Registration number: 01957069

PGIM European Services Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2021

Contents

Company Information

Directors	P. Aronoff M.G. Fresson S.L. Pollard P.M. East
Company secretary	L.D. King
Registered office	Grand Buildings 1-3 Strand Trafalgar Square London WC2N 5HR
Solicitors	Simmons & Simmons LLP One Ropemaker Street London EC2Y 9SS
Independent auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 7 More London Riverside London SE1 2RT

Strategic Report for the Year Ended 31 December 2021

The Directors present their strategic report for PGIM European Services Limited ('PGIMESL' or the 'Company') for the year ended 31 December 2021.

Principal activities
The Company performs certain UK based services, on behalf of the ultimate parent company, Prudential Financial, Inc. ('PFI'), and its subsidiaries ('PFI Group'). These services are limited to the administration of payroll and pension payments to certain PFI employees, predominantly based in the UK and Europe, as well as the provision of taxation and human resources support to affiliated companies in the UK and Europe.

In 2011, the Company became the principal employer for the Pramerica UK Retirement Savings Plan ('Plan'), formerly called the Bache and Associates Retirement Plan.

The Plan includes both a defined benefit scheme and a defined contribution scheme. The defined benefit scheme was closed to new members in 2001 (see note 2 to the financial statements). The Company continued to act as the principal employer for the Plan and to perform its administrative duties in 2021, and will continue to do so for the foreseeable future.

The financial statements have been prepared on a going concern basis.

Fair review of the business
During the year the Company continued to provide payroll and pension administration services and taxation and human resources support to the PFI Group. The Directors are satisfied with the result for the year and the financial position at the balance sheet date and note that the loss for the year of £0.4m (2020 loss: £0.9m) is largely attributable to pension related accounting entries which are effectively reversed out by amounts flowing through other comprehensive income.

The Directors do not foresee any change to the nature of the Company's activity going forward.

Section 172 (1) Statement
The Strategic Report must include a statement describing how the Directors have a regard to the matters as set out in section 172(1) of the Companies Act 2016 (CA 2016) as detailed below. Sections 465 to 467 of CA 2016 do allow for certain exemptions from this disclosure on the basis of size or materiality, however the Company is excluded from benefiting from these exemptions on the basis that it forms part of an ineligible group, that is the Company's ultimate parent, PFI, is listed in the US (NYSE: PRU).

(a) The likely consequences of any decision in the long term
The Company regularly assesses its strategy from both a commercial and risk perspective to ensure the long term consequences of any strategic decision are understood and taken into account.

The potential impact of COVID-19 on the performance and cash flows of the Company was considered when assessing whether the Company had sufficient liquidity and capital adequacy to meet its obligations as they fall due. The net assets of the Company as at 31 December 2021 were £2.7m (2020: £2.2m).

The Directors are mindful of the environmental and social impact of the long term decisions made within the Company and to support the management of the Company with its Environmental and Social Governance, a Group Global Head of ESG was appointed during the year, based in the London offices.

Strategic Report for the Year Ended 31 December 2021 (continued)

(b) The interests of the Company's employees
The Company views its employees as fundamental to the success of the business. The Directors take active steps to ensure that the suggestions, views and interests of the workforce are captured and considered in their decision-making.

With the continuation of the global pandemic, the Company's employees continued to substantially work remotely in 2021. To support employees working remotely during this period of general uncertainty, the Company has continued to focus on employee wellbeing and launched a number of support programs and initiatives. These include:

• Additional day's leave provided for self-care;
• The introduction of a wellbeing at work initiative which includes the appointment of wellbeing ambassadors, virtual events with guest speakers, fitness Fridays and a health & wellbeing app (Ondo);
• A global mental health champions initiative was launched globally across PGIM;
• Subscription to mindfulness application;
• Added communications about support programs;
• Ongoing flexibility around carrying unused leave forward to 2022.

The Group also has a number of effective workforce engagement mechanisms in place.
(i) Employees are kept informed of Group performance and provided with relevant business updates through regular company-wide Town Halls from the management team as well as regular business briefings. Regular announcements and video blogs updates by senior management are also made available on the intranet site.

(ii) There is an annual performance management process for all employees that provides a forum for feedback by individuals, peers and managers.

(iii) The Head of HR EMEA regularly provides updates on employee-related matters, including workforce demographics, engagement activities, the results of employee surveys, staff retention rates, diversity & inclusion, pay and reward and HR initiatives.

(iv) In order to ensure that the Group continues to retain, develop and attract talent, the Group has a competitive reward structure in place, which provides a wide range of benefits covering health and wellbeing, lifestyle and family. The Group reviews and enhances its benefits packages on an ongoing basis and seeks input from employees to better accommodate their personal circumstances and needs.

(v) The employees are supported and encouraged to leverage the resources of the PGIM global network. On-going on the job training as well as online or in person training is provided to support individual professional development.

(vi) All employees are asked to participate in the annual online Global Employee Engagement Survey. The results are communicated to senior management who have committed to act on the feedback and help inform and improve subsequent HR initiatives.

Strategic Report for the Year Ended 31 December 2021 (continued)

(c) The need to foster the Company's business relationships with suppliers, customers and others
The Company works to foster positive business relationships with suppliers, customers and other stakeholders. Relationships with customers are governed by written contracts to ensure transparency and clarity of expectation of performance.

The Company has established good working relationships with its suppliers and seeks to ensure a responsible payment culture, with the publishing for the Group of its Business Payment practices and Performance reporting on the Companies' House website. Following a review of the Modern Slavery Act, the Company has engaged with its suppliers to ensure mutual compliance.

The Company maintains good performance payment practices ensuring that suppliers continued to be paid in a timely manner. The Company has not experienced an increase in the ageing of its receivables and has not taken advantage of any government financial assistance offered as a result of the pandemic.

(d) The impact of the Company's operations on the community and the environment
The Company encourages its employees to contribute to the community in which the Company operates by offering the opportunity to take part in local charity and volunteering initiatives. The Company seeks where possible to minimize its impact on the environment and has developed in-house initiatives, such as an internal recycling scheme and the provision of employee cycle racks, to this aim.

(e) Maintaining high standards of business conduct
There is worldwide engagement with employees regarding individual conduct and the high standards of ethics and integrity expected of employees is outlined is Prudential's Code of Conduct "Making the Right Choices". The Code of Conduct is supported by ongoing training and annual re-certification.

(f) The need to act fairly between members of the Company
The Company is a private limited company with a sole shareholder.

Key performance indicators

	2021 £	2020 £
Turnover	13,818,895	11,932,541
Loss before tax	(243,750)	(890,188)
Tax on loss	(131,462)	49,599
Loss for the financial year	(375,212)	(840,589)

Strategic Report for the Year Ended 31 December 2021 (continued)

Principal risks and uncertainties

The Directors regularly assess the risks faced by the Company and believe that its principal risk is business risk which is defined as the Company's failure to meet its strategic objectives through significant market movements or other external factors. The Company's approach to managing business risk is to closely monitor market and other movements in the business environment and amend its strategy where necessary.

As a result of the Russian and Ukrainian conflict, ongoing since 24 February 2022, management have performed an assessment of the Company's potential direct and indirect exposure and the potential financial and operational implications of the conflict. The Company does not have employees, offices nor assets situated in Russia or Ukraine, and, having reviewed its relationships with customers and suppliers, has found no evidence of exposure to sanctioned entities or individuals nor any direct exposure in Russia nor Ukraine.

Management have considered indirect exposure to the conflict, in particular the risk of potential further inflationary pressure, and the performance and cash flows of the Company have been stressed to include this risk as part of the going concern analysis. As a result, management believe the impact of the crisis on the financial performance and operational capacity of the Company not to be material. In addition to business risk, the Company faces other significant risks which are outlined below.

Market risk

The Company is exposed to market risks, principally in the form of foreign exchange risk. Foreign exchange risk arises from fluctuations in the value of its assets and liabilities denominated in currencies other than Pounds Sterling. To the extent that the market risk associated with a particular asset or liability is deemed to be material, the Company utilises various hedging strategies to mitigate this risk. The Company currently has no material foreign exchange assets or liabilities and has no currency hedges in place.

Credit risk

Credit risk arises mainly from cash holdings and from receivables from third parties, including balances with other affiliated companies. The Company's approach to managing this risk is to hold cash with large, systemically important banks and to monitor and arrange settlement of receivable balances and non-affiliated balances with third parties on a timely basis. The Company does not therefore consider credit risk to be material.

Strategic Report for the Year Ended 31 December 2021 (continued)

Liquidity risk
The Company manages liquidity risk through a combination of maintenance of cash surpluses held by the Company, funding lines with affiliated companies and detailed regular forecasting of the Company's funding requirements, and does not consider liquidity risk to be material.

Brexit Risk
On 31 January 2020, the UK left the EU with a transition period in relation to existing laws and regulations running through to 31 December 2020. Although a post-Brexit trade deal was secured prior to the end of that transitional period, it did not cover financial services and so, for regulatory purposes, the UK is now considered a "third country". The impact of this "hard" Brexit for the Company is mitigated by its ability to partner with its UK and non UK affiliates which benefit either from their continuing EU permissions, or certain transitional permissions and third-country licenses. As the post-Brexit regulatory landscape develops, there will undoubtedly be further changes and, whilst these will be monitored by the Company, it is not anticipated that they will materially impact the Company's ability to earn its profit share and incentive fee income.

Business Continuity Risk
2021 continued to be a challenging time for the Company due to the ongoing global pandemic in respect of COVID-19. As a result of the pandemic the UK and other countries have entered in and out of periods of physical and economic lockdown. During this time, the employees of the Company have substantially worked remotely. The operational control environment has been maintained throughout this time and the Company has continued to provide services without interruption, demonstrating the operational resilience of the Business Continuity Plan (BCP) framework. As different geographical locations come out of lockdown the Company's employees are making a gradual return to its business premises.

Approved by the Board of Directors on 28 September 2022 and signed on its behalf on 17 October 2022 by:

DocuSigned by:
Lee Pollard
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S.L. Pollard
Director

Directors' Report for the Year Ended 31 December 2021

The Directors present their annual report and the audited financial statements of PGIMESL financial statements for the year ended 31 December 2021.

Directors of the company
The Directors who held office during the year and up to the date of the signing of the financial statements were as follows:

P. Aronoff

M.G. Fresson

G. Murphy (resigned 30 June 2021)

S.L. Pollard

P.M. East (appointed 30 June 2021)

Dividends
No dividend was paid in the year (2020: £150,000). The Directors do not recommend the payment of a final dividend (2020: £nil).

Political donations
The Company has made no political donations and incurred no political expenditure during the year (2020: £nil).

Financial instruments
The Company holds financial instruments including cash, receivables and payables as detailed in the Balance Sheet (2020: cash, receivables and payables).

Branches outside the United Kingdom
The Company opened a Spanish branch in December 2021.

Business review and future developments
During the year the Company continued to provide payroll and pension administration services and taxation and human resources support to its affiliated companies. The Company recognised a loss of £0.4m (2020: £0.8m) mainly driven by pension administration expenses. The Directors are satisfied with the performance of the Company for the year and the financial position at the balance sheet date.of the Company.

The Directors do not foresee any change to the nature of the Company's activity going forward.

Important non adjusting events after the financial year
The Company's direct parent, Pramerica Holdings Limited was dissolved on 27 January 2022. As a result of the liquidation, the Company is now a direct subsidiary of The Prudential Insurance Company of America ('PICA').

In the Spring budget 2021, the UK Government announced that the corporation tax rate would increase from 19% to 25% from April 2023. This new law was substantively enacted on 21 May 2021.

Directors' Report for the Year Ended 31 December 2021 (continued)

As a result of the Russian and Ukrainian conflict, ongoing since 24 February 2022, management have performed an assessment of the Company's potential direct and indirect exposure and the potential financial and operational implications of the conflict. The Company does not have employees, offices nor assets situated in Russia or Ukraine, and, having reviewed its relationships with customers and suppliers and has not identified any potential exposure from an operational perspective. As a result, management do not believe the Company has, has found no evidence of exposure to sanctioned entities or individuals nor any direct exposure in Russia nor Ukraine.

Management have considered indirect exposure to the conflict, in particular the risk of potential further inflationary pressure, and the performance and cash flows of the Company have been stressed to include this risk as part of the going concern analysis. As a result, management believe the impact of the crisis on the financial performance and operational capacity of the Company not to be material.

Directors' Report for the Year Ended 31 December 2021 (continued)

Going concern

As outlined in the Strategic Report, the employees of the Company have, as a result of the global pandemic, been substantially working remotely during 2021, with a gradual return to the Company offices as different geographical locations come out of lockdown. During this period of remote working, the Company has continued to provide services without interruption, demonstrating the operational resilience of the BCP framework. The control framework continues to be monitored as employees return partially to the office and a hybrid working model becomes the new business as usual.

The Directors have performed an analysis of expected cashflows and on the 2022 expected performance of the Company. The potential impact on the performance of the Company for the 12 months following the signature of the financial statements is difficult to forecast and is being monitored closely. The Company is currently profitable and is forecasted to remain profitable for the 12 months following the signing of the financial statements. The Company has sufficient cash reserves to enable it to meet its strategic goals as planned.

Because of the diversity of its revenue base, its liquidity and the strength of its balance sheet, the Directors are confident that the Company is a going concern and the financial statements have been prepared on a going concern basis.

Directors' indemnity statement

As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force during the financial year and also at the date of approval of the financial statements. The Company does not have its own Directors' and Officers' liability insurance but is covered by a scheme run by its ultimate parent, PFI, maintained throughout the financial year in respect of itself and its directors.

Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law).

Under company law, 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

Directors' Report for the Year Ended 31 December 2021 (continued)

The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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.

Directors' confirmations

In the case of each director in office at the date the directors' report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Reappointment of auditors

It is the intention of the directors to reappoint the auditors PricewaterhouseCoopers LLP in accordance with the requirements of Section 487 of the Companies Act 2006.

Approved by the Board of Directors on 17 October 2022 and signed on its behalf by:

DocuSigned by:
Lee Pollard
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S.L. Pollard
Director

Independent auditors' report to the members of PGIM European Services Limited

Report on the audit of the financial statements

Opinion

In our opinion, PGIM European Services Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Balance Sheet as at 31 December 2021; the Profit and Loss Account, the Statement of Comprehensive Income and the Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' Report for the year ended 31 December 2021 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also 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.

In preparing the financial statements, the directors are responsible for 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 the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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 an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to compliance with the Companies Act 2006, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the manipulation of financial data to present a more favourable financial or capital position. Audit procedures performed by the engagement team included:

- Enquiries with management, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Reviewing relevant meeting minutes, including those of the Board;
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations; and
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

Victoria Tallon

Victoria Tallon (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
17 October 2022

Profit and Loss Account for the Year Ended 31 December 2021

	Note	2021 £	2020 £
Turnover	3	13,818,895	11,932,541
Administrative expenses		(14,062,645)	(12,823,905)
Operating loss	4	(243,750)	(891,364)
Finance income	7	-	1,176
		-	1,176
Loss before tax		(243,750)	(890,188)
Tax on loss	9	(131,462)	49,599
Loss for the financial year		(375,212)	(840,589)

The notes on pages 19 to 35 form an integral part of these financial statements.

Statement of Comprehensive Income for the Year Ended 31 December 2021

	2021 £	2020 £
Loss for the financial year	(375,212)	(840,589)
Effect of change in assumptions	9,081,000	(22,845,000)
Return on plan assets	(1,801,000)	31,394,000
Changes in asset ceiling	(2,278,000)	(7,686,000)
Effect of experience adjustments	(4,461,000)	-
Other comprehensive income for the year, net of income tax	541,000	863,000
Total comprehensive income for the year	165,788	22,411

(Registration number: 01957069)
Balance Sheet as at 31 December 2021

	Note	2021 £	2020 £
Current assets			
Trade and other receivables	10	3,416,597	4,410,257
Cash at bank and in hand	11	3,093,184	1,186,125
Deferred tax assets	9	149,215	95,760
		6,658,996	5,692,142
Current liabilities			
Trade and other payables	12	(3,961,482)	(3,453,544)
Net current assets		2,697,514	2,238,598
Total assets less current liabilities		2,697,514	2,238,598
Net assets		2,697,514	2,238,598
Capital and reserves			
Called up share capital	14	1,263,374	1,263,374
Profit and loss account		1,434,140	975,224
Total equity		2,697,514	2,238,598

The financial statements on pages 15 to 35 were approved by the Board of directors on 17 October 2022 and signed on its behalf by:

DocuSigned by:

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M.G. Fresson
Director

Statement of Changes in Equity for the Year Ended 31 December 2021

	Share capital £	Profit and loss account £	Total £
At 1 January 2020	1,263,374	1,091,338	2,354,712
Loss for the financial year	-	(840,589)	(840,589)
Other comprehensive income	-	863,000	863,000
Total comprehensive income	-	22,411	22,411
Dividends	-	(150,000)	(150,000)
Equity settled share based payments	-	11,475	11,475
At 31 December 2020	1,263,374	975,224	2,238,598

	Share capital £	Profit and loss account £	Total £
At 1 January 2021	1,263,374	975,224	2,238,598
Loss for the financial year	-	(375,212)	(375,212)
Other comprehensive income	-	541,000	541,000
Total comprehensive income	-	165,788	165,788
Equity settled share based payments	-	293,128	293,128
At 31 December 2021	1,263,374	1,434,140	2,697,514

Notes to the Financial Statements for the Year Ended 31 December 2021

1 General information

PGIM European Services Limited ('PGIMESL' or the 'Company') provides certain services, on behalf of the ultimate parent company, Prudential Financial, Inc. ('PFI'), and its subsidiaries ('PFI Group'). These services are to provide the administration of payroll and pension payments to certain PFI employees in the UK and Europe and to provide shared services to the PFI Group in the UK and Europe. The Company is a private company limited by share capital and is incorporated and domiciled in the United Kingdom. The registered office of the Company is Grand Buildings, 1-3 Strand, Trafalgar Square, London WC2N 5HR.

The financial statements are presented in Pounds Sterling (£) which is also the Company's functional and operating currency.

Following the liquidation of the Company parent Pramerica Holdings Limited. ('PHL') on 27 January 2022 the Company is now a wholly owned direct subsidiary of The Prudential Insurance Company of America ('PICA') and of its ultimate parent, PFI. It is included in the consolidated results of PICA and PFI which are publicly available. PICA's financial statements are available at 751 Broad Street, Newark, NJ 07102, PFI's financial statements are available at 751 Broad Street, Newark, NJ 07102.

2 Accounting policies

Basis of preparation

The Company is preparing its financial statements in accordance with Financial Reporting Standard 102 – The Financial Reporting Standard applicable in the UK and Republic of Ireland ('FRS 102'). The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006. The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Going concern

As outlined in the Strategic Report, the employees of the Company have, as a result of the global pandemic, been substantially working remotely during 2021, with a gradual return to the Company offices as different geographical locations come out of lockdown. During this period of remote working, the Company has continued to provide services without interruption, demonstrating the operational resilience of the BCP framework. The control framework continues to be monitored as employees return to the office.

The Directors have performed an assessment of the expected performance of the company for the 12 months following the signature of the financial statements. Because of the nature of its revenue base and the strength of its balance sheet, the directors are confident that the company can meet its liabilities as they fall due for the next 12 months and is a going concern and the financial statements have been prepared on a going concern basis.

The Company will continue to act as the principal employer for the Plan and to perform its administrative duties for the foreseeable future. The Company will continue to recharge the cost of the shared services functions for the foreseeable future.

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

2 Accounting policies (continued)

Exemptions for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions. The Company is a member of the PFI Group which prepare consolidated, publicly available financial statements. As a result, in accordance with Section 7 of FRS 102 and paragraph 3.17(d), the Company is exempt from the requirement to prepare a cash flow statement under FRS 102 as the cash flows of the Company are included in the consolidated cash flow statement of the parent company, PFI.

Significant estimates and judgements

The preparation of the financial statements in conformity with FRS 102 requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Significant estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Significant estimates made in the preparation of these financial statements are as follows:

- Deferred tax has been recognised in line with the accounting policy below. The Company has recognised deferred tax assets based on an assessment of future profitability and an ability to recover these tax assets;
- The expected long term rate of return on pension assets has been estimated based on the expected returns on risk free investments (primarily government bonds), the historical level of the risk premium associated with the other asset classes in which the portfolio is invested and the expectations for future returns of each asset class;
- The Company's pension increase assumptions are linked to RPI and are based on a simple cap and collar approach applied to the respective inflation assumption.

No significant judgements have been used in the preparation of the financial statements.

Turnover

Turnover consists of certain payroll and administrative costs recharged to affiliated companies either at cost or cost plus 10% in accordance with the underlying service agreement.

Revenue is measured at the fair value of the consideration received or receivable and represents the amount receivable for services rendered.

The Company's revenue streams are recognised as the services are provided and the amount of revenue can be measured reliably and is shown net of VAT and other sales related taxes.

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

2 Accounting policies (continued)

Foreign Currencies

Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). These financial statements are presented in Pounds Sterling which is the Company's functional currency.

Foreign Currency Transactions

Transactions in foreign currencies are translated to the respective functional currencies of Company entities at exchange rates at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies, outstanding at the balance sheet date, are translated at the exchange rates ruling at that date.

Foreign exchange differences arising on translation are recognised in the Profit and Loss Account specifically in the administrative expenses. However, the foreign exchange differences arising on the movement in fair value on the investments is recognised in other comprehensive income. 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 Operations

The Company does not have any foreign operations.

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, in which case it is recognised in equity.

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 reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

2 Accounting policies (continued)

Related parties

The Company discloses transactions with related parties which are not wholly owned within the PFI Group. The Company does not disclose transactions with its parent or with members of the same group that are wholly owned.

Cash

Cash includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less..

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Dividends

Dividend distribution to the Company's shareholders is recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the Company's shareholders. Dividends are recognised in the Statement of Changes in Equity.

Share based payments

The Company participates in PFI's share-based incentive schemes for Restricted Stock Units. The Company recognises an expense based on the fair value of the options granted. This cost is spread over the three-year vesting period for each grant. These amounts have been included in employee costs for the period with corresponding amounts included in equity. Disclosures for the scheme have been provided in note 13 to the financial statements.

At each balance sheet date the entity revises its estimate of the number of options that are expected to vest. It recognises the impact of the revision to original estimates, if any, in the Profit and Loss Account, with a corresponding adjustment to equity.

Pension costs

The Company has both defined benefit and defined contribution plans. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. The Company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. A defined benefit plan is a pension plan that is not a defined contribution plan and where a constructive obligation does exist for the Company to pay further contributions if the fund does not have sufficient assets.

The cost of a defined contribution scheme is equal to the contributions paid into the scheme for the period.

Upon the sale of Bache Commodities Limited ('BCL') in April 2011, the Company assumed responsibility for a defined benefit scheme based in the UK. The assets of that scheme are measured at their market value at the balance sheet date. The liabilities are measured using the projected unit method with a discount rate equal to the rate of return on an AA corporate bond of equivalent term and currency. The extent to which the scheme's assets exceed its liabilities is shown as a surplus in the balance sheet, if the Directors consider that a surplus is recoverable by the Company. The extent to which the scheme's assets fall short of its liabilities is shown as a deficit in the balance sheet, net of the related deferred tax asset, to the extent that a deficit represents an obligation of the Company.

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

2 Accounting policies (continued)

Where applicable, the following amounts are charged to operating profit in the period:

(i) the increase in the present value of scheme liabilities arising from employee service in the period;
(ii) gains and losses arising on settlements/curtailments in the period; and
(iii) a credit representing the expected return on the scheme's assets and a charge relating to the increase in the present value of the scheme's liabilities are included in administrative expenses.

In addition, any increase in the present value of scheme liabilities resulting from benefit improvements is recognised over the period during which such improvements vest. Actuarial gains and losses are recognised in the change in benefit obligation.

Additional details of the Company's pension arrangements have been provided in Note 8.

Trade and other receivables
A regular review is performed on all the Company's receivables. If there is significant uncertainty regarding the recoverability of any of its debtors, a provision is recognised. If there is strong evidence indicating the amounts recognised in the Balance Sheet will not be recovered, they will be written off.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost less provision for impairments.

Trade and other payables
Creditors are recognised initially at fair value and subsequently measured at amortised cost.

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

3 Turnover

The analysis of the Company's revenue for the year from continuing operations is as follows:

	2021 £	2020 £
Recharge and reimbursement income	13,818,895	11,932,541
Total turnover	13,818,895	11,932,541

The turnover is accrued and earned in the United Kingdom.

4 Operating loss

Arrived at after charging/(crediting):

	2021 £	2020 £
Total employment costs (Note 5)	10,981,939	10,280,148
Depreciation expense	76,867	75,530
Foreign exchange losses/(gains)	24,497	(15,219)
Operating lease expense - property	18,185	3,757
Pension administrative expense	541,000	863,000
Fees payable to Company's auditors in respect of:		
- audit of the Company's financial statements	86,176	58,076

5 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2021 £	2020 £
Wages and salaries	9,165,675	8,378,308
Social security costs	1,021,329	1,002,490
Pension costs, defined contribution scheme	775,321	779,409
Share-based payment expenses	19,614	119,941
	10,981,939	10,280,148

The monthly average number of persons employed by the Company, which includes directors, is analysed below:

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

5 Staff costs (continued)

	2021 No.	2020 No.
By activity:		
Managerial and administration	62	68
	62	68

6 Directors' remuneration

	2021 £	2020 £
Directors' emoluments	1,003,174	1,174,112
Amounts (excluding shares) paid under long term incentive schemes	67,152	74,990
Contributions to pension schemes	24,055	14,000
	1,094,381	1,263,102

	2021 £	2020 £
Remuneration of the highest paid director		
Directors emoluments	501,041	441,104
Amounts (excluding shares) paid under long term incentive schemes	51,044	47,404
Contributions to pension schemes	4,000	5,500
	556,085	494,008

No award was received by the highest paid director under long-term incentive schemes during the year (2020: £47,404). Three directors received Restricted Stock Units and/or Options during the year. Three directors are members of the defined contributions scheme operated for the benefit of all eligible employees of the PGIM Financial Limited group. The highest paid director has no accrued UK defined benefits plan entitlements at the end of the year. One director participates in the ultimate parent company's pension scheme. No options were exercised by the directors during the year. The highest paid director did not exercise any options during the year.

Included in the remuneration are amounts paid to directors for their qualifying services to affiliated companies. It is not possible to make an accurate apportionment of their emoluments in respect of each affiliated company. Accordingly no recharges have been made.

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

6 Directors' remuneration (continued)

Company

The emoluments, including pension contributions of the following directors, were paid for by:

Directors	Paid for by
M. G. Fresson	PGIM European Services Limited (a subsidiary of Prudential Financial Inc.)
G. Murphy	PGIM European Services Limited (a subsidiary of Prudential Financial Inc.)
S.L. Pollard	PGIM European Services Limited (a subsidiary of Prudential Financial Inc.)
P. Aronoff	Prudential Financial, Inc. (the ultimate parent company of PGIM European Services Limited)

7 Finance income

	2021 £	2020 £
Other finance income	-	1,176

8 Pension and other schemes

The Company operates pension schemes in the United Kingdom for the benefit of its employees. Details of these schemes are provided below.

UK pension schemes - Defined benefit plan
The principal employer as of 31 December 2021 is PGIM European Services Limited.

The Plan's assets are legally separated from the Company's assets and do not form part of these financial statements. The actuarial valuation at 31 December 2021 for the Plan showed surplus of £85.3 million (2020: £81.8 million). The accounting valuations for the defined benefit pension plan have been performed by Mercer, an independent actuary. Since it is in surplus and the Company does not view this surplus as recoverable, in accordance with Section 28 of FRS 102, there is also no pension asset recognised in the Balance Sheet.

The defined benefit plan is closed to all new members. As such the defined benefit section of the pension plan is closed to future accruals.

PGIM Financial Limited did not make any contribution to the pension scheme during 2021 (2020: £nil).

UK pension schemes- Defined contribution plan

The defined contribution plan is operated for all eligible employees of subsidiaries of PFI. operating in the United Kingdom, who entered service on or after 1 April 2002. Company contributions to this scheme are based on the age of the member on joining or on renewal at 1 April each year.

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

8 Pension and other schemes (continued)

Pramerica UK Retirement Savings Plan - UK Defined Benefit Plan Disclosures under Section 28 of FRS 102

Change in benefit obligation	**2021 £**	**2020 £**
Benefit obligation at beginning of year	(223,849,000)	(209,549,000)
Interest cost	(3,198,000)	(4,062,000)
Actuarial gain/(loss)	9,081,000	(22,845,000)
Loss on curtails/changes/introductions	-	(340,000)
Benefits paid	6,591,000	12,947,000
Effect on experience adjustments	(4,461,000)	-
Benefit obligation at end of year	(215,836,000)	(223,849,000)

Amounts recognised in the Balance Sheet	**2021 £**	**2020 £**
Fair value of plan assets at beginning of year	305,684,000	282,244,000
Interest income	4,381,000	5,510,000
Benefit payments from plan assets	(6,591,000)	(12,947,000)
Administrative expenses paid from plan assets	(537,000)	(517,000)
Return on plan assets (excluding interest income)	(1,801,000)	31,394,000
Fair value of plan assets at end of year	301,136,000	305,684,000

Amounts recognised in the Balance Sheet	**2021 £**	**2020 £**
Defined benefit obligation	(215,836,000)	(223,849,000)
Fair value of plan assets	301,136,000	305,684,000
Funded status	85,300,000	81,835,000
Effect of asset ceiling	(85,300,000)	(81,835,000)
Asset balance	-	-

In accordance with paragraph 28.22 of FRS 102, the Company are of the view that they are unable to recognise a plan surplus as a defined benefit plan asset as they do not believe they will be able to recover the surplus.

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

8 Pension and other schemes (continued)

Components of pension expense	**2021 £**	**2020 £**
Interest cost	(3,198,000)	(4,062,000)
Interest income on plan assets	4,381,000	5,510,000
Interest expense on effect of asset ceiling	(1,187,000)	(1,454,000)
Administrative expense and/or taxes	(537,000)	(517,000)
Loss on curtailments/changes/introductions	-	(340,000)
Total pension expense recognised in the Profit and Loss Account	(541,000)	(863,000)

Remeasurements (recognised in other comprehensive income)	**2021 £**	**2020 £**
Effect of changes in assumptions	9,081,000	(22,845,000)
Return on plan assets	(1,801,000)	31,394,000
Changes in asset ceiling	(2,278,000)	(7,686,000)
Effect of experience adjustments	(4,461,000)	-
Total remeasurement included in OCI	541,000	863,000

Plan Assets

The fair value of plan assets at the year end were as follows:

	2021 £	**2020 £**
Cash and cash equivalents	28,109,000	32,642,000
Equity instruments	31,204,000	28,298,000
Debt instruments	241,823,000	244,744,000
	301,136,000	305,684,000

To develop the expected long-term rate of return on assets assumption, the Company considered the current level of expected returns on risk free investments (primarily government bonds), the historical level of the risk premium associated with the other asset classes in which the portfolio is invested and the expectations for future returns of each asset class. The expected return for each asset class was then weighted based on the actual asset allocation to develop the expected long-term rate of return on assets assumption for the portfolio which resulted in the selection of a rate of return assumption of 2.00% (2020: 2.00%).

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

8 Pension and other schemes (continued)

Actual return on plan assets

	2021 £	2020 £
Return on scheme assets	2,580,000	36,904,000

Weighted-average assumptions to determine benefit obligation at year-end:	**2021 %**	**2020 %**
Discount rate	1.95	1.45
Rate of salary increase	N/A	N/A
Rate of pension increase	3.35	3.00
Rate of price inflation (RPI)	3.35	3.00

Weighted-average life expectancy for mortality tables used to determine benefit obligation:	**2021 yrs**	**2020 yrs**
Member age 65 (current expectancy)	23.2	23.1
Member age 45 (life expectancy at age 65)	24.7	24.6

9 Tax

Recognised in the profit and loss account	**2021**	**2020**
Total current tax:	**£**	**£**
Current year	184,918	46,161
Total current tax	184,918	46,161
Total deferred tax:		
Total deferred tax	(53,455)	(95,760)
Income tax expense	131,462	(49,599)

No income tax is recognised in other comprehensive income (2020: £nil).

The tax expense for the year was lower (2020: higher) than the standard rate of corporation tax in the United Kingdom for the year ended 31 December 2021 of 19% (2020: 19%). The difference is explained in the table below.

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

9 Tax (continued)

	2021 £	2020 £
Loss before tax	(243,750)	(890,188)
Loss before tax multiplied by standard rate of corporation tax in UK 19% (2019: 19 %)	(46,312)	(169,136)
Effects of:		
Disallowable expenses	25,434	17,430
Stock options not deductible for tax purposes	56,320	74,634
Stock options deductible for tax purposes	(92,133)	(136,497)
Adjustment for prior periods	76,358	-
Overseas tax	37,520	-
Double tax relief	(28,515)	-
Disallowable pension expense	102,790	163,970
Total tax charge	131,462	(49,599)

Deferred tax

Deferred tax asset/(liability) is attributable to the following:

Movement in deferred tax **Disallowed share based payments**	**2021** **£**	**2020** **£**
1 January	(95,760)	-
Recognised in profit or loss	(53,455)	(95,760)
31 December	(149,215)	(95,760)

In the Spring budget 2021, the UK Government announced that the corporation tax rate would increase from 19% to 25% from April 2023. This new law was substantively enacted on 21 May 2021.

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

10 Trade and other receivables

	2021 £	2020 £
Trade debtors	-	352,659
Amounts due from PFI Group	3,129,551	3,933,431
Other receivables	75,321	68,541
Prepayments and accrued income	211,725	52,064
Income tax asset	-	3,562
	3,416,597	4,410,257

Amounts due from PFI Group companies are receivable per the terms agreed in the support services agreement.

11 Cash at bank and in hand

	2021 £	2020 £
Cash at bank	3,093,184	1,186,125

12 Trade and other payables

	2021 £	2020 £
Amounts due to PFI Group	240,504	395,837
Accruals	3,642,727	3,057,707
Income tax liability	78,251	-
	3,961,482	3,453,544

Amounts due to PFI Group companies are payable per the agreed terms in the intercompany recharge agreement.

13 Employee benefits

Share based payments

The Company's equity settled share based payment plan consists entirely of Prudential Financial Inc's Omnibus Incentive Plan ('Omnibus Plan') which was adopted by the Board of Directors of Prudential Financial, Inc in March 2003, and subsequently amended and restated in November 2008. Under the Omnibus Plan, eligible employees may be awarded a combination of restricted stock units and stock options which vest over a 3-year period and are exercisable over a 10-year period.

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

13 Employee benefits (continued)

Stock options

There were no options outstanding for the Company at 31 December 2021 (2020: £nil). The Company recorded £nil (2020: £32,787) in share based compensation related to stock options during the year ended 31 December 2021.

The number of options that are eligible for exercise at 31 December 2021 is nil (2020: £nil).

The weighted average grant date fair value of stock options granted during the years ended 31 December 2021 and 2020 were £nil and £15.61, respectively. The options are valued using a binomial option pricing model on the date of grant. The weighted average grant date assumptions used in the binomial option valuation model are detailed in the table below, components of which take into consideration the worldwide workforce of PFI.

Expected volatilities are based on historical volatility of PFI's Common Stock and implied volatilities from traded options on PFI's Common Stock. Historical data and expectations of future exercise patterns to estimate option exercises and employee terminations are used within the valuation model. The expected dividend yield is based on the current expected annual dividend and share price on the grant date. The expected term of options granted represents the period of time that options granted are expected to be outstanding. The risk-free rate for periods within the expected term of the option is based on the U.S. Treasury yield curve in effect at the time of grant.

Restricted stock units

A restricted stock unit is an unfunded, unsecured right to receive a share of Common Stock at the end of a specified period of time, which is also subject to forfeiture and transfer restrictions. The restrictions on restricted stock units will lapse on the third anniversary of the date of grant. The number of units is determined over the performance period, and may be adjusted based on the satisfaction of certain performance goals.

The following table summarises restricted stock award activity for the year ended 31 December 2021:

Non-vested Shares	2021 Number of shares	2020 Number of shares
At 1 January	11,297	10,197
Granted	6,977	4,647
Vested	(4,250)	(3,547)
Forfeited/transferred	(2,238)	-
At 31 December	11,786	11,297

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

13 Employee benefits (continued)

Non-vested Shares	2021 Weighted Average Grant-Date Fair Value £	2020 Weighted Average Grant-Date Fair Value £
At 1 January	72.67	62.05
Granted	62.21	71.69
Vested	75.49	-
Forfeited/transferred	64.13	88.00
At 31 December	63.21	72.67

The Company recorded an expense of £nil (2020: £nil) in share-based payments, related to restricted stock units, during the year ended 31 December 2021.

Performance awards

A performance award is similar to a restricted stock unit, an unfunded, unsecured right to receive a share of Common Stock at the end of a specified period of time, which is also subject to forfeiture and transfer restrictions. The restrictions on restricted stock units will lapse on the third anniversary of the date of grant. The number of units is determined over the performance period, and may be adjusted based on the satisfaction of certain performance goals.

The following table summarises performance award activity for the year ended 31 December 2021:

Non-vested Shares	2021 Number of Shares	2020 Number of Shares
At 1 January	813	739
Granted	547	538
Vested	(547)	(464)
Forfeited/transferred	(86)	-
Performance adjustment	(14)	-
At 31 December	713	813

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

13 Employee benefits (continued)

Non-vested Shares	2021 Weighted Average Grant-Date Fair Value £	2020 Weighted Average Grant-Date Fair Value £
At 1 January	73.23	62.05
Granted	64	74.08
Vested	76.58	-
Forfeited/transferred	73	89.05
Performance adjustment	64.22	-
At 31 December	71.15	73.23

The Company recorded an expense of £266,410 (2020: £239,788) in share-based payments, related to performance awards, during the year ended 31 December 2021.

14 Called up share capital

Allotted, called up and fully paid shares

	2021		2020	
	No.	£	No.	£
Ordinary shares of £1 each	1,263,374	1,263,374	1,263,374	1,263,374

15 Commitments

The Company had no other commitments at 31 December 2021 (2020: £nil).

16 Contingent liabilities

The Directors are not aware of any contingent liabilities requiring disclosure in these financial statements as at 31 December 2021 (2020: £nil).

17 Parent and ultimate parent undertaking

The Company's ultimate parent is PFI., a company incorporated in the United States of America. Related parties of the Company comprise the ultimate parent and other subsidiaries of the ultimate parent, principally PGIM Inc. The Company is a wholly owned direct subsidiary of PICA following the liquidation of PHL during the year.

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

18 Non adjusting events after financial year

The Company's direct parent, Pramerica Holdings Limited was dissolved on 27 January 2022. As a result of the liquidation, the Company is now a direct subsidiary of The Prudential Insurance Company of America ('PICA').

In the Spring budget 2021, the UK Government announced that the corporation tax rate would increase from 19% to 25% from April 2023. This new law was substantively enacted on 21 May 2021.

As a result of the Russian and Ukrainian conflict, ongoing since 24 February 2022, management have performed an assessment of the Company's potential direct and indirect exposure and the potential financial and operational implications of the conflict. The Company does not have employees, offices nor assets situated in Russia or Ukraine, and, having reviewed its relationships with customers and suppliers and has not identified any potential exposure from an operational perspective. As a result, management do not believe the Company has, has found no evidence of exposure to sanctioned entities or individuals nor any direct exposure in Russia nor Ukraine.

Management have considered indirect exposure to the conflict, in particular the risk of potential further inflationary pressure, and the performance and cash flows of the Company have been stressed to include this risk as part of the going concern analysis. As a result, management believe the impact of the crisis on the financial performance and operational capacity of the Company not to be material.

As a result of recent market turmoil, the market value of the pension fund assets has fallen significantly after year end. It is estimated that the pension fund liabilities have fallen in a comparable manner and the fund surplus has, as a result, remained broadly consistent.