

**Registered Number 05965858**

**Amending**

**Pension Holding Company (UK) 2 Limited**

**Revised Annual Report and Revised Financial Statements  
For the year ended 31 December 2015**

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## **Pension Holding Company (UK) 2 Limited**

Incorporated and registered in England & Wales Registered Number 05965858

Registered Office: 14 Cornhill, London, EC3V 3ND, United Kingdom

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## **Pension Holding Company (UK) 2 Limited**

### **Revised Directors' report for the year ended 31 December 2015**

The directors present their revised annual report and the revised financial statements for Pension Holding Company (UK) 2 Limited, registered number 05965858, ("the Company") for the year ended 31 December 2015. This revised directors' report for the year ended 31 December 2015 replaces the original directors' report for that year, which had been approved on 23 March 2016. The revised directors' report has been prepared as at the date on which the original directors' report was approved by the board of directors and not as at the date of the revision and accordingly does not deal with events between those dates. The original directors' report has been revised to remove a statement relating to the nature of the dividend settlement between the Company and its parent which was not factually accurate and to report that the dividend was not only recommended but also paid on 8 December 2015.

#### **Principal activity**

The principal activity of the Company is a holding company within the Pension Insurance Corporation group. It is a wholly owned subsidiary of Pension Holding Company (UK) 1 Limited ("PHC1").

#### **Business Review**

##### *Group Reorganisation*

A group reorganisation took place on 8 December 2015.

Prior to this date the Company was the sole owner of Pension Holding Company (UK) 3 Limited ("PHC3") which was in turn the holding company of Pension Insurance Corporation plc ("PIC"), a company authorised to write long term insurance business by the Prudential Regulation Authority. The Company was also the sole owner of Pension Services Corporation Limited ("PSC"), a company providing administrative services to PIC and other group companies.

Subsequent to the group reorganisation the Company remains a wholly owned subsidiary of PHC1.

The ownership of the shares held in PSC passed to PHC3 following the issuance of further shares by PHC3.

The ownership of shares in PHC3, incorporating the ownership of PSC shares, passed to Pension Insurance Corporation Group Limited ("PICGL"), a company registered in England and Wales as fulfilment of a dividend payment.

##### *Results and dividends*

The Company made neither a profit nor loss in the year ended 31 December 2015 (2014: £nil). The directors recommended and made payment of a dividend of £816,810,351 on 8 December 2015 (2014: £nil).

##### *Changes in share capital*

The Company issued 64.6 million £1 ordinary shares at par on 23 March 2015. The issue was fully paid and wholly subscribed by PHC1 for cash consideration.

The Company used the proceeds to subscribe for a further 64.6 million £1 ordinary shares in PHC 3 at par.

On 8 December 2015 the Company undertook a capital reduction exercise and reduced its issued share capital from 816,810,350 ordinary shares of £1 each to 1 ordinary share of £1.

#### **Directors and their interests**

The directors who served during the year and up to the date of approval of these revised financial statements were:

Louise Inward  
Malcolm Thomson  
Rob Sewell

Appointed 18 November 2015  
Resigned 18 November 2015

## **Pension Holding Company (UK) 2 Limited**

### **Revised Directors' report for the year ended 31 December 2015 (continued)**

#### **Going concern**

After making appropriate enquiries, the directors consider that the Company has adequate resources to continue in operational existence for the foreseeable future. They have therefore adopted the going concern basis in preparing the revised financial statements.

#### **Disclosure of Information to Auditors**

The directors who held office at the date of approval of this revised directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

#### **Auditors**

In accordance with section 487 of the Companies Act 2006, the auditors will be deemed to be re-appointed and KPMG LLP will therefore continue in the office.

On behalf of the board



Rob Sewell  
*Director*

25 July 2016

## **Pension Holding Company (UK) 2 Limited**

### **Statement of directors' responsibilities in respect of the Revised Directors' report and the Revised financial statements**

The directors are responsible for preparing the revised Directors' report and the revised 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 International Financial Reporting Standards ("IFRS") as adopted by the EU and applicable law.

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 they have been prepared in accordance with IFRS adopted by the EU; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper 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 its financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

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

Under section 454 of the Companies Act 2006 the directors have the authority to revise the financial statements and the directors' report if they do not comply with the Act. The revised financial statements must be amended in accordance with the Companies (Revision of Defective Accounts and Reports) Regulations 2008. These require that the revised financial statements show a true and fair view as if they were prepared and approved by the directors as at the date of the original financial statements and accordingly do not take account of events which have taken place after the date on which the original financial statements were approved.

## **Independent auditor's report to the members of Pension Holding Company (UK) 2 Limited**

We have audited the revised financial statements of Pension Holding Company (UK) 2 Limited for the year ended 31 December 2015 set out on pages 8 to 13. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards ("IFRS") as adopted by the EU. These revised financial statements replace the original financial statements approved by the directors on 23 March 2016.

The revised financial statements have been prepared under the Companies (Revision of Defective Accounts and Reports) Regulations 2008 ("the Regulations") and accordingly do not take account of events which have taken place after the date on which the original financial statements were approved.

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 and as required by paragraph 7 of the Regulations. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditors**

As explained more fully in the Directors' Responsibilities Statement set out on page 5, the directors are responsible for the preparation of the revised financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the revised financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the revised financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the revised financial statements sufficient to give reasonable assurance that the revised financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the revised financial statements.

In addition we read all the financial and non-financial information in the revised annual report to identify material inconsistencies with the audited revised financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

The audit of revised financial statements includes the performance of procedures to assess whether the revisions made by the directors are appropriate and have been properly made.

### **Opinion on revised financial statements**

In our opinion the revised financial statements:

- give a true and fair view, seen as at the date the original financial statements were approved, of the state of the company's affairs as at 31 December 2015 and of its result for the year then ended;
- have been properly prepared in accordance with IFRS as adopted by the EU seen as at the date the original financial statements were approved;
- have been prepared in accordance with the Companies Act 2006 as it has effect under the Regulations; and
- the original financial statements for the year ended 31 December 2015 failed to comply with the requirements of the Companies Act 2006 in the respects identified by the directors in the statement contained in note 1 to these revised financial statements.

## **Independent auditor's report to the members of Pension Holding Company (UK) 2 Limited (continued)**

### **Emphasis of matter – revision of the Statement of Comprehensive Income**

In forming our opinion on the revised financial statements, which is not modified, we have considered the adequacy of the disclosures made in note 1 to these revised financial statements concerning the need to revise the Statement of Comprehensive Income and consequential amendments to the notes to the financial statements. The original financial statements were approved on 23 March 2016 and our previous report was signed on that date. We have not performed a subsequent events review for the period from the date of our previous report to the date of this report.

### **Opinion on other matters prescribed by the Companies Act 2006**

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

### **Matters on which we are required to report by exception**

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the revised 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.

*M Wilson*

**Mostyn Wilson (Senior Statutory Auditor)  
for and on behalf of KPMG LLP, Statutory Auditor**

*Chartered Accountants*

KPMG LLP  
15 Canada Square  
London  
E14 5GL

25 July 2016

## Pension Holding Company (UK) 2 Limited

### **Revised Statement of comprehensive income** *for the year ended 31 December 2015*

The Company did not trade during the current or preceding period and accordingly no Statement of Comprehensive income is presented.

The accounting policies and revised notes on pages 10 to 13 form an integral part of these revised financial statements.

### **Statement of changes in equity** *for the year ended 31 December 2015*

Year ended 31 December 2015	Share capital £'000	Other reserves £'000	Accumulated surplus £'000	Total £'000
At beginning of year	752,210	-	-	752,210
Ordinary share capital issued for cash	64,600	-	-	64,600
Dividend Paid	-	-	(816,810)	(816,810)
Share Capital reduction	(816,810)	-	816,810	-
At end of year	-	-	-	-
Year ended 31 December 2014	Share capital £'000	Other reserves £'000	Accumulated surplus £'000	Total £'000
At beginning of the year	680,210	-	-	680,210
Ordinary share capital issued for cash	72,000	-	-	72,000
At end of year	752,210	-	-	752,210

The accounting policies and revised notes on pages 10 to 13 form an integral part of these revised financial statements.



## Pension Holding Company (UK) 2 Limited

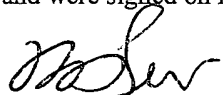
### Statement of Financial Position

as at 31 December 2015

	Note	31 December 2015		31 December 2014	
		£'000	£'000	£'000	£'000
<b>Assets</b>					
<b>Fixed asset investments</b>					
Investment in subsidiary	5		-		752,211
<b>Total Assets</b>			-		752,211
<b>Equity</b>					
Called up share capital	7	-		752,210	
<b>Total Equity</b>			-		752,210
<b>Liabilities</b>					
Accruals		-		1	
<b>Total Liabilities</b>			-		1
<b>Total Equity and Liabilities</b>			-		752,211

The accounting policies and revised notes on pages 10 to 13 form an integral part of these revised financial statements.

The revised financial statements on pages 8 to 13 were approved by the board of directors on 25 July 2016 and were signed on its behalf by:



Rob Sewell  
Director

## **Pension Holding Company (UK) 2 Limited**

### **Revised Notes to the revised financial statements for the year ended 31 December 2015**

#### **1. Accounting Policies**

##### **(a) Basis of preparation**

The revised financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRS") as adopted by the European Union ("EU") and those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

The Company has applied all IFRS and interpretations that are adopted by the EU and are effective for accounting periods beginning on or after 1 January 2015. There is no material effect on the results of the Company arising from these implementations.

The Company has not adopted the following standards which are not yet mandatory:

*IFRS 9 – Financial Instruments – not yet endorsed by the EU, effective for accounting periods beginning on or after 1 January 2018.*

*IFRS 15 – Revenue from Contracts with Customers – not yet endorsed by the EU, effective for accounting periods beginning on or after 1 January 2018.*

The Company believes that it is not currently possible to evaluate the impact the adoption of the above Accounting Standards will have on the results of the Company.

These revised financial statements for the year ended 31 December 2015 replace the original financial statements for that year, which had been approved on 23 March 2016. These revised financial statements are now the statutory financial statements for that year.

The financial statements have been prepared as at the date on which the original financial statements were approved by the board of directors and not as at the date of the revision and accordingly do not deal with events between those dates.

The original financial statements failed to comply with the Companies Act 2006 in as much as the Statement of comprehensive income incorrectly showed £816,810,000 of dividend received and £816,810,000 of impairment of investment. The effect of correcting this failure has been to report nil amounts in the Statement of comprehensive income and therefore include a narrative statement rather than table of results for the current and previous year. Consequential amendments in respect of these financial statement captions have been made in Note 4 and this note is also revised.

##### **(b) Separate financial statements**

The Company is exempt from the consolidation requirements of IAS 27 "*Consolidated and Separate Financial Statements*" as it is a wholly owned subsidiary of PICGL, an entity which prepares consolidated financial statements in accordance with IFRS. Details of the registered office of PICGL are included in note 8.

Consequently these revised financial statements comprise the separate financial statements of the Company only.

## **Pension Holding Company (UK) 2 Limited**

### **Revised Notes to the revised financial statements for the year ended 31 December 2015 (continued)**

#### **1. Accounting Policies *(continued)***

##### **(c) Cash flow**

The Company acts as a holding company and has no bank account. Consequently it has no cash movements and no Statement of cash flows has been prepared.

##### **(d) Investment in subsidiary undertakings**

The Company classifies investments in entities which it controls as subsidiaries. Investment in subsidiary undertakings is stated at cost less impairment.

Reversals of impairment losses are recognised in the Statement of comprehensive income Statement if there has been a change in the estimates used to determine the recoverability amount of the investment.

##### **(e) Taxation**

Current taxation is provided on taxable profits at the corporation tax rate ruling in the year they are earned.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes, and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates ruling at the date the timing difference is expected to reverse.

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

#### **2. Auditors' remuneration**

The auditors' remuneration in respect of the statutory audit of these revised financial statements is £5, 000, (2014: £5,000). This fee is borne by Pension Services Corporation Limited, a sister company with the same ultimate parent.

#### **3. Directors' and employees**

No director received any remuneration during the year in respect of services to the Company (2014: £nil). The Company has no employees and therefore incurred no wage or salary costs during the year (2014: £nil).

## Pension Holding Company (UK) 2 Limited

### Revised Notes to the revised financial statements for the year ended 31 December 2015 (continued)

#### 4. Taxation

The Company did not trade during the year and subsequently made neither a profit nor loss in the year (2014: £nil). No taxation is payable on this result.

The Company has no tax losses carried forward or any timing differences which may give rise to a deferred tax effect.

#### 5. Investment in subsidiaries

	£'000
<i>Cost</i>	
At beginning of year	752,211
Additions during the year	64,601
Reductions in the year	(816,812)
	<hr/>
At end of year	-
	<hr/>

Additions during the year of £64,601,000 comprise the consideration for 64,601,000 ordinary shares issued by PHC3 during the year.

Until December 8 2015 the company owned 100% of the ordinary share capital of PHC3, an intermediate group holding company and Pension Services Corporation Limited, a service company. As part of a group reorganisation, on December 8 2015, ownership of its shares in PHC3 transferred to PICGL and ownership of its shares in PSC transferred to PHC3.

#### 6. Risk management

The principal risks and uncertainties facing the Company were in respect of the performance of PIC, its main operating subsidiary, and a Company authorised to write long term insurance business by the Prudential Regulatory Authority.

The Company ceased to be the parent of PIC following a group reorganisation on 8 December 2015.

#### 7. Called up share capital

	2015 £'000	2014 £'000
Allotted, called up and fully paid		
1 (2014: 752,210,351) ordinary shares of £1 each	-	752,210
	<hr/>	<hr/>

The Company issued 64,600,000 £1 ordinary shares on 23 March 2015 at par for cash consideration.

On 8 December 2015 a capital reduction exercise saw the number of shares in issue reduced from 816,810,351 £1 ordinary shares to 1 £1 ordinary share.

## **Pension Holding Company (UK) 2 Limited**

### **Revised Notes to the revised financial statements for the year ended 31 December 2015 (continued)**

#### **8. Parent company and ultimate controlling party**

The Company is a wholly owned subsidiary of Pension Holding Company (UK) 1 Limited, incorporated in England and Wales.

Until 8 December 2015 the directors regarded Pension Corporation Group Limited, a limited company incorporated in Guernsey as the ultimate parent undertaking and ultimate controlling party for which group financial statements are prepared. Subsequent to the group reorganisation which took place on 8 December 2015 the directors regard Pension Insurance Corporation Group Limited, a limited company incorporated in England and Wales as the ultimate parent undertaking and ultimate controlling party for which group financial statements are prepared.

The consolidated financial statements of Pension Insurance Corporation Group Limited are available to the public and may be obtained from 14 Cornhill, London, EC3V 3ND.