

Registered No: 11554878

# **M&G Corporate Holdings Limited**

Annual Report and Financial Statements

For the year ended  
31 December 2023

Incorporated and registered in England & Wales.  
Registered office: 10 Fenchurch Avenue, London EC3M 5AG

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**Company Information**

<b>Directors</b>	C Heiss S Horgan E White
<b>Secretary</b>	M&G Management Services Limited
<b>Independent Auditors</b>	PricewaterhouseCoopers LLP Atria One 144 Morrison Street Edinburgh EH3 8EX
<b>Registered office</b>	10 Fenchurch Avenue London EC3M 5AG
<b>Company number</b>	11554878 (registered in England and Wales)

## Strategic Report

The Directors present their strategic report for the year ended 31 December 2023.

### Principal activity

M&G Corporate Holdings Limited (the “Company”) is a direct subsidiary of M&G plc and acts as an intermediate holding company for non-regulated entities of the M&G plc Group (the “Group”). The Group is an international savings and investments business.

### Business review and key performance indicators

In the year ended 31 December 2023, the Company continued to perform its role as an intermediate holding company for the Group.

Key performance indicators for an understanding of the development, performance and position of the Company are outlined below:

	2023 £	2022 £
Dividend income	4,634,771	3,535,365
Profit for the year before tax	5,062,410	3,549,315
Net assets	69,169,691	71,662,307

The Company made a profit before tax of £5,062,410 (2022: £3,549,315). The profit is primarily related to dividend income of £4,634,771 (2022: £3,535,365) received from its subsidiary M&G Global Services Private Limited during the year.

Net assets have decreased to £69,169,691 (2022: £71,662,307). The Company made a profit in the year, however the Company also paid a dividend of £7,500,000 to its parent, M&G plc. Further details on this dividend are outlined within principal decisions below.

### Principal risks and uncertainties

The Company is a wholly owned subsidiary of M&G plc and is subject to the Group’s internal control and risk management processes as detailed in the Group Governance Framework (GGF) and associated Group Risk Management Framework (GRMF). The control procedures and systems established within the Group are designed to manage, rather than eliminate the risk of failure to meet business objectives. As such, they can only provide reasonable rather than absolute assurance against material misstatement or loss, and focus on optimising the levels of risk and reward within a clearly defined risk appetite, with the aim of achieving the business objectives. The GRMF is approved by the Group Board and Risk Committee and operates based on the concept of three lines of defence: risk identification and management, risk oversight, advice and challenge and independent assurance. The Company’s results and financial condition are exposed to both financial and non-financial risks.

The Company’s financial risks primarily relate to the future performance of its subsidiary undertakings and any future acquisitions. These risks are managed and monitored at a Group level, and the Group’s risk management and internal frameworks are described in the M&G plc Annual Report and Accounts.

The Directors understand the risks associated with acquisitions and funding requirements of subsidiaries, and subsequent impairment of those entities. Through the review of management information, they make appropriate decisions or approve relevant actions accordingly. The Company has no significant direct interest rate, credit, currency or liquidity risk. The key risk factors mentioned above should not be regarded as a complete and comprehensive statement of all potential risks and uncertainties.

## Strategic Report (continued)

### Statement by the Directors in Performance of their Statutory Duties in Accordance with Section 172(1) of the Companies Act 2006

Section 172 of the Companies Act 2006 requires directors of the Company to act in the way they consider, in good faith, would most likely promote the success of the Company for the benefit of its members as a whole. In doing this, section 172 requires directors to have regard, amongst other matters, to the:

- likely consequences of any decisions in the long-term;
- interests of the Company's employees;
- need to foster the Company's business relationships with suppliers, customers and others;
- impact of the Company's operations on the community and environment;
- desirability of the Company maintaining a reputation for high standards of business conduct, and
- need to act fairly as between members of the Company.

In discharging section 172 duties the Company has regard to the factors set out above. The Company also recognises the matters considered by the directors can have unique characteristics. This can require the board to have regard to additional factors which are relevant to the specific matter under consideration. There is an acknowledgement from the board that the relative importance of each factor considered will vary depending on the decision being taken. Across all the board's decisions, the Company is mindful of its purpose, strategic priorities and alignment with the Group's regulatory obligations, overarching culture, vision and values.

There are some matters, including diversity and inclusivity, environmental matters, corporate responsibility and governance, legal and some stakeholder engagement, where the board has judged that policy and decision-making is best undertaken at a Group level. We find that as well as being a more efficient and effective approach, this also helps us achieve a greater positive impact on environmental, social and other issues than by working alone as an individual company.

The Company's key stakeholders are its parent, M&G plc and related Group entities. The Company has no direct customers or clients, but acknowledges the part it has to play as part of the Group in relation to relationships with customers and suppliers and the levels of conduct it should adhere to. The Company has no direct employees; instead, there are various services agreements in place with other entities within the Group, details of how the Group engage colleagues is in the 2023 Annual Report and Accounts. The views and impact of the Company's activities on those stakeholders are an important consideration for the Directors when making relevant decisions. While there are cases where the Directors engage directly with stakeholders on certain issues, the size and spread of the Group's stakeholders means other stakeholder engagement takes place at various Group committees.

During the year, the Directors received information to help understand the interests and views of the Company's key stakeholders and other relevant factors when making decisions. This has allowed the Directors to understand the nature of the Company stakeholders' concerns and to comply with section 172 of the Companies Act 2006 to promote the success of the Company.

### Principal decisions

Set out below is an example of how the Company has had regard to the matters set out in section 172(1)(a)-(f) when discharging its section 172 duty and the effect of that on decisions taken by the Company. The Company defines principal decisions as both those that are material to the Company, but also those that are significant to any key stakeholders. Through making the principal decision outlined below, the Directors were focused on protecting and developing the Company's long-term success:

**Strategic Report** (continued)**Principal decision 1 – Dividend to parent**

Each year the Directors make an assessment of the strength of the Company's balance sheet and future prospects and makes decisions about the payment of dividends. In 2023, the Company decided to pay a dividend of £7,500,000 to its parent, M&G plc. In making this decision the Directors were supported by financial planning considering a range of factors. These factors included any impact on the Company in the short to medium term as well as the long-term viability of the Company; its expected cash flow and financing requirements (including strength of the capital position); the ongoing need for strategic investment in the activities of the Company's subsidiaries; any plans for the acquisition of strategically complimentary businesses and the expectations of the parent, M&G plc.

Approved by the Board and signed on its behalf by:



**E White**  
Director  
22 May 2024

**Directors' Report**

The Directors present their annual report and the audited financial statements for the year ended 31 December 2023.

**Directors**

The Directors who served during the year and up to the date of signing were:

C Heiss (appointed 5 June 2023)  
S Horgan  
A Porter (resigned 5 June 2023)  
E White

**Financial highlights**

The results for the year are shown in the Statement of Comprehensive Income on page 14. This shows a profit for the year of £4,498,350 (2022: £2,676,052). The profit is primarily related to dividend income from the Company's subsidiary, M&G Global Services Private Limited.

The Statement of Financial Position is set out on page 15. At 31 December 2023, the net assets of the Company were £69,169,691 (2022: £71,662,307). The Company made a profit in the year, however the Company also paid a dividend of £7,500,000 to its parent, M&G plc.

**Dividends paid**

Interim dividends paid in the year to the Company's parent, M&G plc, were £7,500,000 (2022: £nil). The Directors do not recommend the payment of a final dividend (2022: £nil).

**Future developments**

During 2024, the primary focus of the Company will continue to be that of an intermediate holding company.

**Subsequent events**

There have been no subsequent events requiring disclosure at the date of this report.

**Going concern**

The financial statements have been prepared on a going concern basis. The Directors have a reasonable expectation that the Company has adequate resources to continue its operations for a period of at least 12 months from the date that the financial statements are approved.

As a holding company, the Company has no recurring revenue apart from dividend income. The Company also has no recurring expense base: it has no employees and any impairments charged in relation to its investments in subsidiaries are non-cash items. The Company does incur foreign exchange gains and losses on dividends received from overseas subsidiaries, but the Directors view these as unlikely to significantly impact the Company's financial position.

The Company has not issued any guarantees and has not entered into any commitments or other obligations beyond the purchase of share capital in its subsidiaries. Cashflow forecasts for the Company are analysed by management on a regular basis. The Company continues to hold a favourable net current asset position, and the Directors are satisfied the Company will not have any liquidity issues arising over the 12 months from the date of approving the financial statements.

On the basis of the assessment described, the Directors have adopted the going concern basis of accounting in preparing the Company's financial statements for the year ended 31 December 2023.

**Directors' Report** (continued)**Political and charitable contributions**

There were no political or charitable contributions during the year (2022: £nil).

**Financial risk management**

Risk management is outlined within the Strategic Report.

**Streamlined Energy and Carbon Reporting (SECR)**

The Company participates in Group initiatives toward sustainability objectives, including carbon emission reduction strategies. The Group's goal is to reduce carbon emissions from corporate operations to net zero by 2030, at the latest. Details of the Group's approach to sustainability are provided in the M&G plc Sustainability Report which can be found on the website: <https://www.mandg.com/sustainability/sustainability-report>

**Qualifying third party indemnities**

The ultimate parent company, M&G plc, has arranged appropriate insurance cover in respect of legal action against Directors and senior managers of companies within the 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. The ultimate parent company also provides protections for Directors and senior managers of companies within the Group against personal financial exposure they may incur in their capacity as such. These include qualifying third-party indemnity provisions (as defined by the relevant Companies Act) for the benefits of directors of the ultimate parent company, including, where applicable, in their capacity as a Director of the Company and other companies within the Group. These indemnities were in force during 2023 and remained in force as at the date of approval of the financial statements.

**Disclosure of Information to Independent Auditor**

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

**Independent Auditors**

PricewaterhouseCoopers LLP have indicated their willingness to continue in office and will be deemed reappointed for the next financial year in accordance with section 487(2) of the Companies Act 2006 unless the Company receives notice under section 488(1) of the Companies Act 2006.

This report was approved by the Board and signed on its behalf by:



**E White**  
Director

22 May 2024

**Statement of Directors' Responsibilities in respect of the Strategic Report, the Directors' Report and the financial statements**

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 101 "Reduced Disclosure Framework", 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 101 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.

The Directors are 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 also 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.

**Independent Auditors' Report to the members of M&G Corporate Holdings Limited****Report on the audit of the financial statements****Opinion**

In our opinion, M&G Corporate Holdings Limited's financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework", 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 Statement of Financial Position as at 31 December 2023; the Statement of Comprehensive Income and the Statement of Changes in Equity for the year then ended; and the notes to the financial statements, comprising material accounting policy information and other explanatory information.

**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.

**Independent Auditors' Report to the members of M&G Corporate Holdings Limited**  
(continued)**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 2023 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 in respect of the Strategic Report, the Directors' Report and the financial statements, 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.

**Independent Auditors' Report to the members of M&G Corporate Holdings Limited**  
(continued)**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 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 posting inappropriate journal entries and management bias within the impairment assessment of investment in subsidiaries. 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 board meeting minutes;
- Identifying and testing journal entries, in particular journal entries posted with unusual account combinations, posted by unexpected users or without appropriate approvers, or during unusual times;
- Challenging assumptions and judgements made by management in relation to the impairment assessment of investment in subsidiaries;
- 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](http://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.

**Independent Auditors' Report to the members of M&G Corporate Holdings Limited**  
(continued)

**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.



Liam Thompson-Clarke (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Edinburgh  
22 May 2024

**Statement of Comprehensive Income**  
*for the year ended 31 December*

	<i>Note</i>	<b>2023</b> £	2022 £
Dividend income	3	<b>4,634,771</b>	3,535,365
Interest income	6	<b>380,929</b>	101,024
Foreign exchange gains/(losses)		<b>46,710</b>	(87,074)
<b>Profit before taxation</b>		<b>5,062,410</b>	3,549,315
Tax charge	7	<b>(564,060)</b>	(873,263)
<b>Profit for the year</b>		<b>4,498,350</b>	2,676,052
<b>Other comprehensive income for the year</b>		—	—
<b>Total comprehensive income for the year</b>		<b>4,498,350</b>	2,676,052

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

The accounting policies and accompanying notes on pages 17 to 25 form an integral part of these financial statements.

## Statement of Financial Position as at 31 December

		2023	2022 (restated) <sup>1</sup>
	Note	£	£
<b>Non-current assets</b>			
Investment in subsidiaries	8	60,759,102	60,250,068
<b>Total non-current assets</b>		<b>60,759,102</b>	<b>60,250,068</b>
<b>Current assets</b>			
Trade and other receivables	9	100,000	100,000
Cash and cash equivalents	10	9,180,903	12,081,970
<b>Total current assets</b>		<b>9,280,903</b>	<b>12,181,970</b>
<b>Total assets</b>		<b>70,040,005</b>	<b>72,432,038</b>
<b>Current liabilities</b>			
Current tax liabilities	7	(620,310)	(519,727)
Accruals and other liabilities	11	(250,004)	(250,004)
<b>Total current liabilities</b>		<b>(870,314)</b>	<b>(769,731)</b>
<b>Total liabilities</b>		<b>(870,314)</b>	<b>(769,731)</b>
<b>Net assets</b>		<b>69,169,691</b>	<b>71,662,307</b>
<b>Equity</b>			
Share capital	12	25,320,000	25,320,000
Share premium	12	33,737,289	33,737,289
Capital contribution reserve		5,224,265	4,715,231
Retained earnings		4,888,137	7,889,787
<b>Total equity</b>		<b>69,169,691</b>	<b>71,662,307</b>

<sup>1</sup> The format of the Statement of Financial Position has been changed to align to the requirements of IAS 1. The Statement of Financial Position shows the total assets and total liabilities position, whereas the earlier format showed net assets.

These financial statements on pages 14 to 25 were approved by the Board of Directors on 22 May 2024 and were signed on its behalf by:



**E White**  
Director

Company registered number: 11554878

The accounting policies and accompanying notes on pages 17 to 25 form an integral part of these financial statements.

**Statement of Changes in Equity**  
for the year ended 31 December

	Share capital	Share premium	Capital contribution reserve	Retained earnings	Total equity
	£	£	£	£	£
<b>Balance at 1 January 2023</b>	<b>25,320,000</b>	<b>33,737,289</b>	<b>4,715,231</b>	<b>7,889,787</b>	<b>71,662,307</b>
Profit for the year	—	—	—	4,498,350	4,498,350
<b>Total comprehensive income for the year</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>4,498,350</b>	<b>4,498,350</b>
Dividends paid	—	—	—	(7,500,000)	(7,500,000)
Capital contribution	—	—	509,034	—	509,034
<b>Balance at 31 December 2023</b>	<b>25,320,000</b>	<b>33,737,289</b>	<b>5,224,265</b>	<b>4,888,137</b>	<b>69,169,691</b>

  

	Share capital	Share premium	Capital contribution reserve	Retained earnings	Total equity
	£	£	£	£	£
<b>Balance at 1 January 2022</b>	<b>25,320,000</b>	<b>33,737,289</b>	<b>1,837,046</b>	<b>5,213,735</b>	<b>66,108,070</b>
Profit for the year	—	—	—	2,676,052	2,676,052
<b>Total comprehensive income for the year</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>2,676,052</b>	<b>2,676,052</b>
Capital contribution	—	—	2,878,185	—	2,878,185
<b>Balance at 31 December 2022</b>	<b>25,320,000</b>	<b>33,737,289</b>	<b>4,715,231</b>	<b>7,889,787</b>	<b>71,662,307</b>

The accounting policies and accompanying notes on pages 17 to 25 form an integral part of these financial statements.

## Notes to the financial statements

### 1. Accounting policies

M&G Corporate Holdings Limited (the "Company") is a private company limited by shares, incorporated, domiciled and registered in England and Wales in the United Kingdom. The registered number is 11554878 and the registered address is 10 Fenchurch Avenue, London, EC3M 5AG.

These financial statements present information about the undertaking as an individual undertaking and not about its Group. The Company has taken advantage of the exemption not to prepare Group financial statements under Section 400 of the Companies Act 2006, since it is included in the consolidated financial statements of M&G plc, a company registered in England and Wales. The consolidated financial statements of M&G plc are prepared in accordance with UK-adopted International Accounting Standards (IAS) and the legal requirements of the Companies Act 2006 and are available to the public from the Company Secretary, at 10 Fenchurch Avenue, London, EC3M 5AG.

These financial statements have been prepared under the historical cost convention, except for certain financial instruments measured at fair value through profit or loss. These financial statements have also been prepared in accordance with United Kingdom Accounting Standards comprising Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101") and the legal requirements of the Companies Act 2006.

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 following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- The following paragraphs of *IAS 1 Presentation of Financial Statements*:
  - 10(d), (statement of cash flows),
  - 16(a) (statement of compliance with all UK-adopted IAS),
  - 38 in respect of paragraph 79(a)(iv) (outstanding shares comparative),
  - 38A (requirement for minimum of two primary statements, including cash flow statements),
  - 38B–D (additional comparative information),
  - 111 (cash flow statement information), and
  - 134–136 (capital management disclosures);
- *IAS 7 Statement of Cash Flows*;
- *IFRS 7 Financial Instrument Disclosures*;
- Paragraph 30 and 31 of *IAS 8 Accounting Policies*, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective); and
- The requirements in *IAS 24 Related Party Disclosures* to disclose related party transactions entered into between two or more members of a group and key management compensation.

Judgements made by the Directors in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the year are discussed in Note 2.

The financial statements have been prepared in pounds sterling ("£") which is the functional currency of the Company.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements. Various amendments to accounting standards and pronouncements became effective on 1 January 2024, but none of these had a material impact on the financial statements.

**Notes to the financial statements** (continued)**1. Accounting policies** (continued)**1.1 Going concern**

The financial statements have been prepared on a going concern basis. The Directors have a reasonable expectation that the Company has adequate resources to continue its operations for a period of at least 12 months from the date that the financial statements are approved.

As a holding company, the Company has no recurring revenue apart from dividend income. The Company also has no expense base: it has no employees and any impairments charged in relation to its investments in subsidiaries are non-cash items. The Company does incur foreign exchange gains and losses on dividends received from overseas subsidiaries, but the Directors view these as unlikely to significantly impact the Company's financial position.

The Company has not issued any guarantees and has not entered into any commitments or other obligations beyond the purchase of share capital in its subsidiaries. Cashflow forecasts for the Company are reviewed by management on a regular basis. The Company continues to hold a favourable net current asset position, and the Directors are satisfied the Company will not have any liquidity issues arising over the 12 months from the date of signing the financial statements.

On the basis of the assessment described, the Directors have adopted the going concern basis of accounting in preparing the Company's financial statements for the year ended 31 December 2023.

**1.2 Investment in subsidiaries**

Investment in subsidiaries are stated at cost less, where appropriate, allowances for impairment. The cost of investments acquired from related parties where consideration is met by issuing shares in the Company is the fair value of the investments at the time of the transaction.

***Impairment***

Investments in subsidiaries are reviewed annually to assess whether there are indicators of impairment. Where indicators of impairment exist, the carrying value of the investment is compared against the recoverable amount, which is higher of fair value less costs of disposal or value in use, with any resulting impairment recorded in the Statement of Comprehensive Income.

**1.3 Financial instruments*****(i) Recognition and initial measurement***

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

***(ii) Classification and subsequent measurement******Financial assets******(a) Classification***

On initial recognition, financial assets are classified into three categories: fair value through profit and loss ("FVTPL"), fair value through other comprehensive income ("FVOCI") or amortised cost. The classification is based on the business model on which the financial assets are managed and the contractual cash flows of these assets.

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

**Notes to the financial statements** (continued)**1. Accounting policies** (continued)**1.3 Financial instruments** (continued)

A financial asset is measured at amortised cost if it meets both of the following conditions:

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

Other financial assets are classified as FVTPL. This includes assets that are held for trading or are part of a portfolio that is managed on a fair value basis. The Company has no assets classified as FVOCI and had no assets classified as FVTPL during the year ended 31 December 2023.

Cash and cash equivalents comprise cash balances held at bank.

**(b) Subsequent measurement and gains and losses**

Financial assets at amortised cost: These assets are subsequently measured at amortised cost using the Effective Interest Rate method, less allowance for impairment. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in the Statement of Comprehensive Income. Any gain or loss on derecognition is also recognised in the Statement of Comprehensive Income.

Financial assets at FVTPL are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in the Statement of Comprehensive Income.

**(c) Impairment**

Impairment losses on financial assets measured at amortised cost are measured using an expected credit loss impairment model. Impairment losses representing the expected credit loss in the next 12 months are recognised unless there has been a significant increase in credit risk from initial recognition, in which case, lifetime expected losses are recognised.

**(d) Write-offs**

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery.

**Financial liabilities and equity**

Financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions:

- they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company; and
- where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these Company financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Financial liabilities are classified as measured at amortised cost or fair value through profit and loss.

**Notes to the financial statements** (continued)**1. Accounting policies** (continued)**1.4 Dividend income**

Dividend income from subsidiaries is recognised on the date the Company's right to receive payments is established.

**1.5 Interest income**

Interest income is recognised in profit or loss as it accrues, using the effective interest rate method.

**1.6 Expense recognition**

All expenses are recognised in the Statement of Comprehensive Income as a cost when incurred. The Company has no employees (2022: none). Aggregate emoluments for the Directors of the Company are borne by related Group undertakings.

**1.7 Tax**

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

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

**1.8 Dividends**

Dividends are recognised when the obligation becomes certain, i.e. when the dividend is no longer at the discretion of the Company. This occurs when the dividends are paid.

**1.9 Share capital and share premium**

An equity instrument is any contract that evidences a residual interest in the assets of the Company, after deducting all of its liabilities. Shares are classified as equity when their terms do not create an obligation to transfer assets. The nominal value of shares issued is recorded in share capital.

Where the consideration received from the issue or sale of existing shares exceeds the nominal value recorded in share capital, the difference is recorded in share premium. Share premium is recorded net of share issue costs.

**2. Critical accounting estimates and judgements**

Critical accounting estimates are those which involve the most complex or subjective judgements or assessments. The area of the Company's business that typically requires such estimates is the determination of impairment of investments in subsidiaries. The accounting policy for subsidiary impairment measurement is outlined in Note 1.2.

When assessing impairment of subsidiaries where indicators of impairment exist the carrying value is compared to the recoverable amount, which is the higher of fair value less cost of disposal and value in use. The determination of the recoverable amount, especially in relation to the value-in-use calculation, requires the use of various assumptions that can have a material impact on the calculation.

## Notes to the financial statements (continued)

## 3. Dividend income

	2023 £	2022 £
Dividends received from subsidiaries	<b>4,634,771</b>	3,535,365
<b>Total dividend income</b>	<b>4,634,771</b>	3,535,365

All dividend income is received from M&G Global Services Private Limited, which is an overseas subsidiary of the Company and is domiciled in India.

## 4. Auditors' remuneration

Fees payable to the Company's external auditor, PricewaterhouseCoopers LLP, its member firms and its associates (exclusive of VAT) have been paid by M&G Corporate Services Limited, a subsidiary of the Company. This expense is ultimately borne by the Company's immediate and ultimate parent, M&G plc. Fees paid in respect of the Company for the audit of the financial statements were £33,022 (2022: £30,576).

No non-audit services have been provided to the Company by the Company's auditor during the year (2022: £nil).

## 5. Directors' emoluments

No staff (2022: none) were employed by the Company during the year. The aggregate emoluments for the Directors of the Company are borne by related Group undertakings.

The value of Directors' emoluments is based upon the apportionment of time spent providing qualifying services both as Directors of the Company and as directors of the Company's subsidiary undertakings where applicable. No apportionment is made to companies where Directors are deemed to spend an inconsequential amount of time providing qualifying services.

	2023	2022
The number of Directors with retirement benefits accruing under the Group's defined benefit schemes	—	—
The number of Directors on whose behalf contributions were made to defined contribution pension schemes during the year	3	2
The number of Directors who exercised share options during the year	3	—
The number of Directors in respect of whose services shares were received or receivable under long term schemes	4	4

## 6. Interest income

	2023 £	2022 £
Bank interest income	<b>380,929</b>	101,024
<b>Total interest income</b>	<b>380,929</b>	101,024

All interest income was in relation to cash at bank.

## Notes to the financial statements (continued)

## 7. Tax

## (a) Analysis of tax charge for the year

	2023 £	2022 £
UK Corporation Tax charge	100,583	519,726
Withholding tax on overseas dividends	463,477	353,537
<b>Total current tax charge</b>	<b>564,060</b>	<b>873,263</b>
<b>Total tax charge for the year</b>	<b>564,060</b>	<b>873,263</b>

## (b) Reconciliation of effective tax rate

The tax assessed for the year is lower (2022: higher) than the blended standard rate of corporate tax in the UK of 23.52% (2022: 19.00%). An increase in the standard rate of Corporation Tax in the UK from 19% to 25% came into effect on 1 April 2023 so a blended rate of 23.52% has been used for the year ended 31 December 2023.

	2023 £	2022 £
Profit before tax for the year	5,062,410	3,549,315
Tax charge on profit before tax at standard UK tax rate of 23.52% (2022: 19.00%)	(1,190,679)	(674,370)
Effects of:		
Non-taxable income	1,090,096	671,720
Tax rates in foreign jurisdictions	(463,477)	(353,537)
Disposal of investments	—	(517,076)
<b>Total tax charge for the year</b>	<b>(564,060)</b>	<b>(873,263)</b>

## (c) Factors affecting the tax charge

An increase in the standard rate of Corporation Tax in the UK from 19% to 25% was substantively enacted on 24 May 2021 and came into effect on 1 April 2023. This will increase any future tax charge for the company accordingly. Changes in tax laws and rates may affect the Company's effective tax rate in the future.

## (d) Current tax

	2023 £	2022 £
Corporation tax payable	620,310	519,727
<b>Current tax liabilities</b>	<b>620,310</b>	<b>519,727</b>

Current tax liabilities at 31 December 2023 were £620,310 (2022: £519,727) and are expected to be settled within 12 months.

## Notes to the financial statements (continued)

## 8. Investments in subsidiaries

	2023 £	2022 £
<b>Cost at 1 January</b>	<b>61,201,068</b>	61,044,337
Capital contribution into subsidiaries	<b>509,034</b>	156,731
<b>Cost at 31 December</b>	<b>61,710,102</b>	61,201,068
<b>Impairment at 1 January</b>	<b>(951,000)</b>	(951,000)
Impairment of subsidiaries	—	—
<b>Impairment at 31 December</b>	<b>(951,000)</b>	(951,000)
<b>Investment in subsidiaries at 31 December</b>	<b>60,759,102</b>	60,250,068

## (a) Capital contributions

Capital contributions in the current and prior year arise from share-based payments to employees of the Company's subsidiaries.

## (b) Impairment

An impairment assessment was undertaken on the direct subsidiaries by comparing their recoverable amount with the carrying value. The recoverable amounts of the subsidiaries were based on their value in use or net asset value. The value in use, where applicable, was determined based on a discounted cashflow calculation with inputs from management forecasts. Based on the comparison of the recoverable amount with the carrying value of each subsidiary, no additional impairment was required as at 31 December 2023.

Details of the Company's subsidiaries are as follows:

Subsidiaries	Principal Activity	Registered Office	Class of Equity Held	Ownership %	
				2023	2022
M&G Corporate Services Limited	Service company	10 Fenchurch Avenue, London, EC3M 5AG	Ordinary shares	100%	100%
M&G Global Services Private Limited	Service company	1st floor Prudential House, Central Avenue, Hiranandani Business Park, Mumbai-400076, India	Ordinary shares	99.974%	99.974%
M&G Group PCC Limited	Protected cell company	PO Box 155, Mill Court, La Charroterie, St Peter Port, Guernsey, GY1 4ET,	Ordinary shares	100%	100%
PGDS (UK One) Limited	Service company	10 Fenchurch Avenue, London, EC3M 5AG	Ordinary shares	100%	100%
Pru Limited	Dormant	10 Fenchurch Avenue, London, EC3M 5AG	Ordinary shares	100%	100%
Prudence Limited	Dormant	10 Fenchurch Avenue, London, EC3M 5AG	Ordinary shares	100%	100%
Prudential Financial Planning Limited	Dormant	10 Fenchurch Avenue, London, EC3M 5AG	Ordinary shares	100%	100%
Prudential Portfolio Management Group Limited	Service company	10 Fenchurch Avenue, London, EC3M 5AG	Ordinary shares	100%	100%
Prudential Staff Pensions Limited	Dormant	10 Fenchurch Avenue, London, EC3M 5AG	Ordinary shares	100%	100%

## Notes to the financial statements (continued)

## 9. Trade and other receivables

	2023 £	2022 £
Amounts owed by Group undertakings	100,000	100,000
<b>Total trade and other receivables</b>	<b>100,000</b>	<b>100,000</b>

Amounts owed by Group undertakings consists of unpaid share capital due from the Company's parent, M&G plc. This is unsecured and interest free. The unpaid share capital has no contractual maturity and is repayable on demand.

## 10. Cash and cash equivalents

	2023 £	2022 £
Cash at bank	9,180,903	12,081,970
<b>Total cash and cash equivalents</b>	<b>9,180,903</b>	<b>12,081,970</b>

All cash and cash equivalents are held with financial institutions in the United Kingdom.

## 11. Accruals and other liabilities

	2023 £	2022 £
Amounts owed to Group undertakings	250,004	250,004
<b>Total accruals and other liabilities</b>	<b>250,004</b>	<b>250,004</b>

Amounts owed to Group undertakings consists of unpaid share capital due to dormant subsidiaries of the Company. This is unsecured and interest free. The unpaid share capital has no contractual maturity and is repayable on demand.

## 12. Share capital and share premium

As at 31 December	2023		2022	
	Number of ordinary shares	Share capital (£)	Number of ordinary shares	Share capital (£)
Issued shares of £1 each	25,320,000	25,320,000	25,320,000	25,320,000

Amounts recorded in share capital represent the nominal value of shares issued with any difference between proceeds received on issue of shares, net of issue costs, and the nominal value of shares issued being credited to the share premium reserve. The share premium reserve at 31 December 2023 was £33,737,289 (2022: £33,737,289).

**Notes to the financial statements** (continued)**13. Related party transactions**

The Company has taken advantage of the exemption under paragraph 8(k) of FRS 101 from disclosing transactions with other wholly owned subsidiary undertakings of the M&G plc Group.

There were no other related party transactions in the years ended 31 December 2023 and 31 December 2022 other than those with wholly owned subsidiary undertakings of the Group and those disclosed in Note 5.

**14. Immediate and ultimate parent company**

The Company's immediate and ultimate parent company is M&G plc, registered at 10 Fenchurch Avenue, London, EC3M 5AG, and incorporated in England and Wales. Consolidated financial statements are prepared by M&G plc and can be obtained from the registered office.