Administrative expenses		(12)	-
Profit before tax		11,794	174,158
Tax credit	2	-	3,833
Profit for the financial year		11,794	177,991
Other comprehensive income - Foreign exchange translation differences due to change in presentation currency		-	7,291
Other comprehensive income for the year		-	7,291
Total comprehensive income for the year		11,794	185,282

All of the above items relate to continuing operations.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2020

	Share capital \$000	Share premium \$000	Profit and loss account \$000	Total \$000
Balance at 1 January 2019	548	-	13,952	14,500
Capital injection	-	22,977	-	22,977
Profit for the financial year	-	-	177,991	177,991
Impact of change in presentational currency	22	868	7,291	8,181
Balance at 31 December 2019	570	23,845	199,234	223,649
Balance at 1 January 2020	570	23,845	199,234	223,649
Profit for the year	-	-	11,794	11,794
Balance at 31 December 2020	570	23,845	211,028	235,443

The notes on pages 11 to 17 form part of these financial statements.

PRUDENTIAL GROUP HOLDINGS LIMITED

STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2020

	Notes	2020 \$000	2019 \$000
FIXED ASSETS			
Shares in subsidiary undertakings	3	42,524	43,627
CURRENT ASSETS			
Debtors	4	189,121	174,710
Tax recoverable		-	3,207
Cash at bank and in hand	6	3,930	3,492
		193,051	181,409
CREDITORS			
Amounts falling due within one year	5	(132)	(1,387)
NET CURRENT ASSETS		192,919	180,022
NET ASSETS		235,443	223,649
CAPITAL AND RESERVES			
Called up share capital	7	570	570
Share premium		23,845	23,845
Profit and loss account		211,028	199,234
TOTAL SHAREHOLDERS' FUNDS		235,443	223,649

The financial statements on pages 9 to 17 were approved by the Board of Directors on 9 September 2021 and signed on its behalf by



K J Devlin
Director

The notes on pages 11 to 17 form part of these financial statements.

PRUDENTIAL GROUP HOLDINGS LIMITED

NOTES TO THE ACCOUNTS

1. Accounting policies

A. Basis of presentation

Prudential Group Holdings Limited (the "Company") is a private company incorporated, domiciled and registered in the United Kingdom.

The Company is exempt by virtue of Section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements. These financial statements therefore present information about the Company as an individual undertaking and not about its group.

These financial statements are prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101"), Part 15 of the Companies Act 2006 and Schedule 3 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 disclosure requirements of international accounting standards in conformity with the requirements of the Companies Act 2006, 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 Company's ultimate parent undertaking, Prudential plc, includes the Company in its consolidated financial statements. Those consolidated financial statements are prepared in accordance with International Financial Reporting Standards and are available to the public. Copies of the accounts can be obtained from the Company Secretary, 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:

- A cash flow statement and related notes
- Disclosures in respect of transactions between wholly owned subsidiaries within the Prudential Group
- Disclosure in respect of capital management
- The effects of new but not yet effective IFRSs
- 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 the exemptions under FRS 101 available in respect of the following disclosures:

- Certain disclosures required by IFRS 13 "Fair Value Measurement" and the 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.

PRUDENTIAL GROUP HOLDINGS LIMITED

NOTES TO THE ACCOUNTS (continued)

1. Accounting policies (continued)

The principal activity of the Company is to act as the holding company of the Prudential Group's Head Office business operations. The Company has net assets of \$235 million and net current assets of \$193 million and therefore 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.

In preparing these financial statements, the Directors have considered the uncertainty created by Covid-19. The evolving Covid-19 pandemic has caused significant disruption to the economy and financial markets globally, and the full extent of the potential impacts of Covid-19 are not yet known. Whilst there are many unknowns and the future impact of the pandemic is difficult to predict, the Company is taking proactive action in line with the wider Group and successfully implemented its Business Continuity Plan with all staff working from home with minimal disruption to its day-to-day operations.

B. Interest receivable and payable

Interest receivable and payable are recognised on an accruals basis.

C. Dividends

Dividends are recognised in the period in which they are received or paid.

D. Taxation

Current tax expense is charged or credited based upon amounts estimated to be payable or recoverable as a result of taxable amounts for the current year and adjustments made in relation to prior years. Current tax recoverable (payable) recognised in the balance sheet is measured at the amount expected to be either recovered from (paid to) relevant tax authorities or Group undertakings in relation to the surrender (claim) of tax losses.

Deferred taxes are provided under the liability method for all relevant temporary differences. Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability settled, based on tax rates (and laws) that have been enacted or are substantively enacted at the end of the reporting period.

E. Shares in subsidiary undertakings

Shares in Group undertakings and participating interests are shown at cost, less impairment, and the shares are reviewed for indicators of impairment on an annual basis. The impairment charge is measured as the difference between the cost and the fair value of the operations, which generally is considered to be embedded value for insurance entities and net asset value for non-insurance entities. The shares are reviewed for indicators of reversals of prior year impairment charges and adjustments are made when the fair value of the operation has increased following changes in the economic conditions since the impairment charge was made.

F. Foreign currency

Transactions in foreign currencies are translated to the Company's functional currencies at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit and loss account.

PRUDENTIAL GROUP HOLDINGS LIMITED

NOTES TO THE ACCOUNTS (continued)

1. Accounting policies (continued)

G. Amounts owed by / to Group undertakings

Amounts owed by / to Group undertakings are initially stated at fair value and subsequently measured at amortised cost using the effective interest rate method. The expected credit losses on the Company's loans to subsidiaries have been assessed by taking into account the probability of default on those loans. Based on projected earnings subsidiaries are expected to have sufficient resources to repay the loans either now or over time, and so the expected credit loss has been limited to the impact of discounting the value of the loan between the balance sheet date and the anticipated repayment date.

2. Tax

(a) Analysis of tax credit for the year

	2020 \$000	2019 \$000
Current tax		
UK corporation tax credit on profit for the year	-	5,460
Adjustments in respect of prior years	-	17,083
Total current tax (charge)/credit	-	22,543
Deferred tax		
Origination and deferral of timing differences	-	(18,710)
Tax (charge)/credit	-	3,833

(b) Factors affecting tax credit for the year

The tax credit assessed in the year is different from the application of the standard rate of corporation tax in the UK and the differences are explained below. The standard rate of tax has been determined by using the UK rate of corporation tax enacted for the period for which the profit of the Company will be taxed.

	2020 \$000	2019 \$000
Profit before tax	11,794	174,158
Profit multiplied by standard rate of corporation tax in the UK of 19% (2019: 19%)	(2,241)	(33,090)
Effects of:		
Income from shares in Group undertakings	266	7,106
Non-taxable foreign currency exchange movements	-	5,229
Controlled Foreign Company apportionment	-	(64)
Credit for capital losses transferred intra-group	-	3,830
Non-taxable income	1,137	-
Non-deductible expenses	(209)	(4,169)
Tax losses surrendered for nil consideration	1,047	-
Utilisation of losses	-	26,619
Adjustments in respect of prior years	-	17,083
Write off of deferred tax on previously recognised capital losses	-	(18,711)
Tax credit	-	3,833

PRUDENTIAL GROUP HOLDINGS LIMITED

NOTES TO THE ACCOUNTS (continued)

(c) Deferred tax asset

	2020 \$000	2019 \$000
Deferred tax asset at beginning of year	-	38,463
Deferred tax (expensed)/credited to the profit and loss account	-	(18,623)
Transfer of Capital Loss	-	(19,840)
Deferred tax asset at end of year	-	-

The deferred tax balance relates to the recognition of the future benefit of capital loss utilisation. The closing balance at 2020 is \$nil (2019: \$nil). There is no unrecognised deferred tax asset in relation to capital losses at the end of 2020 (2019: \$nil).

(d) Factors that may affect future tax charges

In the 11 March 2020 Budget it was announced that the UK tax rate will remain at the current 19% and not reduce to 17% from 1 April 2020 and this was enacted in 2020. This development did not have a material effect on the financial statements for the year ended 31 December 2020.

In the 3 March 2021 Budget it was announced that the UK tax rate would increase to 25% from April 2023. This development did not have a material effect on the financial statements for the year ended 31 December 2020.

NOTES TO THE ACCOUNTS (continued)

3. Shares in subsidiary undertakings and joint ventures

In accordance with Section 409 of the Companies Act 2006, a list of the Company's subsidiaries and joint ventures at 31 December 2020, along with the class of shares held, the effective percentage of equity owned, the registered office address and the country of incorporation, is disclosed below.

(a) Direct subsidiary undertakings of the Company:

Name	Class of shares held	Proportion held	Registered office address and country of incorporation
Fumival Insurance Company PCC Limited	Ordinary shares	100%	PO Box155, Mill Court, La Charroterie, St Peter Port, GY1 4ET, Guernsey
GS Twenty Two Limited	Ordinary shares	100%	1 Angel Court, London EC2R 7AG
Hyde Holdco 1 Limited (in liquidation)	Ordinary shares	100%	c/o Mazars LLP, 45 Church Street, Birmingham, B3 2RT, United Kingdom
Prudential Corporation Australasia Holdings Pty Limited (in liquidation)	Class B Shares	100%	31 Highgate Circuit, Kellyville, New South Wales, 2155, Australia
Prudential Group Secretarial Services Limited	Ordinary shares	100%	1 Angel Court, London EC2R 7AG
Prudential IP Services Limited	Ordinary shares	100%	1 Angel Court, London EC2R 7AG
Prudential Services Limited	Ordinary shares	100%	1 Angel Court, London EC2R 7AG

The company received \$1,486,000 (2019: \$37,402,000) of dividends from subsidiaries in the year.

In February 2020, subsidiary Prudential Five Limited completed its liquidation process, and distributed its remaining net assets to Prudential Group Holdings Limited via an in specie dividend of \$1,102,000. The investment in subsidiary balance in Prudential Five Limited of \$1,102,000 was written down to zero at this time.

	2020 \$'000	2019 \$'000
Cost:		
At beginning of the year	671,317	694,546
Additions	-	22,977
Disposals	(1,102)	(49,377)
Impact of change in presentational currency	-	3,171
At end of the year	670,214	671,317
Impairments:		
At beginning of the year	(627,690)	-
Amounts written off investments	-	(627,690)
At end of the year	(627,690)	(627,690)
Net book value		
At beginning of the year	43,627	694,546
At end of the year	42,524	43,627

PRUDENTIAL GROUP HOLDINGS LIMITED

NOTES TO THE ACCOUNTS (continued)

4. Debtors

	2020 \$000	2019 \$000
Loan to ultimate parent company	148,599	140,995
Loan to other group undertakings	39,689	33,702
Accrued interest	833	13
	<u>189,121</u>	<u>174,710</u>

The loans to ultimate parent company are recallable on demand without penalty and carry no interest. The majority of these loans are denominated in Sterling and their revaluation in 2020 gave rise to \$4.6m of foreign exchange gains.

The loan to other group undertakings is recallable on demand without penalty and carries an interest rate of 12 month USD LIBOR. Interest income from other group undertakings in the year totalled \$820k (2019: \$458k).

In 2020, there was a release of \$5,987k in relation to expected credit loss provisions (2019: a \$2,800k charge).

5. Creditors: amounts falling due within one year

	2020 \$000	2019 \$000
Due to subsidiary undertakings	132	1,235
Tax payable	-	152
	<u>132</u>	<u>1,387</u>

There was no interest payable expense due to Group undertakings in the year (2019: \$9,152k).

6. Cash at bank and in hand

Cash and cash equivalent consist of cash at bank (2020: \$3,930k, 2019: \$3,492k).

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 and all overdrawn balances of those Group undertakings with similar arrangements.

7. Called up share capital

	2020 \$000	2019 \$000
Issued and fully paid: 430,001 ordinary shares of £1 each	<u>570</u>	<u>570</u>

The share capital was retranslated to US dollars at 31 December 2019 upon the change in the company's functional and presentational currency at that date, using the GBP:USD foreign exchange rate 1.3248.

8. Auditor's remuneration

Auditor's remuneration of \$14,106 (2019:\$14,042) was borne by the Company's immediate parent company, Prudential plc. Amounts receivable by the Company's auditor in respect of services rendered to the Prudential Group, other than the audit of the Company's financial statements, have not been disclosed, as the information is required instead to be disclosed on a Group basis in the consolidated financial statements of Prudential plc.

PRUDENTIAL GROUP HOLDINGS LIMITED

NOTES TO THE ACCOUNTS (continued)

9. **Directors' emoluments**

The aggregate emoluments, including pension contributions, of the Directors of the Company for the year in respect of services rendered to the Company were \$nil (2019: \$nil).

10. **Immediate and ultimate parent company**

The Company's immediate parent company and the largest group in which the results of the Company are consolidated is that headed by Prudential plc. No other group financial statements include the results of the Company. The consolidated financial statements of the Group are available from the Company Secretary at 1 Angel Court, London EC2R 7AG.

11. **Post balance sheet events**

In January 2021 and June 2021, the subsidiary companies Prudential Corporation Australasia Holdings Pty Limited and Hyde HoldCo1 Limited respectively were dissolved.