

PRUDENTIAL STAFF CHARITABLE TRUST

England & Wales · Charity number 232467

Details

Other names PSCT

Status Registered

Legal form Other

Registered 1968-05-21

Register [View on the Charity Commission register](#)

Contact

Address Prudential Staff Charitable Trust
10 Fenchurch Avenue
London
EC3M 5AG

Phone 02075482115

Website prudential.co.uk

Activities

Objects: THE OBJECT OF THE CHARITY SHALL BE TO PREVENT OR RELIEVE POVERTY, NEED, HARDSHIP OR DISTRESS OF THE FOLLOWING PERSONS (HEREINAFTER REFERRED TO AS BENEFICIARIES):(A) PERSONS WHO ARE OR WERE CURRENT EMPLOYEES, FORMER EMPLOYEES OR PENSIONERS OF PRUDENTIAL PLC OR OF COMPANIES WHOSE ULTIMATE PARENT COMPANY IS PRUDENTIAL PLC (FORMERLY KNOWN AS PRUDENTIAL CORPORATION PLC) UP TO AND INCLUDING 21ST OCTOBER 2019;(B) PERSONS WHO ARE EMPLOYEES, FORMER EMPLOYEES OR PENSIONERS OF M&G PLC OR OF COMPANIES WHOSE ULTIMATE PARENT COMPANY IS M&G PLC; (C) IN EXCEPTIONAL CIRCUMSTANCES, SUCH OTHER PERSON WITH A CONNECTION TO M&G PLC OR PRUDENTIAL PLC OR OF COMPANIES WHOSE ULTIMATE PARENT COMPANY IS M&G PLC OR PRUDENTIAL PLC AS THE SUPERVISORY BOARD DETERMINES BY SPECIAL MAJORITY OF 75% OF THE TOTAL NUMBER OF MEMBERS OF THE SUPERVISORY BOARD IN OFFICE FOR THE TIME BEING; AND(D) THE SPOUSE, CIVIL PARTNER, COHABITEE, WIDOW, WIDOWER, CHILD OR DEPENDENT OF ANY PERSON FALLING WITHIN CLAUSES 5.1 (A) TO (C) ABOVE.

Activities: The objective of the Trust is the relief in cases of need, hardship or distress of persons who are either pensioners or past or present full time or part time employees or their dependants of Prudential Plc or of companies whose ultimate parent company is Prudential Plc.

Classification

- **How:** Makes Grants To Individuals, Provides Other Finance
- **What:** The Advancement Of Health Or Saving Of Lives, Disability, The Prevention Or Relief Of Poverty
- **Who:** Children/young People, Elderly/old People, People With Disabilities, Other Defined Groups

Geography

- Scotland
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£1,257,025	£604,842	£19,501,041	0
2023-12-31	£1,082,253	£624,845	£18,827,664	0
2022-12-31	£2,064,574	£784,716	£18,596,718	0
2021-12-31	£870,338	£749,797	£19,712,893	0
2020-12-31	£736,822	£757,728	£18,073,488	0

Trustees

Name	Role	Appointed
THE PRUDENTIAL ASSURANCE COMPANY LIMITED		1992-12-31

PRUDENTIAL STAFF CHARITABLE TRUST

England & Wales - Charity number 232467

Accounts

PRUDENTIAL STAFF CHARITABLE TRUST

Annual Report and Financial Statements for the year ended 31 December 2024

PRUDENTIAL STAFF CHARITABLE TRUST

Registered number: 232467

Registered and principal office

10 Fenchurch Avenue
London
EC3M 5AG

Annual report and financial statements for the year ended 31 December 2024

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PRUDENTIAL STAFF CHARITABLE TRUST

REFERENCE AND ADMINISTRATION INFORMATION

Trustee

The Prudential Assurance Company Limited is the holding trustee for the purposes of holding investments and cash belonging to the charity. The directors of the holding trustee at the date of this report are:

Mr R S Bowie (Chairman)
Mr C P Adamson (resigned 13 January 2025)
Mr A Barbour (appointed 13 January 2025)
Mr C Bolton
Ms L Fowler
Mr S Horgan
Dr I Owen
Ms M Tannemaat
Mr D K Watson

Members of the Supervisory Board

The members of the Supervisory Board are the managing trustees of the charity. The members of the Supervisory Board are:

Mr S Moffatt (Chairman)
Mr D Green
Mr S Sharma
Mr M Thompson
Mrs C White

Independent Auditors

PricewaterhouseCoopers LLP
Chartered Accountant and Statutory Auditors
144 Morrison Street
Edinburgh
EH3 8EX

Bank

HSBC Bank Plc
Regional Service Centre, Europe
PO Box 61004
2nd Floor
London
SE1 9RX

Investment adviser

M&G Investment Management Limited
10 Fenchurch Avenue
London
EC3M 5AG

Solicitor

Bates Wells & Braithwaite London LLP
10 Queen Street Place
London
EC4R 1BE

PRUDENTIAL STAFF CHARITABLE TRUST

ANNUAL REPORT OF THE TRUSTEE FOR 2024

Objective

The Prudential Staff Charitable Trust ('the Trust') is an unincorporated charity governed by a Trust Deed. The Supervisory Board has been appointed to administer and manage the Trust under the terms of the Trust Deed dated 15 June 2010, as amended. The objective of the Trust, as registered with the Charity Commission for England and Wales, is the relief in cases of need, hardship or distress of persons who are or were either pensioners or past or present full time or part time employees or their dependants of Prudential plc (prior to 21 October 2019 being the date of the demerger from M&G plc) or of M&G plc or of companies whose ultimate parent company is either Prudential plc (prior to 21 October 2019) or M&G plc.

The Supervisory Board resolved in July 2009 that in order for an individual to apply for assistance from the Trust, they must generally be resident in the UK and participate, or be eligible to participate, in the Prudential Staff Pension Scheme (PSPS). At the October 2009 meeting the Supervisory Board extended the eligibility for applications to members of the Scottish Amicable Staff Pension Scheme (SASPS) and the M&G Group Pension Scheme (M&GGPS). The Board can exercise its discretion to grant assistance to former employees who reside outside of the UK.

In setting the Trust's objectives the Supervisory Board has given careful consideration to the Charity Commission's general guidance on public benefit.

The strategies employed to achieve the Trust's objectives are:

- to make grants or loans of money to or provide or pay for items, services or facilities for beneficiaries with and upon such terms and conditions as the Trustee may consider appropriate;
- to pay for such items, services or facilities as aforesaid by way of donations or subscriptions to institutions or organisations which provide, or which undertake in return to provide, such items, services or facilities for beneficiaries; and
- to do all such other lawful things as are necessary for the attainment of the objective of the Trust.

Investments

The Supervisory Board has the general power of investment defined in the Trustee Act 2000.

Investment performance

Charifund/Charibond

The Trust has held long standing investments in the Equities Investment Fund for Charities (Charifund) and the Charibond Fixed Interest Fund (Charibond), both of which are managed by M&G Securities Limited. M&G Investment Management Limited is the investment adviser. Charifund primarily invests in a diversified portfolio of high yielding UK equities and is designed to provide a high and growing income for charities, while at the same time protecting their capital from the erosive effect of inflation. The aim of Charibond is to provide charities with an actively managed fixed interest fund investing in deposits, UK government bonds and other sterling denominated fixed interest securities, designed to produce a high income while preserving capital values.

UK equity performance in the calendar year 2024 was strong, with the FTSE 100 posting a total return of 9.7%, largely driven by strong corporate earnings from key sectors within the UK market such as financials. Against this backdrop, Charifund delivered a total return of 9.0% during the year, fuelled mainly by continued strength in the contribution from income (yield approximately 6%); this slightly lagged our FTSE All-Share Index benchmark return of 9.5%, but came in ahead of the average return of all IA UK Equity Income Fund sector peers at 8.7%.

Global fixed income performance was fairly weak, as stickier inflation and reasonably robust economic growth led investors to price slower cutting cycles for interest rates. Across most tenors of the gilt curve, yields rose around 1%, with the 10 year gilt yield going from 3.5% to 4.6%. The FTSE UK Conventional All Stocks Index posted a negative total return of -3.3%. Charibond posted a total return of 0.9% during the year, with a negative capital return reflective of the weaker market environment being bolstered by a contribution from income of around 4.5%.

ANNUAL REPORT OF THE TRUSTEE FOR 2024 (continued)

M&G Charity Multi Asset Fund

On 8th November 2024, Trustees elected to reduce their exposure to bonds by reinvesting £1.8m to establish a new position in The M&G Charity Multi Asset Fund. This is a globally diversified strategy aimed at delivering competitive rolling 5-year total returns with a strong and consistent contribution from income; for comparison purposes, over the course of calendar year 2024, the M&G Charity Multi Asset Fund delivered a total return of 8.0% with a published income yield at year-end of 4.4%.

M&G Sustainable Total Return Credit Investment Fund

During March 2024, a £1m new investment payment was made into the "M&G Sustainable Total Return Credit Investment Fund" (STRCI Fund). The STRCI fund aims to offer investors a sustainable multi-asset credit fund, combining M&G's expertise in credit investing with an assessment of ESG factors. The fund applies a positive ESG selection to focus on investments that meet environmental and social sustainability criteria. A further £1m payment was invested into this fund at the end of June 2024.

STRCI outperformed its cash benchmark by 4.61% for the calendar year 2024. Positive contributions were primarily driven by exposure to industrials & financials, whereas exposure to utilities detracted through the year. Credit markets are uniformly expensive across asset classes relative to historical spreads, with very little downside risk being priced in. Simultaneously, we have seen increased political uncertainty in Germany and France, whilst concerns regarding high levels of global government debt, future borrowing and broader geopolitical tensions remain.

M&G UK Property Fund (UKPF)

In September 2021 the Supervisory Board of the Trust were advised that the M&G UK Property Fund (UKPF) Management Company had decided to conduct an orderly closure of the fund in the interests of unitholders, subject to receipt of certain regulatory approvals. Given the impact of increased redemption orders, the Management Company was of the opinion that it is no longer possible for the fund to meet its long term investment objectives and maintain a balanced, diversified portfolio of assets. As a result during 2024 the Trust received net distributions from the Property Fund comprising proceeds from asset sales as well as income, as noted in the Financial Statements.

Following the prolonged downturn, UK real estate performance showed tentative signs of recovery towards the end of 2024, following interest rate cuts and a shift in market sentiment. The M&G UK Property Fund (UKPF) delivered a total return of -8.0%. Whilst income provided a positive contribution of 3.3%, it was more than offset by a negative capital return of -11.3%. This was primarily driven by a decline in the valuation of the Edinburgh student accommodation asset, following clarification on the extent of remedial works required to address concerns with respect to cladding and fire safety works, ahead of marketing the asset for sale. Offices were once again the weakest performance sector, with retail and industrials outperforming, as structural tailwinds continued to support occupier and investor demand.

As at 31 December 2024, the Property Fund had five remaining assets, representing 10.2% of the NAV at the start of the liquidation, with an occupancy rate of 91%. Rent collection facilitated income distributions totalling 2.8% during the year, however, receipts will continue to naturally diminish as the liquidation process is progressed.

ANNUAL REPORT OF THE TRUSTEE FOR 2024 (continued)**Supervisory Board**

The present members of the Supervisory Board are shown on page 3. Board members, from time to time, shall be appointed by any member of the Group Executive Committee of M&G plc who shall also appoint the Chairman of the Supervisory Board. The Supervisory Board meets on a quarterly basis. Appropriate training sessions are made available to all Supervisory Board members.

Reserves policy

Income which becomes available to a charity to be spent at the Trustees' discretion in furthering any of the charity's objectives, but is not yet spent, committed or designated is described as free reserves. It is the policy to include all income earned from the capital account (permanent endowment fund) in the income account (unrestricted fund) (Note 1(b) Funds structure).

The Supervisory Board on behalf of the holding Trustee is committed to maintaining the capital of the Trust as described in Note 1(b) Funds structure.

The actual free reserves (unrestricted fund) in excess of the capital as at 31 December 2024 were £7,756,041 (2023: £7,258,209) and the value of the permanent endowment funds were £11,745,000 (2023: £11,569,455). It is the policy of the Supervisory Board that the reserves maintained in excess of the capital at the balance sheet date should be sufficient to meet the Trust's objectives. The Supervisory Board aims to maintain free reserves in the unrestricted fund at a stable level to ensure that there are sufficient funds available to respond to future applications from beneficiaries. The Supervisory Board is satisfied that the current level of free reserves are sufficient. The Supervisory Board acts in accordance with the Trust Deed by not setting a target level of reserves. The Supervisory Board monitors the level of free reserves on a quarterly basis. It is the view of the Supervisory Board that the Trust has sufficient reserves available to meet future needs, opportunities, contingencies and risks of the Trust without having to realise any investments from the capital account.

Risk management

The Supervisory Board periodically reviews the major risks to which the Trust is exposed. The Supervisory Board ensures that the Trust's investment policy and performance is appropriate and that the funds are distributed in line with agreed policies. The Board ensures that there are sufficient funds to meet the current and future requests from beneficiaries using independent experts where appropriate. One of the key risks identified is that the investment performance is poor leading to a reduction in the funds available to meet the Trust's objectives. The Trust has implemented various controls to mitigate this, such as:

- Regular review of the investments and investment strategy.
- Use of skilled personnel across the business to monitor the investment performance.
- Maintaining a balanced portfolio.

There is also a risk that the Trust receives a significant increase in applications leading to a significant reduction in the funds available. This risk is mitigated by the eligibility criteria that are reviewed periodically by the Supervisory Board.

General grants

Grants made in 2024 and 2023 were as follows:

	2024	2023
	£	£
Single grants	13,300	4,000
Grants to supplement income of pensioners	16,586	14,192
	<u>29,886</u>	<u>18,192</u>

PRUDENTIAL STAFF CHARITABLE TRUST

ANNUAL REPORT OF THE TRUSTEE FOR 2024 (continued)

Christmas grants

The Trust makes Christmas grants, currently a payment of £250 (2023: £250), to pensioners who have completed 5 years' service and whose total household income excluding State Benefits is less than £7,963 per annum (2023: £7,457 per annum). The income limit has in the past been increased each year by the same rate as PSPS discretionary increases granted to pensions in payment. In 2011 the Supervisory Board resolved that this gift can be offered to pensioners in SASPS who retired/ left the Scheme after 30 June 2002 and to M&GGPS pensioners who retired/ left the Scheme after 16 October 2005. In 2012 the Supervisory Board agreed that children of PSPS Defined Contribution Section members who die in service could receive the discretionary Christmas Gift while they are under 18 or 23 if in full time education.

Payments made in 2024 and 2023 were as follows:

	2024	2023
	£	£
Value of Christmas gifts	482,750	527,250
Number of grants made	1,931	2,109

Bereavement grants

With effect from 6 November 2015 the bereavement grant has been set at a maximum of £5,000. The grant is offered to each widow/widower following the death of the PSPS member where the spouse's pension is less than £7,963 per annum (2023: £7,457 per annum). Since the 14 July 2021, the widow/ widower has to accept the offer and confirm that total household income excluding State Benefits is less than £7,963 per annum and that they have savings of less than £12,000. The offer is extended to common law partners where no spouse's pension is payable.

In 2011 the Supervisory Board resolved that this gift can be offered to SASPS and M&GGPS members, but with the same service requirements as for the Christmas Gift.

Payments made in 2024 and 2023 were as follows:

	2024	2023
	£	£
Value of Bereavement grants	50,000	30,000
Number of grants made	10	6

Loans to beneficiaries

At the end of 2024 there were 12 (2023:12) loans outstanding, totalling £490,667 (2023: £496,175) including interest capitalised during the year of £721 (2023: £736). Loans advanced to beneficiaries during the year amounted to £Nil (2023: £Nil) and repayments received amounted to £6,229 (2023: £14,058). There were no loans written off in 2024 (2023: Nil). The loans are secured, generally against fixed property, and are repayable at any time at par. Interest is charged at beneficial rates which ranged from 0% to 2.5% during 2024 (2023: 0% to 2.5%).

Governance costs

The only expenses normally borne by the Trust are audit fees of £45,446 (2023: £43,282), legal fees of £1,025 (2023: £1,080) and bank charges. In 2024 bank charges were an income of £4,265 (2023: expense £4,975) due to reimbursement of incorrect overcharges occurring in the prior year.

Fundraising

The Trust has not undertaken any fundraising activity during 2024 or 2023. Included under income in the Statement of Financial Activities, is £45,446 of donations (2023: £43,282). This relates to audit fees for the Charity which have been paid by The Prudential Assurance Company Limited.

ANNUAL REPORT OF THE TRUSTEE FOR 2024 (continued)

Post balance sheet event

During February 2025, The remaining investment balance in Charibond (£2,001,732.10) was withdrawn and invested into STRCI.

Plans for future periods

The Trust intends to continue to provide on-going support both to its current and prospective beneficiaries.

Going concern

The Trustee has prepared the financial statements on the going concern basis as they do not intend to liquidate the Trust or to cease its operations and they have concluded that the Trust's financial position means that this is realistic. It has also concluded that there are no material uncertainties that could cast significant doubt over its ability to continue as a going concern for at least 12 months from the date of approval of the financial statements ("the going concern period"). The key areas considered in the assessment of going concern are the net assets of the Trust and liquidity. Due to the uncertainty regarding future market performance and future operating costs, prudence has been applied to the Trust's cash flow forecasts to ensure that the Trust can withstand a sharp economic downturn for a sustained period. In addition to this, all grants are fully at the discretion of the Trust and if the Trust were to become illiquid in the future, there is no liability that the Trust is obligated to other than the administrative expenses which are fully borne by the holding trustee. As such, the Trustees have a reasonable expectation that the Trust has adequate resources to continue its operations for a period of at least 12 months from the date that the financial statements are approved.

Auditors

PricewaterhouseCoopers LLP (PwC), who were appointed by the Trustee in 2022, remained in office during 2024 and will remain in office as auditors of the Trust for 2025.

The annual report of the Trustee on pages 4 to 8 was approved by the Supervisory Board on behalf of the Trustee, and was signed on its behalf by,



S Moffatt

Chairman of the Supervisory Board

Date: 11 July 2025

PRUDENTIAL STAFF CHARITABLE TRUST

STATEMENT OF THE TRUSTEE'S RESPONSIBILITIES IN RESPECT OF THE TRUSTEE'S ANNUAL REPORT AND THE FINANCIAL STATEMENTS

The holding trustee is The Prudential Assurance Company Limited. The Supervisory Board has been appointed to administer and manage the Trust for the holding trustee under the terms of the Trust Deed dated 15 June 2010, as amended, and within the framework of Trust Law.

Under the Trust Deed and rules of the charity and charity law, the Trustee is responsible for preparing the Trustee's Annual Report and the financial statements in accordance with applicable law and regulations. The Trustee has elected to prepare the financial statements in accordance with UK Accounting Standards, including FRS 102 *the Financial Reporting Standard applicable in the UK and Republic of Ireland*.

The financial statements are required by law to give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period.

In preparing these financial statements, the trustee is required to:

- selects suitable accounting policies and then apply them consistently;
- makes judgements and estimates that are reasonable and prudent;
- states whether applicable UK accounting standards and the Statement of Recommended Practice have been followed, subject to any material departures disclosed and explained in the financial statements;
- state whether the financial statements comply with the trust deed and rules, subject to any material departures disclosed and explained in the financial statements;
- assesses the Charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- uses the going concern basis of accounting unless they either intend to liquidate the Charity or to cease operations, or have no realistic alternative but to do so.

The Trustee is required to act in accordance with the Trust Deed and the rules of the Charity, within the framework of trust law. It is responsible for keeping adequate accounting records that are sufficient to show and explain the Trustees' transactions and disclose with reasonable accuracy at any time the financial position of the Charity and enable it to ensure that the financial statements comply with the section 132(1) of the Charities Act 2011, those statements of accounts comply with the requirements of regulations under that provision. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charity and to prevent and detect fraud and other irregularities.

Approved and signed on behalf of the Supervisory Board



S Moffatt

Chairman of the Supervisory Board

Date: 11 July 2025

Independent auditors' report to the trustee of Prudential Staff Charitable Trust

Report on the audit of the financial statements

Opinion

In our opinion, Prudential Staff Charitable Trust's financial statements (the "financial statements"):

- give a true and fair view of the state of the charity's affairs as at 31 December 2024 and of its incoming resources, application of resources, and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including 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 Charities Act 2011 and Regulation 8 of The Charities (Accounts and Reports) Regulations 2008).

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 2024; the Statement of Financial Activities for the year then ended; Statement of Cash Flows 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 charity 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 charity's ability to continue as a going concern for a period of at least twelve months from the date on which the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the trustee's 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 charity's ability to continue as a going concern.

Our responsibilities and the responsibilities of the trustee 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 trustee is 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 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 Trustee's report, we also considered whether the disclosures required by the Charities Act 2011 have been included.

Trustees' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Trustee's report for the year ended 31 December 2024 is consistent with the financial statements and has been prepared in accordance with applicable requirements.

In light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we did not identify any material misstatements in the Trustee's report.

Responsibilities for the financial statements and the audit

Responsibilities of the Trustee for the financial statements

As explained more fully in the Statement of the Trustee's Responsibilities in respect of the Trustees' Annual Report and the Financial Statements, the trustee is 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 trustee is 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 trustee is responsible for assessing the charity'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 trustee either intends to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

We are eligible to act and have been appointed as auditors under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 charity and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to the Charities Act 2011 and relevant regulations made of having an effect thereunder, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements. We evaluated the incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) by the trustee and those responsible for, or involved in, the preparation of the financial statements, and determined that the principal risks were related to posting inappropriate journal entries. Audit procedures performed by the engagement team included:

- Enquire with management, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Reviewing relevant trustee meeting minutes;
- Testing journal entries where we identified particular fraud risk criteria; 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 charity's trustee as a body in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act (Part 4 of The Charities (Accounts and Reports) Regulations 2008) 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

Charities Act 2011 exception reporting

Under the Charities Act 2011 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- sufficient accounting records have not been kept by the charity; or
- the financial statements are not in agreement with the accounting records.

We have no exceptions to report arising from this responsibility.



PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Edinburgh

11 July 2025

PRUDENTIAL STAFF CHARITABLE TRUST

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2024

	Unrestricted	Permanent	Total	Unrestricted	Permanent	Total	Note
	Fund	Endowment	Funds	Fund	Endowment	Funds	
	2024	2024	2024	2023	2023	2023	
	£	£	£	£	£	£	
Income from:							
Donations	45,446	—	45,446	43,282	—	43,282	
Investments	1,211,579	—	1,211,579	1,038,971	—	1,038,971	3
Total	<u>1,257,025</u>	<u>—</u>	<u>1,257,025</u>	<u>1,082,253</u>	<u>—</u>	<u>1,082,253</u>	
Expenditure on:							
Charitable activities	604,842	—	604,842	624,845	—	624,845	5
Total	<u>604,842</u>	<u>—</u>	<u>604,842</u>	<u>624,845</u>	<u>—</u>	<u>624,845</u>	
Net Income / (Expense)	652,183	—	652,183	457,408	—	457,408	
Other recognised gains/ (losses):							
(Losses) / gains on investments	<u>(154,351)</u>	<u>175,545</u>	<u>21,194</u>	<u>(54,549)</u>	<u>(171,914)</u>	<u>(226,463)</u>	4
Net movement in funds	<u>497,832</u>	<u>175,545</u>	<u>673,377</u>	<u>402,859</u>	<u>(171,914)</u>	<u>230,945</u>	7
Reconciliation of funds:							
Total funds brought forward	<u>7,258,209</u>	<u>11,569,455</u>	<u>18,827,664</u>	<u>6,855,350</u>	<u>11,741,369</u>	<u>18,596,719</u>	8
Total funds carried forward	<u><u>7,756,041</u></u>	<u><u>11,745,000</u></u>	<u><u>19,501,041</u></u>	<u><u>7,258,209</u></u>	<u><u>11,569,455</u></u>	<u><u>18,827,664</u></u>	8

The Statement of Financial Activities relates to continuing operations.

The Trust has no recognised gains or losses other than the net movement in funds for the year.

The accounting policies on page 16 along with the accompanying notes on pages 16 to 20 form an integral part of these financial statements.

PRUDENTIAL STAFF CHARITABLE TRUST

BALANCE SHEET AS AT 31 DECEMBER 2024

	Unrestricted	Permanent	Total	Unrestricted	Permanent	Total	Note
	Fund	Endowment	Funds	Fund	Endowment	Funds	
	2024	2024	2024	2023	2023	2023	
	£	£	£	£	£	£	
Fixed assets:							
Investments	6,240,239	11,745,000	17,985,239	4,394,590	11,569,455	15,964,045	4
Current assets:							
Loans to beneficiaries	490,667	—	490,667	496,175	—	496,175	6
Cash at bank	1,025,135	—	1,025,135	2,367,444	—	2,367,444	
Total current assets	<u>1,515,802</u>	<u>—</u>	<u>1,515,802</u>	<u>2,863,619</u>	<u>—</u>	<u>2,863,619</u>	
Liabilities:							
Creditors amounts falling due within one year	—	—	—	—	—	—	
Net current assets	<u>1,515,802</u>	<u>—</u>	<u>1,515,802</u>	<u>2,863,619</u>	<u>—</u>	<u>2,863,619</u>	
Total net assets	<u>7,756,041</u>	<u>11,745,000</u>	<u>19,501,041</u>	<u>7,258,209</u>	<u>11,569,455</u>	<u>18,827,664</u>	
The funds of the Charitable Trust	<u>7,756,041</u>	<u>11,745,000</u>	<u>19,501,041</u>	<u>7,258,209</u>	<u>11,569,455</u>	<u>18,827,664</u>	8

The accounting policies on page 16 along with the accompanying notes on pages 16 to 20 form an integral part of these financial statements.

These financial statements on pages 13 to 20 were approved by the Supervisory Board on 11 July 2025, on behalf of the Trustee.

Signed on behalf of the Supervisory Board



S Moffatt

Chairman of the Supervisory Board

Dated: 11 July 2025

PRUDENTIAL STAFF CHARITABLE TRUST

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2024

	2024	2023	
	£	£	Note
Net cash used in operating activities	(553,888)	(568,239)	7
Cash flows from investing activities:			
Purchase of investments (STRCI)	(2,000,000)	—	
Dividends	955,799	833,690	
Distributions from property fund	181,343	118,831	7
Interest	74,437	86,450	
Net cash provided by investing activities	<u>(788,421)</u>	<u>1,038,971</u>	
Change in cash and cash equivalents in the year	<u>(1,342,309)</u>	<u>470,732</u>	
Cash and equivalents brought forward	2,367,444	1,896,712	
Cash and equivalents carried forward	<u><u>1,025,135</u></u>	<u><u>2,367,444</u></u>	

The accounting policies on page 16 along with the accompanying notes on pages 16 to 20 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1 Accounting policies

a. Basis of preparation

The Prudential Staff Charitable Trust (the Trust") is a registered charity (incorporated in the UK and registered in England and Wales, number 232467). The objects of the Trust are set out on page 4 of the Annual Report.

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) issued in October 2019 and the Charities Act 2022 and UK Generally Accepted Practice.

The Trust is confident that it will be able to continue to meet planned expenditure based on the current level of free reserves for the foreseeable future and thus has continued to adopt the going concern basis of accounting in preparing the financial statements. The key areas considered in the assessment of going concern are the net assets of the Trust and liquidity. Due to the uncertainty regarding future market performance and future operating costs, prudence has been applied to the Trust's cash flow forecasts to ensure that the Trust can withstand a sharp economic downturn for a sustained period. In addition to this, all grants are fully at the discretion of the Trust and if the Trust were to become illiquid in the future, there is no liability that the Trust is obligated to other than the administrative expenses which are fully borne by the holding trustee. As such, the Trustee has a reasonable expectation that the Trust has adequate resources to continue its operations for a period of at least 12 months from the date that the financial statements are approved.

b. Funds structure

The Trust has a single permanent endowment fund - the capital account. The capital account contains the original investments and any investments bought out of the sale of the original investments. Any realised / unrealised gains / (losses) on the investments in the capital account are kept within the capital account. The Trust has an unrestricted fund – the income account. The income from the capital account is available to use for the charitable purposes of the Trust and is wholly unrestricted. The unrestricted fund comprises those funds which the Supervisory Board of the Trustee of the Trust is free to use for any purpose in furtherance of the Trust's objectives.

c. Income recognition

Investment income is included on an accruals basis. Dividends on ordinary shares are included by reference to ex-dividend dates. UK dividends are grossed up by the recoverable tax credits.

d. Expenditure recognition

Grants are accounted for when committed. The Trust has no employees and any administration support costs are borne by the holding Trustee without recharge to the Trust. It is not possible to quantify the amount of this donation.

e. Investments

Investments are stated at fair value. Realised gains and losses are calculated as the difference between net proceeds on disposal and original costs. Movements in unrealised gains comprise the change in the value of investments held at the balance sheet date and the reversal of unrealised investment gains and losses recognised in earlier accounting periods in respect of investment disposals.

f. Financial instruments - recognition and measurement

The Trust classifies and measures all its financial assets and liabilities at either amortised cost or fair value through the statement of financial activities (SoFA) in accordance with FRS 102.11 & 102.12. Net gains and losses, including any interest or dividend income, are recognised in the SoFA. This includes assets that are held-for-trading or are part of a portfolio that is managed on a fair value basis.

g. Loans to beneficiaries

Loans issued by the Trust to its beneficiaries are accounted for as concessionary loans in accordance with the charity SORP 11.21. Concessionary loans are those loans made or received by a charity to further its purposes and any interest charged is below the prevailing market rates.

NOTES TO THE FINANCIAL STATEMENTS (continued)

2 Related party transactions and trustees' expenses and remuneration

The holding trustee received no remuneration or expenses for the year (2023: £Nil) and bore all of the Trust's administrative expenses, including the costs of the Supervisory Board, without recharge to the Trust. The Trust has no employees (2023: Nil) and no payments were made to Trustees. The audit fees of £45,446 (2023: £43,282) are paid for by The Prudential Assurance Company Limited and are shown as a donation in the Statement of Financial Activities.

M&G Investment Management Limited provide strategic investment advisory services. The sum of £1 is due as good and valuable consideration for the provision of services under the Agreement, as no payment is made for this amount, it is treated as a donation in the Statement of Financial Activities. Investment management fees are levied against the assets of the fund vehicles by M&G Securities Ltd via the daily unit prices; individual investors are not invoiced for monetary amounts and no further fees are payable.

3. Investment income	2024 £	2023 £
Unit trusts - dividends	955,799	833,690
Distributions from property fund	181,343	118,831
Loan interest:		
Interest receivable in the year	275	275
Interest capitalised	446	736
Bank interest	73,716	85,439
	<u>1,211,579</u>	<u>1,038,971</u>

Of total income, £689,426 (2023: £643,744) was earned on the capital account and immediately applied to the income account. The income account represents the accumulation of income from previous years which was not spent on benefits (Note 1(b) Funds structure).

4. Investments	2024 £	2023 £
Opening carrying value	15,964,045	16,190,509
Movements during the year:		
Additions	3,800,000	—
Disposals	(1,800,000)	—
Realised (losses)/gains	(286,912)	—
Unrealised gains/(losses)	308,106	(226,464)
Closing carrying value	<u>17,985,239</u>	<u>15,964,045</u>

Analysis of market value at end of the year

Permanent endowment fund *

Charibond	1,838,074	1,914,240
Charifund	9,906,926	9,655,215
	<u>11,745,000</u>	<u>11,569,455</u>

Unrestricted fund *

Charibond	159,937	2,041,851
Charifund	2,013,471	1,962,314
Charity Multi Asset Fund	1,820,791	—
STRCI	2,054,801	—
Property Fund	191,239	390,425
	<u>6,240,239</u>	<u>4,394,590</u>
Total investments at market value	<u>17,985,239</u>	<u>15,964,045</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

* The Trust Deed requires that memorandum Financial Statements are kept in the form of a capital account and an income account (Note 1(b) Funds structure).

The investments of the Trust are held in the above noted funds. These funds in turn invest in underlying assets. The Equities Investment Fund for Charities (Charifund) primarily invests in a diversified portfolio of UK equities. The Charibond Fixed Interest Fund (Charibond) fund primarily invests in deposits, UK government bonds and other sterling denominated fixed interest securities. The Charifund and the Charibond fund are both managed by M&G Securities Limited. The M&G UK Property Fund invests in property.

The M&G Charity Multi Asset Fund is a globally diversified strategy which can invest in domestic and overseas equities alongside government/corporate bonds, property, infrastructure, cash and other assets deemed suitable by the team to harness value and/or to help manage volatility; it is deliberately tilted towards longer-term assets to assist in delivering competitive total returns and a good degree of income. The STRCI Fund is a sustainable multi-asset credit fund, applying a positive ESG selection to focus on investments that meet environmental and social sustainability criteria.

The Trust's reserves are £7,756,041 (2023: £7,258,209) which is the balance of the unrestricted fund. It is the view of the Supervisory Board that the Trust has sufficient reserves available to meet the future needs, opportunities, contingencies and risks of the Trust.

5. Analysis of charitable expenditure	2024 £	2023 £
General grants	29,886	18,192
Christmas grants	482,750	527,250
Bereavement grants	50,000	30,000
Governance costs	42,206	49,403
	<u>604,842</u>	<u>624,845</u>

All grants are provided to individuals, as such, there is no requirement to disclose recipients of the grants.

6. Loans to beneficiaries	2024 No. of loans	2023 No. of loans	2024 £	2023 £
Loans at beginning of year	12	13	496,175	509,497
Repayments	—	(1)	(6,229)	(14,058)
Interest capitalised			721	736
Loans at end of year	<u>12</u>	<u>12</u>	<u>490,667</u>	<u>496,175</u>

Analysis of Loans to beneficiaries	2024 £	2023 £
Loans: amounts falling due within one year	6,000	6,000
Loans: amounts falling due after one year	484,667	490,175
Loans at end of year	<u>490,667</u>	<u>496,175</u>

7. Reconciliation of net movement in funds to net cash used in operating activities	2024 £	2023 £
Net movement in funds	673,377	230,945
Deduct dividend income shown in investing activities	(955,799)	(833,690)
Deduct distributions from property funds	(181,343)	(118,831)
Deduct interest income shown in investing activities	(74,437)	(86,450)
Deduct/ add back (losses)/gains on investments	(21,194)	226,464
Movement in loans to beneficiaries	5,508	13,322
Net cash used in operating activities	<u>(553,888)</u>	<u>(568,240)</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

8. Reconciliation of net movement in funds to net funds in the Statement of Financial Activities
2024

Fund name	Balances brought forward	Income*	Expenditure	Gains and losses	Balances carried forward
	£	£	£	£	£
Permanent Endowment Fund	11,569,455	—	—	175,545	11,745,000
Unrestricted Fund	7,258,209	1,257,025	(604,842)	(154,351)	7,756,041
Total funds	18,827,664	1,257,025	(604,842)	21,194	19,501,041

*It is the policy to include all income earned from the permanent endowment fund in the unrestricted fund (Note 1(b) Funds structure). The amount of income earned from the permanent endowment fund in 2024 was £689,426.

2023

Fund name	Balances brought forward	Income*	Expenditure	Gains and losses	Balances carried forward
	£	£	£	£	£
Permanent Endowment Fund	11,741,369	—	—	(171,914)	11,569,455
Unrestricted Fund	6,855,350	1,082,253	(624,845)	(54,549)	7,258,209
Total funds	18,596,719	1,082,253	(624,845)	(226,463)	18,827,664

*It is the policy to include all income earned from the permanent endowment fund in the unrestricted fund (Note 1(b) Funds structure). The amount of income earned from the permanent endowment fund in 2024 was £643,743.

9 Financial Assets and Financial Liabilities

A. Financial assets and financial liabilities – classification and measurement

Under FRS 102, the financial assets and financial liabilities of the Trust are valued at either Fair Value through income and expenditure (FVTIE) or amortised cost.

2024

	Fair value through income and expenditure	Amortised Cost	Total carrying value	Fair value where applicable
	£	£	£	£
Financial Assets				
Charibond	1,998,011	—	1,998,011	1,998,011
Charifund	11,920,397	—	11,920,397	11,920,397
Charity Multi Asset Fund*	1,820,791	—	1,820,791	1,820,791
STRCI*	2,054,801	—	2,054,801	2,054,801
Property fund	191,239	—	191,239	191,239
Loans to beneficiaries	—	490,667	490,667	490,667
Cash at bank and in hand	—	1,025,135	1,025,135	1,025,135
Total	17,985,239	1,515,802	19,501,041	19,501,041

*The Charity Multi Asset Fund and STRCI are both new for 2024 so do not appear on the comparative table.

NOTES TO THE FINANCIAL STATEMENTS (continued)

2023

	Fair value through income and expenditure	Amortised Cost	Total carrying value	Fair value where applicable
	£	£	£	£
Financial Assets				
Charibond	3,956,091	—	3,956,091	3,956,091
Charifund	11,617,529	—	11,617,529	11,617,529
Property fund	390,425	—	390,425	390,425
Loans to beneficiaries	—	496,175	496,175	496,175
Cash at bank and in hand	—	2,367,444	2,367,444	2,367,444
Total	<u>15,964,045</u>	<u>2,863,619</u>	<u>18,827,664</u>	<u>18,827,664</u>

B. Financial assets and financial liabilities - determination of fair value

The fair values of the financial assets and liabilities as included in the table above have been determined on the following bases.

The fair values of the financial instruments are determined by the use of current market bid prices for quoted investments, or by using quotations from independent third-parties, such as brokers and pricing services or by using appropriate valuation techniques. Investments valued using valuation techniques include financial investments which by their nature do not have an externally quoted price based on regular trades and financial investments for which markets are no longer active as a result of market conditions e.g. market illiquidity. The property fund is valued using a Net Asset Value (NAV) provided by the investment manager which is assessed as to whether it is an appropriate basis for fair value and if not adjusted as necessary. When determining the inputs into the valuation techniques used, priority is given to publicly available prices from independent sources when available but overall, the source of pricing is chosen with the objective of arriving at a fair value measurement which reflects the price at which an orderly transaction would take place between market participants on the measurement date.

The fair value estimates are made at a specific point in time, based upon available market information and judgements about the financial instruments, including estimates of the timing and amount of expected future cash flows and the credit standing of counterparties. Such estimates do not reflect any premium or discount that could result from offering for sale at one time the Company's entire holdings of a particular financial instrument, nor do they consider the tax impact of the realisation of unrealised gains or losses from selling the financial instrument being fair valued. In some cases the fair value estimates cannot be substantiated by comparison to independent markets, nor can the disclosed value be realised in immediate settlement of the financial instrument.

10 Post Balance Sheet Events

During February 2025, The remaining investment balance in Charibond (£2,001,732.10) was withdrawn and invested into STRCI.

PRUDENTIAL STAFF CHARITABLE TRUST

England & Wales - Charity number 232467

Accounts

PRUDENTIAL STAFF CHARITABLE TRUST

Annual Report and Financial Statements for the year ended 31 December 2023

PRUDENTIAL STAFF CHARITABLE TRUST

Registered number: 232467

Registered and principal office

10 Fenchurch Avenue
London
EC3M 5AG

Annual report and financial statements for the year ended 31 December 2023

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PRUDENTIAL STAFF CHARITABLE TRUST

REFERENCE AND ADMINISTRATION INFORMATION

Trustee

The Prudential Assurance Company Limited is the holding trustee for the purposes of holding investments and cash belonging to the charity. The directors of the holding trustee at the date of this report are:

Mr R S Bowie (Chairman)
Mr C P Adamson
Mr C Bolton (appointed 25 September 2023)
Ms L Fowler
Mr S Horgan
Dr I Owen
Ms M Tannemaat
Mr D K Watson

Members of the Supervisory Board

The members of the Supervisory Board are the managing trustees of the charity. The members of the Supervisory Board are:

Mr S Moffatt (Chairman)
Mr D Green
Mr S Sharma
Mr M Thompson
Mrs C White

Independent Auditors

PricewaterhouseCoopers LLP
Chartered Accountant and Statutory Auditors
Atria One
144 Morrison Street
Edinburgh
EH3 8EB

Bank

HSBC Bank Plc
Regional Service Centre, Europe
PO Box 61004
2nd Floor
London
SE1 9RX

Investment adviser

M&G Investment Management Limited
10 Fenchurch Avenue
London
EC3M 5AG

Solicitor

Bates Wells & Braithwaite London LLP
10 Queen Street Place
London
EC4R 1BE

PRUDENTIAL STAFF CHARITABLE TRUST

ANNUAL REPORT OF THE TRUSTEE FOR 2023

Objective

The Prudential Staff Charitable Trust ('the Trust') is an unincorporated charity governed by a Trust Deed. The Supervisory Board has been appointed to administer and manage the Trust under the terms of the Trust Deed dated 15 June 2010, as amended. The objective of the Trust, as registered with the Charity Commission for England and Wales, is the relief in cases of need, hardship or distress of persons who are or were either pensioners or past or present full time or part time employees or their dependants of Prudential plc (prior to 21 October 2019 being the date of the demerger from M&G plc) or of M&G plc or of companies whose ultimate parent company is either Prudential plc (prior to 21 October 2019) or M&G plc.

The Supervisory Board resolved in July 2009 that in order for an individual to apply for assistance from the Trust, they must generally be resident in the UK and participate, or be eligible to participate, in the Prudential Staff Pension Scheme (PSPS). At the October 2009 meeting the Supervisory Board extended the eligibility for applications to members of the Scottish Amicable Staff Pension Scheme (SASPS) and the M&G Group Pension Scheme (M&GGPS).

In setting the Trust's objectives the Supervisory Board has given careful consideration to the Charity Commission's general guidance on public benefit.

The strategies employed to achieve the Trust's objectives are:

- to make grants or loans of money to or provide or pay for items, services or facilities for beneficiaries with and upon such terms and conditions as the Trustee may consider appropriate;
- to pay for such items, services or facilities as aforesaid by way of donations or subscriptions to institutions or organisations which provide, or which undertake in return to provide, such items, services or facilities for beneficiaries; and
- to do all such other lawful things as are necessary for the attainment of the objective of the Trust.

Investments

The Supervisory Board has the general power of investment defined in the Trustee Act 2000.

Investment performance

The Trust invests in the Equities Investment Fund for Charities (Charifund) and the Charibond Fixed Interest Fund (Charibond), both of which are managed by M&G Securities Limited. M&G Investment Management Limited is the investment adviser. Charifund primarily invests in a diversified portfolio of high yielding UK equities and is designed to provide a high and growing income for charities, while at the same time protecting their capital from the erosive effect of inflation. The aim of Charibond is to provide charities with an actively managed fixed interest fund investing in deposits, UK government bonds and other sterling denominated fixed interest securities, designed to produce a high income while preserving capital values.

UK Equity performance in the calendar year 2023 was strong at +7.9%, buoyed by a resilient consumer and the lack of spill over from heightened geopolitical risks. Inflation remained elevated, as did interest rates, with +1.75% of rate hikes added by the Bank of England in the UK during the calendar year. Government bond yields, especially at longer maturities such as the 10 year point, were broadly flat, as was the FTSE UK Conventional All Stocks Index. The UK MSCI IPD Property Index was down -1.5% as negativity on the office sector weighed on overall performance. Within currencies, sterling strengthened against most peers as UK inflation eclipsed that seen in the United States and most of Europe. Oil prices fell back from their September highs of nearly \$100 per barrel, to end the year below \$80 per barrel as slowing global economic growth tempered demand.

Charifund over 2023 returned +3.6% against its benchmark, the FTSE All-Share Index, of +7.9%. This has seen the fund fall behind its benchmark over 3 and 5 years, by 1.4% and 0.9% p.a. respectively. Against the IA peer group, IA UK Equity Income, Charifund has similarly slipped behind over 1, 3 and 5 years, albeit by small margins.

Charifund distributed 85.5p in 2023, an increase of 3% on 2022, which failed to keep pace with elevated UK RPI inflation, even though it fell back to 5.2% in December 2023. With a distribution yield of 5.94%, Charifund is still at a significant premium compared to the benchmark of 3.8%.

ANNUAL REPORT OF THE TRUSTEE FOR 2023 (continued)

UK equity valuations remain attractive, and relatively cheap compared to other markets globally. The fund's lower volatility than the market means that it is not unusual for the fund to underperform in strong market conditions, like those seen in Q4 2023. Sector allocation was broadly neutral with stock selection mildly detracting, and predominantly due to energy which suffered with lower oil prices. The fund's non-UK exposure was also a slight headwind.

Charibond returned +7.2% in 2023, ahead of its blended benchmark (50% ICE BoAML 1-15 Gilt Index; 50% ICE BoAML 1-15 Non-Gilt Index) of +6.5%. The fund's defensive stance continued to aid performance, as did underlying fixed income volatility that saw UK 10 year government bond yields range from 3.0% to 4.7% over the course of the year, but remain largely unchanged from the start of 2013 to its finish.

Charibond distributed 4p in 2023, an increase of 82% on 2022 when it was negatively impacted by the pace of fixed income yield rises. Further distribution yield increases are unlikely as central banks start considering when interest rate cuts should begin.

Central banks' continue to keep monetary policy tight enough to drive inflation back towards the 2% target, there is growing evidence of a continued softening in inflation and that higher rates are slowing consumer demand. Geopolitical tensions remain heightened but sufficiently contained to not spook markets. Corporate spreads were tighter, as consumers remained stubbornly healthy and the UK economy avoided recession.

In September 2021 the Supervisory Board of the Trust were advised that the **M&G UK Property Fund (UKPF)** Management Company had decided to conduct an orderly closure of the fund in the interests of unitholders, subject to receipt of certain regulatory approvals. Given the impact of increased redemption orders, the Management Company was of the opinion that it is no longer possible for the fund to meet its long term investment objectives and maintain a balanced, diversified portfolio of assets. As a result during 2023 the Trust received distributions from the Property Fund when assets are sold as noted in the Financial Statements.

In what was a challenging year for the UK commercial property market, as economic headwinds and higher interest rates weighed on asset valuations, the **M&G UK Property Fund (UKPF)** delivered a total return of 13.4%. 8.3% was attributable to capital, primarily driven by the disposal of a rural land holding at Parlington which was sold at a 55% premium to book value, with 5.1% attributable to income. Offices was the weakest performance sector, with returns from retail proving more resilient, despite weaker consumer spending. Both industrials and residential outperformed, as structural tailwinds continued to support occupier and investor demand for these sectors.

As at 31 December 2023, the Property Fund had five remaining assets*, representing 11.8% of the NAV at the start of the liquidation, with an occupancy rate of 89%. Rent collection facilitated income distributions totalling 6% during the year, however, receipts will naturally diminish as the liquidation process is progressed.

*Excluding nominal residual exposure to two indirect holdings, which themselves are in the process of being liquidated

ANNUAL REPORT OF THE TRUSTEE FOR 2023 (continued)

Supervisory Board

The present members of the Supervisory Board are shown on page 3. Board members, from time to time, shall be appointed by any member of the Group Executive Committee of M&G plc who shall also appoint the Chairman of the Supervisory Board. The Supervisory Board meets on a quarterly basis. Appropriate training sessions are made available to all Supervisory Board members.

Reserves policy

Income which becomes available to a charity to be spent at the Trustees' discretion in furthering any of the charity's objectives, but is not yet spent, committed or designated is described as free reserves. It is the policy to transfer income earned on the capital account (permanent endowment fund) immediately to the income account (unrestricted fund) (Note 1(b) Funds structure).

The Supervisory Board on behalf of the holding Trustee is committed to maintaining the capital of the Trust as described in Note 1(b) Funds structure.

The actual free reserves (unrestricted fund) in excess of the capital as at 31 December 2023 were £7,258,209 (2022: £6,855,350) and the value of the permanent endowment funds were £11,569,455 (2022: £11,741,369). It is the policy of the Supervisory Board that the reserves maintained in excess of the capital at the balance sheet date should be sufficient to meet the Trust's objectives. The Supervisory Board aims to maintain free reserves in the unrestricted fund at a stable level to ensure that there are sufficient funds available to respond to future applications from beneficiaries. The Supervisory Board is satisfied that the current level of free reserves are sufficient. The Supervisory Board acts in accordance with the Trust Deed by not setting a target level of reserves. The Supervisory Board monitors the level of free reserves on a quarterly basis. It is the view of the Supervisory Board that the Trust has sufficient reserves available to meet future needs, opportunities, contingencies and risks of the Trust without having to realise any investments from the capital account.

Risk management

The Supervisory Board periodically reviews the major risks to which the Trust is exposed. The Supervisory Board ensures that the Trust's investment policy and performance is appropriate and that the funds are distributed in line with agreed policies. The Board ensures that there are sufficient funds to meet the current and future requests from beneficiaries using independent experts where appropriate. One of the key risks identified is that the investment performance is poor leading to a reduction in the funds available to meet the Trust's objectives. The Trust has implemented various controls to mitigate this, such as:

- Regular review of the investments and investment strategy.
- Use of skilled personnel across the business to monitor the investment performance.
- Maintaining a balanced portfolio.

There is also a risk that the Trust receives a significant increase in applications leading to a significant reduction in the funds available. This risk is mitigated by the eligibility criteria that are reviewed periodically by the Supervisory Board.

General grants

Grants made in 2023 and 2022 were as follows:

	2023	2022
	£	£
Single grants	4,000	5,169
Grants to supplement income of pensioners	14,192	15,061
	<u>18,192</u>	<u>20,230</u>

PRUDENTIAL STAFF CHARITABLE TRUST

ANNUAL REPORT OF THE TRUSTEE FOR 2023 (continued)

Christmas grants

The Trust makes Christmas grants, currently a payment of £250 (2022: £250), to pensioners who have completed 5 years' service and whose total household income excluding State Benefits is less than £7,457 per annum (2022: £7,102 per annum). The income limit has in the past been increased each year by the same rate as PSPS discretionary increases granted to pensions in payment. In 2011 the Supervisory Board resolved that this gift can be offered to pensioners in SASPS who retired/ left the Scheme after 30 June 2002 and to M&GGPS pensioners who retired/ left the Scheme after 16 October 2005. In 2012 the Supervisory Board agreed that children of PSPS Defined Contribution Section members who die in service could receive the discretionary Christmas Gift while they are under 18 or 23 if in full time education.

Payments made in 2023 and 2022 were as follows:

	2023	2022
	£	£
Value of Christmas gifts	527,250	529,250
Number of grants made	2,109	2,117

Bereavement grants

With effect from 6 November 2015 the bereavement grant has been set at a maximum of £5,000. The grant is offered to each widow/widower following the death of the PSPS member where the spouse's pension is less than £7,457 per annum (2022: £7,102 per annum) and they do not have savings of more than £12,000. The grant is conditional upon the widow/widower's confirmation that total household income excluding State Benefits is less than £7,457 per annum and they do not have savings of more than £12,000. The offer is extended to common law partners where no spouse's pension is payable.

In 2011 the Supervisory Board resolved that this gift can be offered to SASPS and M&GGPS members, but with the same service requirements as for the Christmas Gift.

Payments made in 2023 and 2022 were as follows:

	2023	2022
	£	£
Value of Bereavement grants	30,000	195,000
Number of grants made	6	39

Loans to beneficiaries

At the end of 2023 there were 12 (2022:13) loans outstanding, totalling £496,175 (2022: £509,497) including interest capitalised during the year of £736 (2022: £462). Loans advanced to beneficiaries during the year amounted to £Nil (2022: £Nil) and repayments received amounted to £14,058 (2022: £8,333). There were no loans written off in 2023 (2022: Nil). The loans are secured, generally against fixed property, and are repayable at any time at par. Interest is charged at beneficial rates which ranged from 0% to 2.5% during 2023 (2022: 0% to 2.5%).

Governance costs

The only expenses normally borne by the Trust are audit fees of £43,282 (2022: £40,076), legal fees and bank charges of £6,055 (2022: £160) incurred in the ordinary course of business.

Fundraising

The Trust has not undertaken any fundraising activity during 2023 or 2022. Included under income in the Statement of Financial Activities, is £43,282 of donations. This relates to audit fees for the Charity which have been paid by The Prudential Assurance Company Limited.

PRUDENTIAL STAFF CHARITABLE TRUST

ANNUAL REPORT OF THE TRUSTEE FOR 2023 (continued)

Post balance sheet event

During March 2024, a £1,000,000 new investment payment was made into the "M&G Sustainable Total Return Credit Investment Fund" (STRCI Fund). The STRCI fund aims to offer investors a sustainable multi-asset credit fund, combining M&G's expertise in credit investing with an assessment of ESG factors. The fund applies a positive ESG selection to focus on investments that meet environmental and social sustainability criteria. A further £1,000,000 payment was invested into this fund at the end of June 2024.

Plans for future periods

The Trust intends to continue to provide on-going support both to its current and prospective beneficiaries.

Going concern

The Trustee has prepared the financial statements on the going concern basis as they do not intend to liquidate the Trust or to cease its operations and they have concluded that the Trust's financial position means that this is realistic. It has also concluded that there are no material uncertainties that could cast significant doubt over its ability to continue as a going concern for at least 12 months from the date of approval of the financial statements ("the going concern period"). The key areas considered in the assessment of going concern are the net assets of the Trust and liquidity. Due to the uncertainty regarding future market performance and future operating costs, prudence has been applied to the Trust's cash flow forecasts to ensure that the Trust can withstand a sharp economic downturn for a sustained period. In addition to this, all grants are fully at the discretion of the Trust and if the Trust were to become illiquid in the future, there is no liability that the Trust is obligated to other than the administrative expenses which are fully borne by the holding trustee. As such, the Trustees have a reasonable expectation that the Trust has adequate resources to continue its operations for a period of at least 12 months from the date that the financial statements are approved.

Auditors

PricewaterhouseCoopers LLP (PwC), who were appointed by the Trustee in 2022, remained in office during 2023 and will remain in office as auditor of the Trust for 2024.

The annual report of the Trustee on pages 4 to 8 was approved by the Supervisory Board on behalf of the Trustee, and was signed on its behalf by,



S Moffatt

Chairman of the Supervisory Board

Date: 30 September 2024

PRUDENTIAL STAFF CHARITABLE TRUST

STATEMENT OF THE TRUSTEE'S RESPONSIBILITIES IN RESPECT OF THE TRUSTEE'S ANNUAL REPORT AND THE FINANCIAL STATEMENTS

The holding trustee is The Prudential Assurance Company Limited. The Supervisory Board has been appointed to administer and manage the Trust for the holding trustee under the terms of the Trust Deed dated 15 June 2010, as amended, and within the framework of Trust Law.

Under the Trust Deed and rules of the charity and charity law, the Trustee is responsible for preparing the Trustee's Annual Report and the financial statements in accordance with applicable law and regulations. The Trustee has elected to prepare the financial statements in accordance with UK Accounting Standards, including FRS 102 *the Financial Reporting Standard applicable in the UK and Republic of Ireland*.

The financial statements are required by law to give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period.

In preparing these financial statements, the trustee is required to:

- selects suitable accounting policies and then apply them consistently;
- makes judgements and estimates that are reasonable and prudent;
- states whether applicable UK accounting standards and the Statement of Recommended Practice have been followed, subject to any material departures disclosed and explained in the financial statements;
- state whether the financial statements comply with the trust deed and rules, subject to any material departures disclosed and explained in the financial statements;
- assesses the Charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- uses the going concern basis of accounting unless they either intend to liquidate the Charity or to cease operations, or have no realistic alternative but to do so.

The Trustee is required to act in accordance with the Trust Deed and the rules of the Charity, within the framework of trust law. It is responsible for keeping adequate accounting records that are sufficient to show and explain the Trustees' transactions and disclose with reasonable accuracy at any time the financial position of the Charity and enable it to ensure that the financial statements comply with the section 132(1) of the Charities Act 2011, those statements of accounts comply with the requirements of regulations under that provision. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charity and to prevent and detect fraud and other irregularities.

Approved and signed on behalf of the Supervisory Board



S Moffatt

Chairman of the Supervisory Board

Date: 30 September 2024

Independent auditors' report to the trustee of Prudential Staff Charitable Trust

Report on the audit of the financial statements

Opinion

In our opinion, Prudential Staff Charitable Trust's financial statements (the "financial statements"):

- give a true and fair view of the state of the charity's affairs as at 31 December 2023 and of its incoming resources, application of resources, and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including 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 Charities Act 2011 and Regulation 8 of The Charities (Accounts and Reports) Regulations 2008).

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 2023; the Statement of Financial Activities for the year then ended; Statement of Cash Flows 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 charity 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 charity's ability to continue as a going concern for a period of at least twelve months from the date on which the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the trustee's 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 charity's ability to continue as a going concern.

Our responsibilities and the responsibilities of the trustee 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 trustee is 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 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 Trustee's report, we also considered whether the disclosures required by the Charities Act 2011 have been included.

Trustees' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Trustee's report for the year ended 31 December 2023 is consistent with the financial statements and has been prepared in accordance with applicable requirements.

In light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we did not identify any material misstatements in the Trustee's report.

Responsibilities for the financial statements and the audit

Responsibilities of the Trustees for the financial statements

As explained more fully in the Statement of the Trustee's Responsibilities in respect of the Trustees' Annual Report and the Financial Statements, the trustee is 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 trustee is 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 trustee is responsible for assessing the charity'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 trustee either intends to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

We are eligible to act and have been appointed as auditors under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 charity and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to the Charities Act 2011 and relevant regulations made of having an effect thereunder, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements. We evaluated the incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) by the trustee and those responsible for, or involved in, the preparation of the financial statements, and determined that the principal risks were related to posting inappropriate journal entries. Audit procedures performed by the engagement team included:

- Testing journal entries where we identified particular fraud risk criteria;
- Enquire with management, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Reviewing relevant trustee meeting minutes; 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 charity's trustees as a body in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act (Part 4 of The Charities (Accounts and Reports) Regulations 2008) 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

Charities Act 2011 exception reporting

Under the Charities Act 2011 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- sufficient accounting records have not been kept by the charity; or
- the financial statements are not in agreement with the accounting records.

We have no exceptions to report arising from this responsibility.



PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Edinburgh

30 September 2024

PRUDENTIAL STAFF CHARITABLE TRUST

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2023

	Unrestricted	Permanent	Total	Unrestricted	Permanent	Total	Note
	Fund	Endowment	Funds	Fund	Endowment	Funds	
	2023	2023	2023	2022	2022	2022	
	£	£	£	£	£	£	
Income from:							
Donations	43,282	—	43,282	40,076	—	40,076	
Investments	1,038,971	—	1,038,971	2,024,498	—	2,024,498	3
Total	<u>1,082,253</u>	<u>—</u>	<u>1,082,253</u>	<u>2,064,574</u>	<u>—</u>	<u>2,064,574</u>	
Expenditure on:							
Charitable activities	624,845	—	624,845	784,716	—	784,716	5
Total	<u>624,845</u>	<u>—</u>	<u>624,845</u>	<u>784,716</u>	<u>—</u>	<u>784,716</u>	
(Losses) / gains on investments	<u>(54,549)</u>	<u>(171,914)</u>	<u>(226,463)</u>	<u>(1,592,710)</u>	<u>(803,322)</u>	<u>(2,396,032)</u>	4
Net Expense / (Income)	<u>402,859</u>	<u>(171,914)</u>	<u>230,945</u>	<u>(312,852)</u>	<u>(803,322)</u>	<u>(1,116,174)</u>	
Net movement in funds	<u>402,859</u>	<u>(171,914)</u>	<u>230,945</u>	<u>(312,852)</u>	<u>(803,322)</u>	<u>(1,116,174)</u>	
Reconciliation of funds:							
Total funds brought forward	<u>6,855,350</u>	<u>11,741,369</u>	<u>18,596,719</u>	<u>7,168,202</u>	<u>12,544,691</u>	<u>19,712,893</u>	
Total funds carried forward	<u><u>7,258,209</u></u>	<u><u>11,569,455</u></u>	<u><u>18,827,664</u></u>	<u><u>6,855,350</u></u>	<u><u>11,741,369</u></u>	<u><u>18,596,719</u></u>	

The Statement of Financial Activities relates to continuing operations.

The Trust has no recognised gains or losses other than the net movement in funds for the year.

The accounting policies on page 16 along with the accompanying notes on pages 16 to 20 form an integral part of these financial statements.

PRUDENTIAL STAFF CHARITABLE TRUST

BALANCE SHEET AS AT 31 DECEMBER 2023

	Unrestricted Fund 2023 £	Permanent Endowment Fund 2023 £	Total Funds 2023 £	Unrestricted Fund 2022 £	Permanent Endowment Fund 2022 £	Total Funds 2022 £	Note
Fixed assets:							
Investments	4,394,590	11,569,455	15,964,045	4,449,140	11,741,369	16,190,509	4
Current assets:							
Loans to beneficiaries	496,175	—	496,175	509,497	—	509,497	6
Cash at bank	2,367,444	—	2,367,444	1,896,712	—	1,896,712	
Total current assets	<u>2,863,619</u>	<u>—</u>	<u>2,863,619</u>	<u>2,406,209</u>	<u>—</u>	<u>2,406,209</u>	
Liabilities:							
Creditors amounts falling due within one year	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	
Net current assets	<u>2,863,619</u>	<u>—</u>	<u>2,863,619</u>	<u>2,406,209</u>	<u>—</u>	<u>2,406,209</u>	
Total net assets	<u>7,258,209</u>	<u>11,569,455</u>	<u>18,827,664</u>	<u>6,855,349</u>	<u>11,741,369</u>	<u>18,596,718</u>	
The funds of the Charitable Trust	<u>7,258,209</u>	<u>11,569,455</u>	<u>18,827,664</u>	<u>6,855,349</u>	<u>11,741,369</u>	<u>18,596,718</u>	8

The accounting policies on page 16 along with the accompanying notes on pages 16 to 20 form an integral part of these financial statements.

These financial statements on pages 13 to 20 were approved by the Supervisory Board on 13 September 2024, on behalf of the Trustee.

Signed on behalf of the Supervisory Board



S Moffatt

Chairman of the Supervisory Board

Dated: 30 September 2024

PRUDENTIAL STAFF CHARITABLE TRUST

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2023

	2023	2022	
	£	£	Note
Net cash used in operating activities	(568,239)	(720,380)	7
Cash flows from investing activities:			
Dividends	833,690	749,777	
Distributions from property fund	118,831	1,262,616	
Interest	86,450	11,640	
Net cash provided by investing activities	<u>1,038,971</u>	<u>2,024,033</u>	
Change in cash and cash equivalents in the year	<u>470,732</u>	<u>1,303,653</u>	
Cash and equivalents brought forward	1,896,712	593,059	
Cash and equivalents carried forward	<u><u>2,367,444</u></u>	<u><u>1,896,712</u></u>	

The accounting policies on page 16 along with the accompanying notes on pages 16 to 20 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1 Accounting policies

a. Basis of preparation

The Prudential Staff Charitable Trust (the Trust") is a registered charity (incorporated in the UK and registered in England and Wales, number 232467). The objects of the Trust are set out on page 4 of the Annual Report.

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) issued in October 2019 and the Charities Act 2011 and UK Generally Accepted Practice.

The Trust is confident that it will be able to continue to meet planned expenditure based on the current level of free reserves for the foreseeable future and thus has continued to adopt the going concern basis of accounting in preparing the financial statements. The key areas considered in the assessment of going concern are the net assets of the Trust and liquidity. Due to the uncertainty regarding future market performance and future operating costs, prudence has been applied to the Trust's cash flow forecasts to ensure that the Trust can withstand a sharp economic downturn for a sustained period. In addition to this, all grants are fully at the discretion of the Trust and if the Trust were to become illiquid in the future, there is no liability that the Trust is obligated to other than the administrative expenses which are fully borne by the holding trustee. As such, the Trustee has a reasonable expectation that the Trust has adequate resources to continue its operations for a period of at least 12 months from the date that the financial statements are approved.

b. Funds structure

The Trust has a single permanent endowment fund - the capital account. The capital account contains the original investments and any investments bought out of the sale of the original investments. Any realised / unrealised gains / (losses) on the investments in the capital account are kept within the capital account. The Trust has an unrestricted fund – the income account. The income from the capital account is available to use for the charitable purposes of the Trust and is wholly unrestricted and is transferred to the unrestricted fund. The unrestricted fund comprises those funds which the Supervisory Board of the Trustee of the Trust is free to use for any purpose in furtherance of the Trust's objectives.

c. Income recognition

Investment income is included on an accruals basis. Dividends on ordinary shares are included by reference to ex-dividend dates. UK dividends are grossed up by the recoverable tax credits.

d. Expenditure recognition

Grants are accounted for when committed. The Trust has no employees and any administration support costs are borne by the holding Trustee without recharge to the Trust. It is not possible to quantify the amount of this donation.

e. Investments

Investments are stated at fair value. Realised gains and losses are calculated as the difference between net proceeds on disposal and original costs. Movements in unrealised gains comprise the change in the value of investments held at the balance sheet date and the reversal of unrealised investment gains and losses recognised in earlier accounting periods in respect of investment disposals.

f. Financial instruments - recognition and measurement

The Trust classifies and measures all its financial assets and liabilities at either amortised cost or fair value through the statement of financial activities (SoFA) in accordance with FRS 102.11 & 102.12. Net gains and losses, including any interest or dividend income, are recognised in the SoFA. This includes assets that are held-for-trading or are part of a portfolio that is managed on a fair value basis.

g. Loans to beneficiaries

Loans issued by the Trust to its beneficiaries are accounted for as concessionary loans in accordance with the charity SORP 11.21. Concessionary loans are those loans made or received by a charity to further its purposes and any interest charged is below the prevailing market rates.

NOTES TO THE FINANCIAL STATEMENTS (continued)

2 Related party transactions and trustees' expenses and remuneration

The holding trustee received no remuneration or expenses for the year (2022: £Nil) and bore all of the Trust's administrative expenses, including the costs of the Supervisory Board, without recharge to the Trust. The Trust has no employees (2022: Nil) and no payments were made to Trustees. The audit fees of £43,282 (2022: £40,076) are paid for by The Prudential Assurance Company Limited and are shown as a donation in the Statement of Financial Activities.

M&G Investment Management Limited provide strategic investment advisory services. The sum of £1 is due as good and valuable consideration for the provision of services under the Agreement, as no payment is made for this amount, it is treated as a donation in the Statement of Financial Activities. Investment management fees are levied against the assets of the fund vehicles by M&G Securities Ltd via the daily unit prices; individual investors are not invoiced for monetary amounts and no further fees are payable.

3. Investment income	2023 £	2022 £
Unit trusts - dividends	833,690	749,777
Distributions from property fund	118,831	1,262,618
Loan interest:		
Interest receivable in the year	275	313
Interest capitalised	736	462
Bank interest	85,439	11,327
	<u>1,038,971</u>	<u>2,024,498</u>

Of total income, £643,743 (2022: £388,894) was earned on the capital account and immediately applied to the income account. The income account represents the accumulation of income from previous years which was not spent on benefits (Note 1(b) Funds structure).

4. Investments	2023 £	2022 £
Opening carrying value	16,190,509	18,586,541
Movements during the year:		
Unrealised (losses)	(226,464)	(2,396,032)
Closing carrying value	<u>15,964,045</u>	<u>16,190,509</u>

Analysis of market value at end of the year

Permanent endowment fund *

Charibond	1,914,240	1,853,821
Charifund	9,655,215	9,887,548
	<u>11,569,455</u>	<u>11,741,369</u>

Unrestricted fund *

Charibond	2,041,851	1,977,404
Charifund	1,962,314	2,009,533
Property Fund	390,425	462,203
	<u>4,394,590</u>	<u>4,449,140</u>
	<u>15,964,045</u>	<u>16,190,509</u>

* The Trust Deed requires that memorandum Financial Statements are kept in the form of a capital account and an income account (Note 1(b) Funds structure).

The investments of the Trust are held in the above noted funds. These funds in turn invest in underlying assets. The Equities Investment Fund for Charities (Charifund) primarily invests in a diversified portfolio of UK equities. The Charibond Fixed Interest Fund (Charibond) fund primarily invests in deposits, UK government

NOTES TO THE FINANCIAL STATEMENTS (continued)

bonds and other sterling denominated fixed interest securities. The Charifund and the Charibond fund are both managed by M&G Securities Limited. The M&G UK Property Fund invests in property.

The Trust's reserves are £7,258,209 (2022: £6,855,349) which is the balance of the unrestricted fund. It is the view of the Supervisory Board that the Trust has sufficient reserves available to meet the future needs, opportunities, contingencies and risks of the Trust.

5. Analysis of charitable expenditure	2023 £	2022 £
General grants	18,192	20,230
Christmas grants	527,250	529,250
Bereavement grants	30,000	195,000
Governance costs	49,403	40,236
	<u>624,845</u>	<u>784,716</u>

All grants are provided to individuals, as such, there is no requirement to disclose recipients of the grants.

6. Loans to beneficiaries	2023 No. of loans	2022 No. of loans	2023 £	2022 £
Loans at beginning of year	13	14	509,497	517,368
Repayments	(1)	(1)	(14,058)	(8,333)
Interest capitalised			736	462
Loans at end of year	<u>12</u>	<u>13</u>	<u>496,175</u>	<u>509,497</u>

Analysis of Loans to beneficiaries	2023 £	2022 £
Loans: amounts falling due within one year	6,000	6,000
Loans: amounts falling due after one year	490,175	503,497
Loans at end of year	<u>496,175</u>	<u>509,497</u>

7. Reconciliation of net movement in funds to net cash used in operating activities	2023 £	2022 £
Net movement in funds	230,945	(1,116,175)
Deduct dividend income shown in investing activities	(833,690)	(749,777)
Deduct distributions from property funds	(118,831)	(1,262,616)
Deduct interest income shown in investing activities	(86,450)	(11,640)
Add back (losses) on investments	226,464	2,396,032
Movement in sundry debtors	—	15,925
movement in loans to beneficiaries	13,322	7,871
Net cash used in operating activities	<u>(568,240)</u>	<u>(720,379)</u>

8. Reconciliation of net movement in funds to net funds in the Statement of Financial Activities
2023

Fund name	Balances brought forward £	Income £	Expenditure £	Transfers* £	Gains and losses £	Balances carried forward £
Permanent Endowment Fund	11,741,369	643,743	—	(643,743)	(171,914)	11,569,455
Unrestricted Fund	6,855,350	438,510	(624,845)	643,743	(54,549)	7,258,209
Total funds	<u>18,596,719</u>	<u>1,082,253</u>	<u>(624,845)</u>	<u>—</u>	<u>(226,463)</u>	<u>18,827,664</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

**It is the policy to transfer income earned on the capital account (permanent endowment fund) immediately to the income account (unrestricted fund) (Note 1(b) Funds structure).*

2022

Fund name	Balances brought forward £	Income £	Expenditure £	Transfers £	Gains and losses £	Balances carried forward £
Permanent Endowment Fund	12,544,691	388,894	—	(388,894)	(803,322)	11,741,369
Unrestricted Fund	7,168,202	1,675,681	(784,716)	388,894	(1,592,710)	6,855,351
Total funds	19,712,893	2,064,575	(784,716)	—	(2,396,032)	18,596,720

9 Financial Assets and Financial Liabilities

A. Financial assets and financial liabilities – classification and measurement

Under FRS 102, the financial assets and financial liabilities of the Trust are valued at either Fair Value through income and expenditure (FVTIE) or amortised cost.

2023

	Fair value through income and expenditure £	Amortised Cost £	Total carrying value £	Fair value where applicable £
Financial Assets				
Charibond	3,956,091	—	3,956,091	3,956,091
Charifund	11,617,529	—	11,617,529	11,617,529
Property fund	390,425	—	390,425	390,425
Loans to beneficiaries	—	496,175	496,175	496,175
Cash at bank and in hand	—	2,367,444	2,367,444	2,367,444
Total	15,964,045	2,863,619	18,827,664	18,827,664

2022

	Fair value through income and expenditure £	Amortised Cost £	Total carrying value £	Fair value where applicable £
Financial Assets				
Charibond	3,831,225	—	3,831,225	3,831,225
Charifund	11,897,081	—	11,897,081	11,897,081
Property fund	462,203	—	462,203	462,203
Loans to beneficiaries	—	509,497	509,497	509,497
Cash at bank and in hand	—	1,896,712	1,896,712	1,896,712
Total	16,190,509	2,406,209	18,596,718	18,596,718

NOTES TO THE FINANCIAL STATEMENTS (continued)

B. Financial assets and financial liabilities - determination of fair value

The fair values of the financial assets and liabilities as included in the table above have been determined on the following bases.

The fair values of the financial instruments are determined by the use of current market bid prices for quoted investments, or by using quotations from independent third-parties, such as brokers and pricing services or by using appropriate valuation techniques. Investments valued using valuation techniques include financial investments which by their nature do not have an externally quoted price based on regular trades and financial investments for which markets are no longer active as a result of market conditions e.g. market illiquidity. The property fund is valued using a Net Asset Value (NAV) provided by the investment manager which is assessed as to whether it is an appropriate basis for fair value and if not adjusted as necessary. When determining the inputs into the valuation techniques used, priority is given to publicly available prices from independent sources when available but overall, the source of pricing is chosen with the objective of arriving at a fair value measurement which reflects the price at which an orderly transaction would take place between market participants on the measurement date.

The fair value estimates are made at a specific point in time, based upon available market information and judgements about the financial instruments, including estimates of the timing and amount of expected future cash flows and the credit standing of counterparties. Such estimates do not reflect any premium or discount that could result from offering for sale at one time the Company's entire holdings of a particular financial instrument, nor do they consider the tax impact of the realisation of unrealised gains or losses from selling the financial instrument being fair valued. In some cases the fair value estimates cannot be substantiated by comparison to independent markets, nor can the disclosed value be realised in immediate settlement of the financial instrument.

10 Post Balance Sheet Events

During March 2024, a £1,000,000 new investment payment was made into the "M&G Sustainable Total Return Credit Investment Fund" (STRCI Fund). The STRCI fund aims to offer investors a sustainable multi-asset credit fund, combining M&G's expertise in credit investing with an assessment of ESG factors. The fund applies a positive ESG selection to focus on investments that meet environmental and social sustainability criteria. A further £1,000,000 payment was invested into this fund at the end of June 2024.

PRUDENTIAL STAFF CHARITABLE TRUST

England & Wales - Charity number 232467

Accounts

PRUDENTIAL STAFF CHARITABLE TRUST

Annual Report and Financial Statements for the year ended 31 December 2022

PRUDENTIAL STAFF CHARITABLE TRUST

Registered number: 232467

Registered and principal office

10 Fenchurch Avenue
London
EC3M 5AG

Annual report and financial statements for the year ended 31 December 2022

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PRUDENTIAL STAFF CHARITABLE TRUST

REFERENCE AND ADMINISTRATION INFORMATION

Trustee

The Prudential Assurance Company Limited is the holding trustee for the purposes of holding investments and cash belonging to the charity. The directors of the holding trustee at the date of this report are:

Mr R S Bowie (Chairman)
Mr C P Adamson
Ms C J Bousfield
Mr J W Foley (retired 14 September 2022)
Ms L Fowler
Mr S Horgan (appointed 15 August 2022)
Dr I Owen
Ms M Tannemaat
Mr D K Watson

Members of the Supervisory Board

The members of the Supervisory Board are the managing trustees of the charity. The members of the Supervisory Board are:

Mr S Moffatt (Chairman)
Mr D Green
Mr S Sharma
Mr M Thompson
Mrs C White (appointed 28 March 2022)
Mr S Lewis (resigned 31 December 2022)

Auditor

PricewaterhouseCoopers LLP
Atria One,
144 Morrison Street,
Edinburgh,
EH3 8EX

Bank

HSBC Bank Plc
Regional Service Centre, Europe
PO Box 61004
2nd Floor
London
SE1 9RX

Investment adviser

Prudential Portfolio Management Group Limited
10 Fenchurch Avenue
London
EC3M 5AG

Solicitor

Bates Wells
10 Queen Street Place
London
EC4R 1BE

ANNUAL REPORT OF THE TRUSTEES FOR 2022

Objective

The Prudential Staff Charitable Trust ('the Trust') is an unincorporated charity governed by a Trust Deed. The Supervisory Board has been appointed to administer and manage the Trust under the terms of the Trust Deed dated 15 June 2010, as amended. The objective of the Trust, as registered with the Charity Commission, is the relief in cases of need, hardship or distress of persons who are or were either pensioners or past or present full time or part time employees or their dependants of Prudential plc (prior to 21 October 2019 being the date of the demerger from M&G plc) or of M&G plc or of companies whose ultimate parent company is either Prudential plc (prior to 21 October 2019) or M&G plc.

The Supervisory Board resolved in July 2009 that in order for an individual to apply for assistance from the Trust, they must generally be resident in the UK and participate, or be eligible to participate, in the Prudential Staff Pension Scheme (PSPS). At the October 2009 meeting the Supervisory Board extended the eligibility for applications to members of the Scottish Amicable Staff Pension Scheme (SASPS) and the M&G Group Pension Scheme (M&GGPS).

In setting the Trust's objectives the Supervisory Board has given careful consideration to the Charity Commission's general guidance on public benefit.

The strategies employed to achieve the Trust's objectives are:

- to make grants or loans of money to or provide or pay for items, services or facilities for beneficiaries with and upon such terms and conditions as the Trustees may consider appropriate;
- to pay for such items, services or facilities as aforesaid by way of donations or subscriptions to institutions or organisations which provide, or which undertake in return to provide, such items, services or facilities for beneficiaries; and
- to do all such other lawful things as are necessary for the attainment of the objective of the Trust.

Investments

The Supervisory Board has the general power of investment defined in the Trustee Act 2000.

Investment performance

The Trust invests in the Equities Investment Fund for Charities (Charifund) and the Charibond Fixed Interest Common Investment Fund (Charibond), both of which are managed by M&G Securities Limited. Prudential Portfolio Management Group Limited is the investment adviser. Charifund primarily invests in a diversified portfolio of high yielding UK equities and is designed to provide a high and growing income for charities, while at the same time protecting their capital from the erosive effect of inflation. The aim of Charibond is to provide charities with an actively managed fixed interest fund investing in deposits, UK government bonds and other sterling denominated fixed interest securities, designed to produce a high income while preserving capital values.

Equity market performance in the 2022 calendar year was flat, providing a return of +0.3%. This comes off the back of very strong gains of +18.3% in the previous year. As central banks in the developed world raised interest rates to battle high inflation, fixed income and UK property fared less well. The FTSE UK Conventional All Stocks Index was down -23.8% as UK 10 year government bond yields rose from 0.97% to 3.67%. The IPD Monthly Property Index fell -16.9% during 2022 as the cost of borrowing rose and concerns around property valuations sapped investor demand. In terms of currencies, sterling strengthened against other currencies, while the US dollar weakened, having gained in value for most of the year. Elsewhere, oil prices eased amid concerns that a global recession might curb demand, although they rose in 2022 as a whole.

Over 2022, **Charifund** returned -0.2%, mildly behind the market's +0.3% return, but with Equities strongly ahead of other asset classes. Longer term, over five years and ten years, the fund is ahead of the market, FTSE All Share Index. Against the Investment Association peer group, UK Equity Income, Charifund is ahead over one, seven and ten years, inline over three years and behind over five years. (Source: FE Analytics., as at 31 December 2022, total return)

ANNUAL REPORT OF THE TRUSTEES FOR 2022 (continued)

Charifund distributed 83.00p in 2022, an increase of 12% on 2021, but its distribution yield fell behind UK RPI inflation, which had risen to 13.4% in December. The fund yield of 5.6% at the year end, represents a meaningful 56% premium to the average yield on the FTSE All-Share Index of 3.6%.

The environment for dividends has improved significantly with the fund equalling its previous record high. 2023 suggests a tougher and mixed economic backdrop but UK plc is in good shape and the manager is confident of delivering its distribution growth goals. The overseas segment of Charifund has got smaller, standing at approximately 7.7%, as the manager sees good opportunities locally for income enhancement.

The end of 2022 brought relative calm to an otherwise tumultuous year in UK stockmarkets. The fourth quarter began with the fallout from the government's disastrous September 'mini-budget', which prompted Bank of England intervention in the government bond market, the appointment of a new Prime Minister and Cabinet and a more fiscally restrained Autumn Statement. Combined with hopes that inflation may have peaked and interest rates may not need to go much higher, this subsequently helped the UK equity market to stage a recovery from lows, outpacing other major regional markets barring Europe. Over the calendar year, UK equities delivered a modest positive return, again ahead of many other regional markets, thanks mainly to the FTSE 100 Index of larger companies and its dominant mix of miners and energy companies, banks, which have benefited from rising interest rates, and defensive stocks such as pharmaceutical companies. Sterling weakness provided an additional support as it boosted the value of multinationals' overseas earnings.

Charibond returned -8.9% over 2022 versus a -12.4% return by its blended benchmark (50% ICE BoAML 1-15 Gilt Index; 50% ICE BoAML 1-15 Non-Gilt Index). This reflected the fund's defensive stance with the maintenance of a short duration and holding around 45% in high quality corporate bonds.

The fund distributed 2.20p in 2022, representing a 12% reduction on the 2.50p distribution in 2021. The fund's distribution yield at the year-end was 2.03%. While a reduction in income is never welcome, this will re-base future distributions at a level that will allow an appropriate balance to be maintained between capital risk and the provision of a sustainable income which will remain competitive when compared to UK cash deposits and the UK Gilts Index.

Global bond markets rose over the fourth quarter, although overall 2022 was still a very poor year for all corners of fixed income. Investors did welcome signs of high inflation coming down, especially for the US economy, and potentially fewer interest rate increases in the coming months. Most of the recovery during the quarter came in October and November - December proved altogether weaker.

The macro-economic background of rising inflation coupled with better than expected economic growth meant the Bank of England embarked on an interest rate tightening cycle throughout 2022. UK base rates began the year at 0.5% after the UK central bank had started raising interest rates in late 2021. Interest rates ended the calendar year at 3.5% with little prospect of the pace of increases slowing. UK CPI remained in double digit territory at 10.4% at the end of 2022 having peaked at 11.1% only two months earlier in October.

In fixed income markets, yields rose at their fastest pace in decades and led to one of the worst years of performance for bond funds. UK 10 year government bond yields rose from 0.97% to 3.67% leading to the FTSE Conventional Gilts All Stocks Index to return -23.8%. Short-dated gilts (-5.5%) outperformed the long end of the market (-40.2%) as the latter was more impacted by the rising government bond yield. Accordingly, investors in index-linked gilts fared better with a return of -4.4% as indicated by the ICE BofA 10 year UK Inflation Linked Gilt index. Corporate bonds as measured by the ICE BofA 10 year Sterling Corporate bond index returned -19.9% over the year as businesses remained resilient but yields still rose dramatically.

In September 2021 the Supervisory Board of the Trust were advised that the **M&G UK Property Fund (UKPF)** Management Company had decided to conduct an orderly closure of the Fund in the interests of unitholders, subject to receipt of certain regulatory approvals. Given the impact of increased redemption orders, the Management Company was of the opinion that it is no longer possible for the Fund to meet its long term investment objectives and maintain a balanced, diversified portfolio of assets. As a result during 2022 the Trust received distributions from the Property Fund when assets are sold as noted in the Financial Statements.

ANNUAL REPORT OF THE TRUSTEES FOR 2022 (continued)

Supervisory Board

The present members of the Supervisory Board are shown on page 3. Board members, from time to time, shall be appointed by any member of the Group Executive Committee of M&G plc who shall also appoint the Chairman of the Supervisory Board. The Supervisory Board meets on a quarterly basis. Appropriate training sessions are made available to all Supervisory Board members.

Reserves policy

Income which becomes available to a charity to be spent at the Trustees' discretion in furthering any of the charity's objectives, but is not yet spent, committed or designated is described as free reserves. It is the policy to transfer income earned on the capital account immediately to the unrestricted fund (Note 1(b) Funds structure).

The Supervisory Board on behalf of the holding Trustee is committed to maintaining the capital of the Trust as described in Note 1(b) Funds structure.

The actual free reserves (unrestricted fund) in excess of the capital as at 31 December 2022 were £6,855,350 (2021: £7,168,202) and the value of the permanent endowment funds were £11,741,369 (2021: £12,544,691). It is the policy of the Supervisory Board that the reserves maintained in excess of the capital at the balance sheet date should be sufficient to meet the Trust's objectives. The Supervisory Board aims to maintain free reserves in the unrestricted fund at a stable level to ensure that there are sufficient funds available to respond to future applications from beneficiaries. The Supervisory Board is satisfied that the current level of free reserves are sufficient. The Supervisory Board acts in accordance with the Trust Deed by not setting a target level of reserves. The Supervisory Board monitors the level of free reserves on a quarterly basis. It is the view of the Supervisory Board that the Trust has sufficient reserves available to meet future needs, opportunities, contingencies and risks of the Trust without having to realise any investments from the capital account.

Risk management

The Supervisory Board periodically reviews the major risks to which the Trust is exposed. The Supervisory Board ensures that the Trust's investment policy and performance is appropriate and that the funds are distributed in line with agreed policies. The Board ensures that there are sufficient funds to meet the current and future requests from beneficiaries using independent experts where appropriate. One of the key risks identified is that the investment performance is poor leading to a reduction in the funds available to meet the Trust's objectives. The Trust has implemented various controls to mitigate this, such as:

- Regular review of the investments and investment strategy.
- Use of skilled personnel across the business to monitor the investment performance.
- Maintaining a balanced portfolio.

There is also a risk that the Trust receives a significant increase in applications leading to a significant reduction in the funds available. This risk is mitigated by the eligibility criteria that are reviewed periodically by the Supervisory Board.

General grants

Grants made in 2022 and 2021 were as follows:

	2022	2021
	£	£
Single grants	5,169	5,793
Grants to supplement income of pensioners	15,061	13,624
	<u>20,230</u>	<u>19,417</u>

ANNUAL REPORT OF THE TRUSTEES FOR 2022 (continued)**Christmas grants**

The Trust makes Christmas grants, currently a payment of £250 (2021: £250), to pensioners who have completed 5 years' service and whose total household income excluding State Benefits is less than £7,102 per annum (2021: £6,889 per annum). The income limit has in the past been increased each year by the same rate as PSPS discretionary increases granted to pensions in payment. In 2011 the Board resolved that this gift can be offered to pensioners in SASPS who retired/ left the Scheme after 30 June 2002 and to M&GGPS pensioners who retired/ left the Scheme after 16 October 2005. In 2012 the Board agreed that children of PSPS Defined Contribution Section members who die in service could receive the discretionary Christmas Gift while they are under 18 or 23 if in full time education.

Payments made in 2022 and 2021 were as follows:

	2022	2021
	£	£
Value of Christmas gifts	529,250	552,500
Number of grants made	2,117	2,210

Bereavement grants

With effect from 6 November 2015 the bereavement grant has been set at a maximum of £5,000. The grant is offered to each widow/widower following the death of the PSPS member where the spouse's pension is less than £7,102 per annum (2021: £6,889 per annum). The grant is conditional upon the widow/widower's confirmation that total household income excluding State Benefits is less than £7,102 per annum. The offer is extended to common law partners where no spouse's pension is payable.

In 2011 the Board resolved that this gift can be offered to SASPS and M&GGPS members, but with the same service requirements as for the Christmas Gift.

Payments made in 2022 and 2021 were as follows:

	2022	2021
	£	£
Value of Bereavement grants	195,000	140,000
Number of grants made	39	28

Loans to beneficiaries

At the end of 2022 there were 13 (2021:14) loans outstanding, totalling £509,497 (2021: £517,368) including interest capitalised during the year of £462 (2021: £462). Loans advanced to beneficiaries during the year amounted to £Nil (2021: £Nil) and repayments received amounted to £8,333 (2021: £23,105). There were no loans written off in 2022 (2021: Nil). The loans are secured, generally against fixed property, and are repayable at any time at par. Interest is charged at beneficial rates which ranged from 0% to 2.5% during 2022 (2021: 0% to 2.5%).

Governance costs

The only expenses normally borne by the Trust are audit fees of £40,076 (2021: £37,251), legal fees and bank charges of £160 (2021: £630) incurred in the ordinary course of business.

Fundraising

The Trust has not undertaken any fundraising activity during 2022 or 2021. Included under income in the Statement of Financial Activities, is £40,076 of donations. This relates to audit fees for the Charity which have been paid by another group company.

Plans for future periods

The Trust intends to continue to provide on-going support both to its current and prospective beneficiaries.

ANNUAL REPORT OF THE TRUSTEES FOR 2022 (continued)

Going concern

The Trustees have prepared the financial statements on the going concern basis as they do not intend to liquidate the Trust or to cease its operations and they have concluded that the Trust's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could cast significant doubt over its ability to continue as a going concern for at least 12 months from the date of approval of the financial statements ("the going concern period"). The key areas considered in the assessment of going concern are the net assets of the Trust and liquidity. Due to the uncertainty regarding future market performance and future operating costs, prudence has been applied to the Trust's cash flow forecasts to ensure that the Trust can withstand a sharp economic downturn for a sustained period. In addition to this, all grants are fully at the discretion of the Trust and if the Trust were to become illiquid in the future, there is no liability that the Trust is obligated to other than the administrative expenses which are fully borne by the holding trustee. As such, the Trustees have a reasonable expectation that the Trust has adequate resources to continue its operations for a period of at least 12 months from the date that the financial statements are approved.

Auditor

KPMG LLP resigned as the Group's statutory auditors at the conclusion of the 2021 audit and both the M&G plc Board and Company resolved to appoint PricewaterhouseCoopers LLP (PwC) to fill the vacancy. A resolution to appoint PwC as auditor was approved by the M&G plc shareholders at the Annual General Meeting which took place on 25 May 2022.

The accounts on pages 10-20 were approved by the Supervisory Board on 25th October 2023 and were signed on its behalf by,



S Moffatt

Chairman of the Supervisory Board

Date: 25th October 2023

PRUDENTIAL STAFF CHARITABLE TRUST

STATEMENT OF THE TRUSTEES' RESPONSIBILITIES IN RESPECT OF THE TRUSTEES' ANNUAL REPORT AND THE FINANCIAL STATEMENTS

The holding trustee is The Prudential Assurance Company Limited. The Supervisory Board has been appointed to administer and manage the Trust for the holding trustee under the terms of the Trust Deed dated 15 June 2010, as amended, and within the framework of Trust Law.

Under the Trust Deed and rules of the charity and charity law, the Trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations. The Trustees have elected to prepare the financial statements in accordance with UK Accounting Standards, including FRS 102 *the Financial Reporting Standard applicable in the UK and Republic of Ireland*.

The financial statements are required by law to give a true and fair view of the state of affairs of the charity and of the excess of expenditure over income for that period.

In preparing these financial statements, generally accepted accounting practice entails that the trustees:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards and the Statement of Recommended Practice have been followed, subject to any material departures disclosed and explained in the financial statements;
- state whether the financial statements comply with the trust deed and rules, subject to any material departures disclosed and explained in the financial statements;
- assess the Charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Charity or to cease operations, or have no realistic alternative but to do so.

The Trustees are required to act in accordance with the Trust Deed [and the rules] of the Charity, within the framework of trust law. They are responsible for keeping adequate accounting records that are sufficient to show and explain the Trustees' transactions and disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the section 132(1) of the Charities Act 2011, those statements of accounts comply with the requirements of regulations under that provision. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charity and to prevent and detect fraud and other irregularities.

Signed on behalf of the Supervisory Board



S Moffatt

Chairman of the Supervisory Board

Date: 25th October 2023

Report on the audit of the financial statements

Opinion

In our opinion, Prudential Staff Charitable Trust's financial statements (the "financial statements"):

- give a true and fair view of the state of the charity's affairs as at 31 December 2022 and of its incoming resources and application of resources, and cash flows, 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 Charities Act 2011 and Regulation 8 of The Charities (Accounts and Reports) Regulations 2008.

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 2022; the Statement of Financial Activities for the year then ended, the Statement of Cash Flows 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 charity 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 charity's ability to continue as a going concern for a period of at least twelve months from the date on which the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the trustees' 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 charity's ability to continue as a going concern.

Our responsibilities and the responsibilities of the trustees 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 trustees 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 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.

PRUDENTIAL STAFF CHARITABLE TRUST

Based on our work undertaken in the course of the audit, the Charities Act 2011 requires us also to report certain opinions and matters as described below.

Trustees' Report

Under the Charities Act 2011 we are required to report to you if, in our opinion the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Responsibilities of the Trustees for the financial statements

As explained more fully in the Statement of the trustees' responsibilities in respect of the trustees' annual report and the financial statements, the trustees 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 trustees 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 trustees are responsible for assessing the charity'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 trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

We are eligible to act and have been appointed as auditors under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 charity/industry, we identified that the principal risks of non-compliance with laws and regulations related to the Charities Act 2011 and relevant regulations made or having an effect thereunder, including The Charities (Accounts and Reports) Regulations 2008, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated the incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) by the trustees and those responsible for, or involved in, the preparation of the financial statements, and determined that the principal risks were related to posting inappropriate journal entries. Audit procedures performed 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;
- Testing journal entries where we identified particular fraud risk criteria; 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.

PRUDENTIAL STAFF CHARITABLE TRUST

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 charity's trustees as a body in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act (Part 4 of The Charities (Accounts and Reports) Regulations 2008) 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

Charities Act 2011 exception reporting

Under the Charities Act 2011 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- sufficient accounting records have not been kept by the charity; or
- the financial statements are not in agreement with the accounting records.

We have no exceptions to report arising from this responsibility.



PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Edinburgh

25th October 2023

PRUDENTIAL STAFF CHARITABLE TRUST

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2022

	Unrestricted	Permanent	Total	Unrestricted	Permanent	Total	Note
	Fund	Endowment	Funds	Fund	Endowment	Funds	
	2022	2022	2022	2021	2021	2021	
	£	£	£	£	£	£	
Income from:							
Donations	40,076	—	40,076	37,251	—	37,251	
Investments	2,024,498	—	2,024,498	833,087	—	833,087	3
Total	<u>2,064,574</u>	<u>—</u>	<u>2,064,574</u>	<u>870,338</u>	<u>—</u>	<u>870,338</u>	
Expenditure on:							
Charitable activities	784,716	—	784,716	749,797	—	749,797	5
Total	<u>784,716</u>	<u>—</u>	<u>784,716</u>	<u>749,797</u>	<u>—</u>	<u>749,797</u>	
(Losses) / gains on investments	<u>(1,592,710)</u>	<u>(803,322)</u>	<u>(2,396,032)</u>	<u>357,101</u>	<u>1,161,763</u>	<u>1,518,864</u>	4
Net Expense / (Income)	<u>(312,852)</u>	<u>(803,322)</u>	<u>(1,116,174)</u>	<u>477,642</u>	<u>1,161,763</u>	<u>1,639,405</u>	
Net movement in funds	<u>(312,852)</u>	<u>(803,322)</u>	<u>(1,116,174)</u>	<u>477,642</u>	<u>1,161,763</u>	<u>1,639,405</u>	
Reconciliation of funds:							
Total funds brought forward	<u>7,168,202</u>	<u>12,544,691</u>	<u>19,712,893</u>	<u>6,690,560</u>	<u>11,382,928</u>	<u>18,073,488</u>	
Total funds carried forward	<u><u>6,855,350</u></u>	<u><u>11,741,369</u></u>	<u><u>18,596,719</u></u>	<u><u>7,168,202</u></u>	<u><u>12,544,691</u></u>	<u><u>19,712,893</u></u>	

The Statement of Financial Activities relates to continuing operations.

The Trust has no recognised gains or losses other than the net movement in funds for the year.

The accounting policies on page 16 along with the accompanying notes on pages 16 to 20 form an integral part of these financial statements.

PRUDENTIAL STAFF CHARITABLE TRUST

BALANCE SHEET AS AT 31 DECEMBER 2022

	Unrestricted Fund 2022 £	Permanent Endowment Fund 2022 £	Total Funds 2022 £	Unrestricted Fund 2021 £	Permanent Endowment Fund 2021 £	Total Funds 2021 £	Note
Fixed assets:							
Investments	4,449,140	11,741,369	16,190,509	6,041,850	12,544,691	18,586,541	4
Current assets:							
Sundry debtors	—	—	—	15,925	—	15,925	6
Loans to beneficiaries	509,497	—	509,497	517,368	—	517,368	7
Cash at bank	1,896,712	—	1,896,712	593,059	—	593,059	
Total current assets	<u>2,406,209</u>	<u>—</u>	<u>2,406,209</u>	<u>1,126,352</u>	<u>—</u>	<u>1,126,352</u>	
Liabilities:							
Creditors amounts falling due within one year	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	
Net current assets	<u>2,406,209</u>	<u>—</u>	<u>2,406,209</u>	<u>1,126,352</u>	<u>—</u>	<u>1,126,352</u>	
Total net assets	<u>6,855,349</u>	<u>11,741,369</u>	<u>18,596,718</u>	<u>7,168,202</u>	<u>12,544,691</u>	<u>19,712,893</u>	
The funds of the Charitable Trust	<u>6,855,349</u>	<u>11,741,369</u>	<u>18,596,718</u>	<u>7,168,202</u>	<u>12,544,691</u>	<u>19,712,893</u>	

The accounting policies on page 16 along with the accompanying notes on pages 16 to 20 form an integral part of these financial statements.

These financial statements were approved by the Supervisory Board on 25th October 2023.

Signed on behalf of the Supervisory Board



S Moffatt

Chairman of the Supervisory Board

Dated: 25th October 2023

PRUDENTIAL STAFF CHARITABLE TRUST

STATEMENT OF CASH FLOWS AS AT 31 DECEMBER 2022

	2022	2021	
	£	£	Note
Net cash used in operating activities	(720,380)	(689,441)	8
Cash flows from investing activities:			
Dividends	749,777	745,157	
Distributions from property fund	1,262,616	87,000	
Interest	11,640	468	
Net cash provided by investing activities	<u>2,024,033</u>	<u>832,625</u>	
Change in cash and cash equivalents in the year	<u>1,303,653</u>	<u>143,184</u>	
Cash and equivalents brought forward	593,059	449,875	
Cash and equivalents carried forward	<u><u>1,896,712</u></u>	<u><u>593,059</u></u>	

The accounting policies on page 16 along with the accompanying notes on pages 16 to 20 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1 Accounting policies

a. Basis of preparation

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) issued in October 2019 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2019.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) issued in October 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The Trust is confident that it will be able to continue to meet planned expenditure based on the current level of free reserves for the foreseeable future and thus has continued to adopt the going concern basis of accounting in preparing the financial statements. The key areas considered in the assessment of going concern are the net assets of the Trust and liquidity. Due to the uncertainty regarding future market performance and future operating costs, prudence has been applied to the Trust's cash flow forecasts to ensure that the Trust can withstand a sharp economic downturn for a sustained period. In addition to this, all grants are fully at the discretion of the Trust and if the Trust were to become illiquid in the future, there is no liability that the Trust is obligated to other than the administrative expenses which are fully borne by the holding trustee. As such, the Trustees have a reasonable expectation that the Trust has adequate resources to continue its operations for a period of at least 12 months from the date that the financial statements are approved.

b. Funds structure

The Trust has a single permanent endowment fund - the capital account. The capital account contains the original investments and any investments bought out of the sale of the original investments. Any realised / unrealised gains / (losses) on the investments in the capital account are kept within the capital account. The Trust has an unrestricted fund – the income account. The income from the capital account is available to use for the charitable purposes of the Trust and is wholly unrestricted and is transferred to the unrestricted fund. The unrestricted fund comprises those funds which the Supervisory Board is free to use for any purpose in furtherance of the Trust's objectives.

c. Income recognition

Investment income is included on an accruals basis. Dividends on ordinary shares are included by reference to ex-dividend dates. UK dividends are grossed up by the recoverable tax credits.

d. Expenditure recognition

Grants are accounted for when committed. The Trust has no employees and any administration support costs are borne by the holding Trustee. It is not possible to quantify the amount of this donation.

e. Investments

Investments are stated at fair value. Realised gains and losses are calculated as the difference between net proceeds on disposal and original costs. Movements in unrealised gains comprise the change in the value of investments held at the balance sheet date and the reversal of unrealised investment gains and losses recognised in earlier accounting periods in respect of investment disposals.

f. Financial instruments - recognition and measurement

The Trust classifies and measures all its financial assets and liabilities at either amortised cost or fair value through profit or loss ('FVTPL') in accordance with FRS 102.11 & 102.12. Net gains and losses, including any interest or dividend income, are recognised in profit or loss. This includes assets that are held-for-trading or are part of a portfolio that is managed on a fair value basis.

NOTES TO THE FINANCIAL STATEMENTS (continued)

g. Loans to beneficiaries

Loans issued by the Trust to its beneficiaries are accounted for as concessionary loans in accordance with the charity SORP 11.21. Concessionary loans are those loans made or received by a charity to further its purposes and any interest charged is below the prevailing market rates.

2 Related party transactions and trustees' expenses and remuneration

The holding trustee received no remuneration or expenses for the year (2021: £Nil) and bore all of the Trust's administrative expenses, including the costs of the Supervisory Board. The only expenses normally borne by the Trust are audit fees of £40,076 (2021: £37,251), legal fees and bank charges of £160 (2021: £630) incurred in the ordinary course of business. Expenditure is accounted for on an accruals basis. The Trust has no employees (2021: Nil) and no payments were made to Trustees. The audit fees are paid for by another group company and are shown as a donation in the Statement of Financial Activities.

Prudential Portfolio Management Group Limited provide investment management services, no fees are charged for advice (2021: Nil). An investment management fee is implicitly charged via the unit price.

3. Investment income	2022 £	2021 £
Unit trusts - dividends	749,779	745,157
Distributions from property fund	1,262,616	87,000
Loan interest:		
Interest receivable in the year	313	468
Interest capitalised	462	462
Bank interest	11,327	—
	<u>2,024,498</u>	<u>833,087</u>

Of total income, £388,894 (2021: £534,160) was earned on the capital account and immediately applied to the income account. The income account represents the accumulation of income from previous years which was not spent on benefits (Note 1(b) Funds structure).

4. Investments	2022 £	2021 £
Opening carrying value	18,586,541	17,067,677
Movements during the year:		
Unrealised (losses) / gains	(2,396,032)	1,518,864
Closing carrying value	<u>16,190,509</u>	<u>18,586,541</u>

Analysis of market value at end of the year

Permanent endowment fund *

Charibond	1,853,821	2,073,931
Charifund	9,887,548	10,470,760
	<u>11,741,369</u>	<u>12,544,691</u>

Unrestricted fund *

Charibond	1,977,404	2,212,187
Charifund	2,009,533	2,128,066
Property Fund	462,203	1,701,597
	<u>4,449,140</u>	<u>6,041,850</u>
	<u>16,190,509</u>	<u>18,586,541</u>

* The Trust Deed of the current scheme requires that memorandum Financial Statements are kept in the form of a capital account and an income account (Note 1(b) Funds structure).

NOTES TO THE FINANCIAL STATEMENTS (continued)

The investments of the Trust are held in the above noted funds. These funds in turn invest in underlying assets. The Charifund Inc. fund primarily invests in a diversified portfolio of UK equities. The Charibond Inc. fund primarily invests in deposits, UK government bonds and other sterling denominated fixed interest securities. The Property Fund invests in property.

The Trust's reserves are £6,855,349 (2021: £7,168,202) which is the balance of the unrestricted fund as shown on page 7. It is the view of the Supervisory Board that the Trust has sufficient reserves available to meet the future needs, opportunities, contingencies and risks of the Trust.

5. Analysis of charitable expenditure	2022 £	2021 £
General grants	20,230	19,417
Christmas grants	529,250	552,500
Bereavement grants	195,000	140,000
Governance costs	40,236	37,880
	<u>784,716</u>	<u>749,797</u>

All grants are provided to individuals, as such, there is no requirement to disclose recipients of the grants.

6. Debtors: amounts falling due within one year	2022 £	2021 £
Dividends due	—	15,925

7. Loans to beneficiaries	2022 No. of loans	2021 No. of loans	2022 £	2021 £
Loans at beginning of year	14	15	517,368	540,011
Repayments	(1)	(1)	(8,333)	(23,105)
New loans	—	—	—	—
Interest capitalised			462	462
Loans at end of year	<u>13</u>	<u>14</u>	<u>509,497</u>	<u>517,368</u>

Analysis of Loans to beneficiaries	2022 £	2021 £
Loans: amounts falling due within one year	6,000	6,000
Loans: amounts falling due after one year	503,497	511,368
Loans at end of year	<u>509,497</u>	<u>517,368</u>

8 Reconciliation of net movement in funds to net cash flow from operating activities	2022 £	2021 £
Net movement in funds	(1,116,175)	1,639,405
Deduct dividend income shown in investing activities	(2,012,393)	(832,157)
Deduct interest income shown in investing activities	(11,640)	(468)
Deduct gains / add back (losses) on investments	2,396,032	(1,518,864)
Sundry Debtors	15,925	—
Loans to beneficiaries	7,871	22,643
Net cash used in operating activities	<u>(720,380)</u>	<u>(689,441)</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

9 Reconciliation of net movement in funds to net funds in the Statement of Financial Activities

2022

Fund name	Balances brought forward £	Income £	Expenditure £	Transfers £	Gains and losses £	Balances carried forward £
Permanent Endowment Fund	12,544,691	388,894	—	(388,894)	(803,322)	11,741,369
Unrestricted Fund	7,168,202	1,675,681	(784,716)	388,894	(1,592,710)	6,855,351
Total funds	19,712,893	2,064,575	(784,716)	—	(2,396,032)	18,596,720

2021

Fund name	Balances brought forward £	Income £	Expenditure £	Transfers £	Gains and losses £	Balances carried forward £
Permanent Endowment Fund	11,382,928	534,160	—	(534,160)	1,161,763	12,544,691
Unrestricted Fund	6,690,560	336,178	(749,797)	534,160	357,101	7,168,202
Total funds	18,073,488	870,338	(749,797)	—	1,518,864	19,712,893

10 Financial Assets and Financial Liabilities

A. Financial assets and financial liabilities – classification and measurement

Under FRS 102, the financial assets and financial liabilities of the Trust are valued at either FVTPL or amortised cost.

2022

	Fair value through profit or loss £	Amortised Cost £	Total carrying value £	Fair value where applicable £
Financial Assets				
Charibond Inc	3,831,225	—	3,831,225	3,831,225
Charifund Inc	11,897,081	—	11,897,081	11,897,081
Property fund	462,203	—	462,203	462,203
Other debtors	—	—	—	—
Loans to beneficiaries	—	509,497	509,497	509,497
Cash at bank and in hand	—	1,896,712	1,896,712	1,896,712
Total	16,190,509	2,406,209	18,596,718	18,596,718

2021

	Fair value through profit or loss £	Amortised Cost £	Total carrying value £	Fair value where applicable £
Financial Assets				
Charibond Inc	4,286,119	—	4,286,119	4,286,119
Charifund Inc	12,598,825	—	12,598,825	12,598,825
Property fund	1,701,597	—	1,701,597	1,701,597
Other debtors	—	15,925	15,925	15,925
Loans to beneficiaries	—	517,368	517,368	517,368
Cash at bank and in hand	—	593,059	593,059	593,059
Total	18,586,541	1,126,352	19,712,893	19,712,893

NOTES TO THE FINANCIAL STATEMENTS (continued)

B. Financial assets and financial liabilities - determination of fair value

The fair values of the financial assets and liabilities as included in the table above have been determined on the following bases.

The fair values of the financial instruments are determined by the use of current market bid prices for quoted investments, or by using quotations from independent third-parties, such as brokers and pricing services or by using appropriate valuation techniques. Investments valued using valuation techniques include financial investments which by their nature do not have an externally quoted price based on regular trades and financial investments for which markets are no longer active as a result of market conditions e.g. market illiquidity. The property fund is valued using a Net Asset Value (NAV) provided by the investment manager which is assessed as to whether it is an appropriate basis for fair value and if not adjusted as necessary. When determining the inputs into the valuation techniques used priority is given to publicly available prices from independent sources, when available but overall, the source of pricing is chosen with the objective of arriving at a fair value measurement which reflects the price at which an orderly transaction would take place between market participants on the measurement date.

The fair value estimates are made at a specific point in time, based upon available market information and judgements about the financial instruments, including estimates of the timing and amount of expected future cash flows and the credit standing of counterparties. Such estimates do not reflect any premium or discount that could result from offering for sale at one time the Company's entire holdings of a particular financial instrument, nor do they consider the tax impact of the realisation of unrealised gains or losses from selling the financial instrument being fair valued. In some cases the fair value estimates cannot be substantiated by comparison to independent markets, nor can the disclosed value be realised in immediate settlement of the financial instrument.

PRUDENTIAL STAFF CHARITABLE TRUST

England & Wales - Charity number 232467

Accounts

PRUDENTIAL STAFF CHARITABLE TRUST

Annual Report and Financial Statements for the year ended 31 December 2021

PRUDENTIAL STAFF CHARITABLE TRUST

Registered number: 232467

Registered and principal office

10 Fenchurch Avenue
London
EC3M 5AG

Annual report and financial statements for the year ended 31 December 2021

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PRUDENTIAL STAFF CHARITABLE TRUST

REFERENCE AND ADMINISTRATION INFORMATION

Trustee

The Prudential Assurance Company Limited is the holding trustee for the purposes of holding investments and cash belonging to the charity. The directors of the holding trustee at the date of this report are:

Mr R S Bowie (Chairman)
Mr C P Adamson
Ms C J Bousfield
Mr J W Foley
Ms L Fowler
Dr I Owen
Ms M Tannemaat
Mr D K Watson

Members of the Supervisory Board

The members of the Supervisory Board are the managing trustees of the charity. The members of the Supervisory Board are:

Mr S Moffatt (Chairman)
Mr D Green
Mr S Lewis
Mr S Sharma
Mr M Thompson
Mrs C White (Appointed 28 March 2022)

Secretary

M&G Management Services Limited

Auditor

KPMG LLP
15 Canada Square
London
E14 5GL

Bank

HSBC Bank Plc
Regional Service Centre, Europe
PO Box 61004
2nd Floor
London
SE1 9RX

Investment adviser

Prudential Portfolio Management Group Limited
10 Fenchurch Avenue
London
EC3M 5AG

Solicitor

Bates Wells
10 Queen Street Place
London
EC4R 1BE

PRUDENTIAL STAFF CHARITABLE TRUST

ANNUAL REPORT OF THE TRUSTEES FOR 2021

Objective

The Prudential Staff Charitable Trust ('the Trust') is an unincorporated charity governed by a Trust Deed. The Supervisory Board has been appointed to administer and manage the Trust under the terms of the Trust Deed dated 15 June 2010, as amended. The objective of the Trust, as registered with the Charity Commission, is the relief in cases of need, hardship or distress of persons who are or were either pensioners or past or present full time or part time employees or their dependants of Prudential plc (prior to 21 October 2019 being the date of the demerger from M&G plc) or of M&G plc or of companies whose ultimate parent company is either Prudential plc (prior to 21 October 2019) or M&G plc.

The Supervisory Board resolved in July 2009 that in order for an individual to apply for assistance from the Trust, they must generally be resident in the UK and participate, or be eligible to participate, in the Prudential Staff Pension Scheme (PSPS). At the October 2009 meeting the Supervisory Board extended the eligibility for applications to members of the Scottish Amicable Staff Pension Scheme (SASPS) and the M&G Group Pension Scheme (M&GGPS).

In setting the Trust's objectives the Supervisory Board has given careful consideration to the Charity Commission's general guidance on public benefit.

The strategies employed to achieve the Trust's objectives are:

- to make grants or loans of money to or provide or pay for items, services or facilities for beneficiaries with and upon such terms and conditions as the Trustees may consider appropriate;
- to pay for such items, services or facilities as aforesaid by way of donations or subscriptions to institutions or organisations which provide, or which undertake in return to provide, such items, services or facilities for beneficiaries; and
- to do all such other lawful things as are necessary for the attainment of the objective of the Trust.

Investments

The Supervisory Board has the general power of investment defined in the Trustee Act 2000.

Investment performance

The Trust invests in the Equities Investment Fund for Charities (Charifund) and the Charibond Fixed Interest Common Investment Fund (Charibond), both of which are managed by M&G Securities Limited and the M&G UK Property Fund, which is managed by M&G Real Estate Funds Management SARL. Prudential Portfolio Management Group Limited is the investment adviser. Charifund primarily invests in a diversified portfolio of high yielding UK equities and is designed to provide a high and growing income for charities, while at the same time protecting their capital from the erosive effect of inflation. The aim of Charibond is to provide charities with an actively managed fixed interest fund investing in deposits, UK government bonds and other sterling denominated fixed interest securities, designed to produce a high income while preserving capital values.

2021 more than recouped 2020's setback from equities and real estate with an 18.3% return by the FTSE All-Share Index and a 19.1% return from the MSCIAREF Quarterly Property Fund Index - all balanced funds component. These offset a rise in bond yields, resulting in a negative return from the FTSE UK Conventional Gilts All Stocks Index of -5.2%, but again remains in positive territory over the past two years.

For calendar year 2021, Charifund returned 19.1%, ahead of the market's 18.3% return and more than recouping the previous year's setback (-9.8%). Longer term, the fund is ahead of the FTSE All-Share Index over 10 years, and in line over three, five and seven years. Against the IA peer group, Charifund is second quartile over one, three, five, seven and 10 years. (Source: Morningstar Inc., as at 31 December 2021, income reinvested, price-to-price.)

There was a positive contribution from stock selection within large and small-caps, with the former position aided by an underweight exposure to consumer staples companies which came under pressure from rising bond yields. Further value was added via sector allocation from overweighting REITs, utilities and media companies, and underweighting travel & leisure, consumer staples plus finance & credit services firms.

ANNUAL REPORT OF THE TRUSTEES FOR 2021 (continued)

However, some performance was surrendered through the fund's mid-cap and non-FTSE holdings, especially the overseas holdings and preference shares – the latter tend to lag in a rising market.

Charifund distributed 74.00p in 2021, which represented a 10.4% increase on 2020, and exceeded RPI inflation, which in December was 2.6%. The fund yielded 4.8% at the year end, representing a meaningful 55% premium to the average yield on the FTSE All-Share Index of 3.1%.

The environment for dividends has picked up as many companies benefit from increased economic activity globally. At this stage further, or renewed, dividend suspensions appear unlikely, but clearly some residual risk remains as the pandemic is ongoing and the economic boom is leading to some disruption in global supply chains. Against this background, we are focused on rebuilding the fund's income growth record through the combination of underlying dividend growth from companies held, the management of holdings and, if appropriate, the utilisation of the income reserve. 2021's distribution increase was well above the average and reflected a strong recovery from a low base last year. Going forward the ambition continues to be to deliver distribution growth each year, ahead of inflation wherever possible.

The domestic stockmarket's double-digit return in 2021 was a remarkable performance given the roller-coaster ride UK equities experienced. On the one hand, the market was encouraged at times by supportive financial measures, at home and abroad, the success of the vaccine programme and a recovery in corporate earnings plus dividends. Conversely, the market was unsettled by the emergence of a number of variants of COVID-19, as well as a spike in CPI inflation to 5.1% (RPI: 7.1%), a 10-year high, in the UK heralding the first increase in UK interest rates in three years to 0.25% from 0.1% in December in what is likely to be the first hike of a sequence. However, as the year progressed, the economy's recovery from lockdown began to run out of steam, under pressure from inflation, labour shortages and disruptions to the global supply chain.

Adding to the negative sentiment, constraints on gas supply emerged across Europe in September, hitting the UK particularly hard and sending energy prices soaring globally. Oil prices also climbed and saw Brent crude gain 53% and breach US\$85 per barrel for the first time in three years. Furthermore, curbs on steel production in China resulted in a nigh-on 50% collapse in the iron ore price to below US\$100 per tonne amidst concerns about the impact on the global economy.

A strong pound has the potential to have a negative impact on UK dividends as most of the big payers in the domestic market declare their earnings in US dollars. Sterling stood at around US\$1.37 at the start of the year, had risen to US\$1.42 by June supported by the recovery in the domestic economy, before subsequently weakening to finish the period at US\$1.35.

The FTSE 100 returned 18.4% as larger companies finished marginally ahead of the FTSE All-Share Index over the year, although notably 35% of the index performance was concentrated in five of the mega-cap stocks including Shell, BP, Diageo, AstraZeneca and Glencore. But it was smaller companies that produced the standout outperformance, with a FTSE Smaller Companies ex IT Index return of 31.3%, as they staged a recovery from oversold levels in 2020. The FTSE 250 Index of medium-sized companies lagged the broader market with a still respectable 16.9% return.

Charibond returned -1.5% over 2021 versus a -2.7% return by its blended benchmark (50% ICE BoAML 1-15 Gilt Index; 50% ICE BoAML 1-15 Non-Gilt Index). This reflected the fund's defensive stance with the maintenance of a short duration and holding around 30% in high quality corporate bonds.

The fund distributed 2.50p in 2021, representing a 17% reduction on the 3.00p distribution in 2020. The fund's distribution yield at the year end was 2.1%. While we recognise that a reduction in income is never welcome, this will re-base future distributions at a level that will allow an appropriate balance to be maintained between capital risk and the provision of a sustainable income which will remain competitive when compared to UK cash deposits and the UK Gilts Index.

In the fixed income market, the macro background combined with the improvement in risk appetite and the prospect of a rise in interest rates as inflation took hold, meant UK sterling bond yields were generally on a rising path in 2021. Nevertheless, yields remained at historically low levels as the benchmark 10-year gilt yield climbed from 0.24% at the start of January to 0.97% by the end of December. The FTSE Conventional Gilts All Stocks Index returned -5.2%, the first negative annual return since 2013. Short-dated gilts (-1.6%) outperformed the long end of the market (-7.3%) as the latter was affected by the pick-up in inflation. Accordingly, investors in index-linked gilts fared better with a 4.2% return from the FTSE Index-Linked All-

ANNUAL REPORT OF THE TRUSTEES FOR 2021 (continued)

Stocks Index. Corporate bonds as measured by the Merrill Lynch £ Non-Gilts Index returned -3.0% over the year, assisted by the Bank of England's quantitative easing programme.

The M&G UK Property Fund (UKPF) generated a total net return of 22.0% in 2021, with an income yield of 3.7%. At an asset level, the portfolio delivered a return of 25.1% for the 12 months to the end of December, considerably ahead of the return measured by the MSCIAREF Quarterly Property Fund Index - all balanced funds component of 21.1%. Notably, the fund delivered an extremely strong return of 10.4% in the final quarter of the year. Capital contributed 9.6% as industrial valuations surged, with 0.8% attributable to income.

Within the commercial property market, industrials continued to be the stand-out performer in 2021, with total take-up expected to exceed the 2020 record. Early signs of stabilisation in the retail sector also emerged, led by a recovery in retail warehouses, where capital growth turned positive and rental declines stabilised. High streets and shopping centres are yet to follow suit, but there has already been a notable moderation in rental declines. Demand for office space steadily gained traction during the year, underpinned by the reopening of the economy and improving occupier sentiment. Whilst a structural shift continues to weigh on cyclical recovery, undersupply at the prime end of the market has allowed vacancy rates to stabilise. However, the outlook for secondary space remains more challenging.

Considerable focus remained on rent collections throughout the period, as a government-led initiative effectively preventing landlords pursuing rent arrears through normal avenues remained in place. The relative financial strength of the portfolio's tenants and quality of its assets meant UKPF continued to be comparatively well positioned to navigate its way through this challenge. Rent collections of circa 90% were achieved in the first half of the year, rising to almost 95% in the second half. This enabled the fund to broadly maintain its target distribution yield.

Progress raising liquidity to meet deferred redemptions continued to be made, particularly after restrictions were eased in the second quarter. Following receipt of further significant redemptions at the beginning of September, the board of the fund management company concluded that the best interests of investors would be served by liquidating portfolio assets and closing the fund. Notification of the decision was provided to all investors on 6 September 2021 and trading ceased with immediate effect. As a gesture of goodwill, the annual management charge was reduced by 20% with effect from 1 October 2021. Following receipt of regulatory approval, the formal liquidation process commenced on 1 November 2021.

The fund management team remain focused on their responsibility to treat all unit holders equitably and an orderly sale of UKPF's assets is now being undertaken, with net sales proceeds distributed to unitholders. The intention is to make distributions on a quarterly basis, as liquidity permits. Cost saving measures are also being implemented where possible, including the removal of the benchmark and reducing the frequency of underlying property asset valuations from monthly to quarterly, with effect from 1 January 2022.

Whilst the fund's prospectus envisages a two to three-year time period to preserve value in the interests of investors, expectations based on the fund management team's current assessment of market conditions is that the timeframe may be closer to 12-18 months, although this cannot be guaranteed. The initial phase of the disposal strategy will focus on capitalising on positive market sentiment. In this regard, the disposal of two offices has been completed, the first of which facilitated a pro-rata distribution of the fund's net assets in December. If all sales currently in progress successfully complete this quarter, it would represent approximately 70% of the total portfolio.

Supervisory Board

The present members of the Supervisory Board are shown on page 3. Board members, from time to time, shall be appointed by any member of the Group Executive Committee of M&G plc who shall also appoint the Chairman of the Supervisory Board. The Supervisory Board meets on a quarterly basis. Appropriate training sessions are made available to all Supervisory Board members.

Reserves policy

Income which becomes available to a charity to be spent at the Trustees' discretion in furthering any of the charity's objectives, but is not yet spent, committed or designated is described as free reserves. It is the policy to transfer income earned on the capital account immediately to the unrestricted fund (Note 1(b) Funds structure).

PRUDENTIAL STAFF CHARITABLE TRUST

ANNUAL REPORT OF THE TRUSTEES FOR 2021 (continued)

The Supervisory Board on behalf of the holding Trustee is committed to maintaining the capital of the Trust as described in Note 1(b) Funds structure.

The actual free reserves (unrestricted fund) in excess of the capital as at 31 December 2021 were £7,168,202 (2020: £6,690,560) and the value of the permanent endowment funds were £12,544,691 (2020: £11,382,928). It is the policy of the Supervisory Board that the reserves maintained in excess of the capital at the balance sheet date should be sufficient to meet the Trust's objectives. The Supervisory Board aims to maintain free reserves in the unrestricted fund at a stable level to ensure that there are sufficient funds available to respond to future applications from beneficiaries. The Supervisory Board is satisfied that the current level of free reserves are sufficient. The Supervisory Board acts in accordance with the Trust Deed by not setting a target level of reserves. The Supervisory Board monitors the level of free reserves on a quarterly basis. It is the view of the Supervisory Board that the Trust has sufficient reserves available to meet future needs, opportunities, contingencies and risks of the Trust without having to realise any investments from the capital account.

Risk management

The Supervisory Board periodically reviews the major risks to which the Trust is exposed. The Supervisory Board ensures that the Trust's investment policy and performance is appropriate and that the funds are distributed in line with agreed policies. The Board ensures that there are sufficient funds to meet the current and future requests from beneficiaries using independent experts where appropriate. One of the key risks identified is that the investment performance is poor leading to a reduction in the funds available to meet the Trust's objectives. The Trust has implemented various controls to mitigate this, such as:

- Regular review of the investments and investment strategy.
- Use of skilled personnel across the business to monitor the investment performance.
- Maintaining a balanced portfolio.

There is also a risk that the Trust receives a significant increase in applications leading to a significant reduction in the funds available. This risk is mitigated by the eligibility criteria that are reviewed periodically by the Supervisory Board.

General grants

Grants made in 2021 and 2020 were as follows:

	2021 £	2020 £
Single grants	5,793	5,076
Grants to supplement income of pensioners	13,624	14,738
	<u>19,417</u>	<u>19,814</u>

Christmas grants

The Trust makes Christmas grants, currently a payment of £250 (2020: £250), to pensioners who have completed 5 years' service and whose total household income excluding State Benefits is less than £6,889 per annum (2020: £6,814 per annum). The income limit has in the past been increased each year by the same rate as PSPS discretionary increases granted to pensions in payment. In 2011 the Board resolved that this gift can be offered to pensioners in SASPS who retired/ left the Scheme after 30 June 2002 and to M&GGPS pensioners who retired/ left the Scheme after 16 October 2005. In 2012 the Board agreed that children of PSPS Defined Contribution Section members who die in service could receive the discretionary Christmas Gift while they are under 18 or 23 if in full time education.

PRUDENTIAL STAFF CHARITABLE TRUST

ANNUAL REPORT OF THE TRUSTEES FOR 2021 (continued)

Payments made in 2021 and 2020 were as follows:

	2021	2020
	£	£
Value of Christmas gifts	552,500	581,000
Number of grants made	2,210	2,324

Bereavement grants

With effect from 6 November 2015 the bereavement grant has been set at a maximum of £5,000. The grant is offered to each widow/widower following the death of the PSPS member where the spouse's pension is less than £6,889 per annum (2020: £6,814 per annum). The grant is conditional upon the widow/widower's confirmation that total household income excluding State Benefits is less than £6,889 per annum. The offer is extended to common law partners where no spouse's pension is payable.

In 2011 the Board resolved that this gift can be offered to SASPS and M&GGPS members, but with the same service requirements as for the Christmas Gift.

Payments made in 2021 and 2020 were as follows:

	2021	2020
	£	£
Value of Bereavement grants	140,000	120,000
Number of grants made	28	24

Loans to beneficiaries

At the end of 2021 there were 14 (2020: 15) loans outstanding, totalling £517,368 (2020: £540,011) including interest capitalised during the year of £462 (2020: £462). Loans advanced to beneficiaries during the year amounted to £Nil (2020: £201,037) and repayments received amounted to £23,105 (2020: £21,405). There were no loans written off in 2021 (2020: Nil). The loans are secured, generally against fixed property, and are repayable at any time at par. Interest is charged at beneficial rates which ranged from 0% to 2.5% during 2021 (2020: 0% to 2.5%).

Governance costs

The only expenses normally borne by the Trust are audit fees of £37,251 (2020: £36,700), legal fees and bank charges of £630 (2020: £214) incurred in the ordinary course of business.

Fundraising

The Trust has not undertaken any fundraising activity during 2021 or 2020. Included under income in the Statement of Financial Activities, is £37,251 of donations. This relates to audit fees for the Charity which have been paid by another group company.

Plans for future periods

The Trust intends to continue to provide on-going support both to its current and prospective beneficiaries.

Going concern

The Trustees have prepared the financial statements on the going concern basis as they do not intend to liquidate the Trust or to cease its operations and they have concluded that the Trust's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could cast significant doubt over its ability to continue as a going concern for at least 12 months from the date of approval of the financial statements ("the going concern period"). The key areas considered in the assessment of going concern are the net assets of the Trust and liquidity. Due to the uncertainty regarding future market performance and future operating costs, prudence has been applied to the Trust's cash flow forecasts to ensure that the Trust can withstand a sharp economic downturn for a sustained period. In addition

PRUDENTIAL STAFF CHARITABLE TRUST

ANNUAL REPORT OF THE TRUSTEES FOR 2021 (continued)

to this, all grants are fully at the discretion of the Trust and if the Trust were to become illiquid in the future, there is no liability that the Trust is obligated to other than the administrative expenses which are fully borne by the holding trustee. As such, the Trustees have a reasonable expectation that the Trust has adequate resources to continue its operations for a period of at least 12 months from the date that the financial statements are approved.

Auditor

KPMG LLP, who were appointed by the Trustee on 22 December 1999, remained in office during 2021. On 28 October 2020, the Trustees approved the appointment of PricewaterhouseCoopers LLP ('PwC') as its external auditor for the year ending 31 December 2022. Consequently, KPMG LLP will resign as the statutory auditor of Prudential Staff Charitable Trust at the conclusion of the 2021 audit and the charity has resolved to appoint PwC to fill the vacancy. The resolution to appoint PwC as auditor was approved by the shareholders of the Trustee at the Annual General Meeting held on 25th May.

The accounts on pages 10-21 were approved by the Supervisory Board on 4th July 2022 and were signed on its behalf by,



S Moffatt

Chairman of the Supervisory Board

Date: 11th August 2022

PRUDENTIAL STAFF CHARITABLE TRUST

STATEMENT OF THE TRUSTEES' RESPONSIBILITIES IN RESPECT OF THE TRUSTEES' ANNUAL REPORT AND THE FINANCIAL STATEMENTS

The holding trustee is The Prudential Assurance Company Limited. The Supervisory Board has been appointed to administer and manage the Trust for the holding trustee under the terms of the Trust Deed dated 15 June 2010, as amended, and within the framework of Trust Law.

Under the Trust Deed and rules of the charity and charity law, the Trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations. The Trustees have elected to prepare the financial statements in accordance with UK Accounting Standards, including FRS 102 *the Financial Reporting Standard applicable in the UK and Republic of Ireland*.

The financial statements are required by law to give a true and fair view of the state of affairs of the charity and of the excess of expenditure over income for that period.

In preparing these financial statements, generally accepted accounting practice entails that the trustees:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards and the Statement of Recommended Practice have been followed, subject to any material departures disclosed and explained in the financial statements;
- state whether the financial statements comply with the trust deed and rules, subject to any material departures disclosed and explained in the financial statements;
- assess the Charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Charity or to cease operations, or have no realistic alternative but to do so.

The Trustees are required to act in accordance with the Trust Deed [and the rules] of the Charity, within the framework of trust law. They are responsible for keeping adequate accounting records that are sufficient to show and explain the Trustees' transactions and disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the section 132(1) of the Charities Act 2011, those statements of accounts comply with the requirements of regulations under that provision. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charity and to prevent and detect fraud and other irregularities.

Signed on behalf of the Supervisory Board



S Moffatt

Chairman of the Supervisory Board

Date: 11th August 2022

Independent auditor's report to the members of Prudential Staff Charitable Trust

Opinion

We have audited the financial statements of Prudential Staff Charitable Trust ("the charity") for the year ended 31 December 2021 which comprise the statement of financial activities, balance sheet, statement of cash flows and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- a. give a true and fair view of the state of the charity's affairs as at 31 December 2021 and of its incoming resources and application of resources for the year then ended;
- b. have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- c. have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We have been appointed as auditor under section 144 of the Charities Act 2011 (or its predecessors) and report in accordance with regulations made under section 154 of that Act.

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the charity in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

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

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

Our conclusions based on this work:

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

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

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

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

- a. reading Board of Trustees meeting minutes;
- b. using analytical procedures to identify any usual or unexpected relationships;

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

As required by auditing standards, and taking into account our overall knowledge of the control environment, we perform procedures to address the risk of management override of controls, in particular the risk that

PRUDENTIAL STAFF CHARITABLE TRUST

management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because the income from the charity is made up of dividends from investments which is not subject to estimation uncertainty.

We did not identify any additional fraud risks.

We also performed procedures including:

- a. identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted by unauthorised personnel, those posted by infrequent users, unusual descriptions and those posted with unusual account combinations.

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

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

As the Charity is regulated, our assessment of risks involved gaining an understanding of the control environment including the entity's procedures for complying with regulatory requirements.

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

The potential effect of these laws and regulations on the financial statements varies considerably. Firstly, the Charity is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related charities legislation) and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Charity is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or the loss of the Charity's license to operate. We identified regulatory capital as those most likely to have such an effect recognising the financial and regulated nature of the Charity's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

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

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

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

Other information

The trustees are responsible for the other information, which comprises the Trustees' Annual Report. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. We are required to report to you if:

- a. based solely on that work, we have identified material misstatements in the other information; or

PRUDENTIAL STAFF CHARITABLE TRUST

- b. in our opinion, the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements.

We have nothing to report in these respects.

Matters on which we are required to report by exception

Under the Charities Act 2011 we are required to report to you if, in our opinion:

- a. the charity has not kept sufficient accounting records; or
- b. the financial statements are not in agreement with the accounting records; or
- c. we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

Trustees' responsibilities

As explained more fully in their statement set out on page 10, the trustees are responsible for: the preparation of financial statements which give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the charity's trustees as a body, in accordance with section 144 of the Charities Act 2011 (or its predecessors) and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and its trustees, as a body, for our audit work, for this report, or for the opinions we have formed.



William Greenfield
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

15 Canada Square

Canary Wharf

London

E14 5GL

11th August 2022

PRUDENTIAL STAFF CHARITABLE TRUST

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2021

	Unrestricted	Permanent	Total	Unrestricted	Permanent	Total	Note
	Fund	Endowment	Funds	Fund	Endowment	Funds	
	2021	2021	2021	2020	2020	2020	
	£	£	£	£	£	£	
Income from:							
Donations	37,251	—	37,251	36,700	—	36,700	
Investments	833,087	—	833,087	700,122	—	700,122	3
Total	870,338	—	870,338	736,822	—	736,822	
Expenditure on:							
Charitable activities	749,797	—	749,797	757,728	—	757,728	5
Total	749,797	—	749,797	757,728	—	757,728	
Gains / (losses) on investments	357,101	1,161,763	1,518,864	(450,516)	(1,914,117)	(2,364,633)	4
Net income / (Expense)	477,642	1,161,763	1,639,405	(471,422)	(1,914,117)	(2,385,539)	
Net movement in funds	477,642	1,161,763	1,639,405	(471,422)	(1,914,117)	(2,385,539)	
Reconciliation of funds:							
Total funds brought forward	6,690,560	11,382,928	18,073,488	7,161,982	13,297,045	20,459,027	
Total funds carried forward	7,168,202	12,544,691	19,712,893	6,690,560	11,382,928	18,073,488	

The Statement of Financial Activities relates to continuing operations.

The Trust has no recognised gains or losses other than the net movement in funds for the year.

The accounting policies on page 17 along with the accompanying notes on pages 17 to 21 form an integral part of these financial statements.

PRUDENTIAL STAFF CHARITABLE TRUST

BALANCE SHEET AS AT 31 DECEMBER 2021

	Unrestricted Fund 2021 £	Permanent Endowment Fund 2021 £	Total Funds 2021 £	Unrestricted Fund 2020 £	Permanent Endowment Fund 2020 £	Total Funds 2020 £	Note
Fixed assets:							
Investments	6,041,850	12,544,691	18,586,541	5,684,749	11,382,928	17,067,677	4
Current assets:							
Sundry debtors	15,925	—	15,925	15,925	—	15,925	6
Loans to beneficiaries	517,368	—	517,368	540,011	—	540,011	7
Cash at bank	593,059	—	593,059	449,875	—	449,875	
Total current assets	<u>1,126,352</u>	<u>—</u>	<u>1,126,352</u>	<u>1,005,811</u>	<u>—</u>	<u>1,005,811</u>	
Liabilities:							
Creditors amounts falling due within one year	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	
Net current assets	<u>1,126,352</u>	<u>—</u>	<u>1,126,352</u>	<u>1,005,811</u>	<u>—</u>	<u>1,005,811</u>	
Total net assets	<u><u>7,168,202</u></u>	<u><u>12,544,691</u></u>	<u><u>19,712,893</u></u>	<u><u>6,690,560</u></u>	<u><u>11,382,928</u></u>	<u><u>18,073,488</u></u>	
The funds of the Charitable Trust	<u><u>7,168,202</u></u>	<u><u>12,544,691</u></u>	<u><u>19,712,893</u></u>	<u><u>6,690,560</u></u>	<u><u>11,382,928</u></u>	<u><u>18,073,488</u></u>	

The accounting policies on page 17 along with the accompanying notes on pages 17 to 21 form an integral part of these financial statements.

These financial statements were approved by the Supervisory Board on 4th July 2022.

Signed on behalf of the Supervisory Board



S Moffatt

Chairman of the Supervisory Board

Dated: 11th August 2022

PRUDENTIAL STAFF CHARITABLE TRUST

STATEMENT OF CASH FLOWS AS AT 31 DECEMBER 2021

	2021	2020	
	£	£	Note
Net cash used in operating activities	(689,441)	(900,659)	8
Cash flows from investing activities:			
Dividends	832,157	699,765	
Interest	468	469	
Net cash provided by investing activities	<u>832,625</u>	<u>700,234</u>	
Change in cash and cash equivalents in the year	<u>143,184</u>	<u>(200,425)</u>	
Cash and equivalents brought forward	449,875	650,300	
Cash and equivalents carried forward	<u><u>593,059</u></u>	<u><u>449,875</u></u>	

The accounting policies on page 17 along with the accompanying notes on pages 17 to 21 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1 Accounting policies

a. Basis of preparation

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) issued in October 2019 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2019.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) issued in October 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The Trust is confident that it will be able to continue to meet planned expenditure based on the current level of free reserves for the foreseeable future and thus has continued to adopt the going concern basis of accounting in preparing the financial statements. The key areas considered in the assessment of going concern are the net assets of the Trust and liquidity. Due to the uncertainty regarding future market performance and future operating costs, prudence has been applied to the Trust's cash flow forecasts to ensure that the Trust can withstand a sharp economic downturn for a sustained period. In addition to this, all grants are fully at the discretion of the Trust and if the Trust were to become illiquid in the future, there is no liability that the Trust is obligated to other than the administrative expenses which are fully borne by the holding trustee. As such, the Trustees have a reasonable expectation that the Trust has adequate resources to continue its operations for a period of at least 12 months from the date that the financial statements are approved.

b. Funds structure

The Trust has a single permanent endowment fund - the capital account. The capital account contains the original investments and any investments bought out of the sale of the original investments. Any realised / unrealised gains / (losses) on the investments in the capital account are kept within the capital account. The Trust has an unrestricted fund – the income account. The income from the capital account is available to use for the charitable purposes of the Trust and is wholly unrestricted and is transferred to the unrestricted fund. The unrestricted fund comprises those funds which the Supervisory Board is free to use for any purpose in furtherance of the Trust's objectives.

c. Income recognition

Investment income is included on an accruals basis. Dividends on ordinary shares are included by reference to ex-dividend dates. UK dividends are grossed up by the recoverable tax credits.

d. Expenditure recognition

Grants are accounted for when committed. The Trust has no employees and any administration support costs are borne by the holding Trustee. It is not possible to quantify the amount of this donation.

e. Investments

Investments are stated at fair value. Realised gains and losses are calculated as the difference between net proceeds on disposal and original costs. Movements in unrealised gains comprise the change in the value of investments held at the balance sheet date and the reversal of unrealised investment gains and losses recognised in earlier accounting periods in respect of investment disposals.

f. Financial instruments - recognition and measurement

The Trust classifies and measures all its financial assets and liabilities at either amortised cost or fair value through profit or loss ('FVTPL'). Net gains and losses, including any interest or dividend income, are recognised in profit or loss. This includes assets that are held-for-trading or are part of a portfolio that is managed on a fair value basis.

NOTES TO THE FINANCIAL STATEMENTS (continued)

g. Loans to beneficiaries

Loans issued by the Trust to its beneficiaries are accounted for as concessionary loans. Concessionary loans are those loans made or received by a charity to further its purposes and any interest charged is below the prevailing market rates.

2 Related party transactions and trustees' expenses and remuneration

The holding trustee received no remuneration or expenses for the year (2020: £Nil) and bore all of the Trust's administrative expenses, including the costs of the Supervisory Board. The only expenses normally borne by the Trust are audit fees of £37,251 (2020: £36,700), legal fees and bank charges of £630 (2020: £214) incurred in the ordinary course of business. Expenditure is accounted for on an accruals basis. The Trust has no employees (2020: Nil) and no payments were made to Trustees. The audit fees are paid for by another group company and are shown as a donation in the Statement of Financial Activities.

Prudential Portfolio Management Group Limited provide investment management services, no fees are charged for advice (2020: Nil). An investment management fee is implicitly charged via the unit price.

3. Investment income	2021 £	2020 £
Unit trusts - dividends	832,157	699,191
Loan interest:		
Interest receivable in the year	468	469
Interest capitalised	462	462
	<u>833,087</u>	<u>700,122</u>

Of total income, £534,160 (2020: £495,747) was earned on the capital account and immediately applied to the income account. The income account represents the accumulation of income from previous years which was not spent on benefits (Note 1(b) Funds structure).

4. Investments	2021 £	2020 £
Opening carrying value	17,067,677	19,432,310
Movements during the year:		
Unrealised gains / (losses)	1,518,864	(2,364,633)
Closing carrying value	<u>18,586,541</u>	<u>17,067,677</u>

Analysis of market value at end of the year

Permanent endowment fund *

Charibond Inc.	2,073,931	2,147,701
Charifund Inc.	10,470,760	9,235,227
	<u>12,544,691</u>	<u>11,382,928</u>

Unrestricted fund *

Charibond Inc.	2,212,187	2,290,875
Charifund Inc.	2,128,066	1,876,956
Property Fund	1,701,597	1,516,918
	<u>6,041,850</u>	<u>5,684,749</u>
	<u>18,586,541</u>	<u>17,067,677</u>

Total investments at market value

* The Trust Deed of the current scheme requires that memorandum Financial Statements are kept in the form of a capital account and an income account (Note 1(b) Funds structure).

The investments of the Trust are held in the above noted funds. These funds in turn invest in underlying assets. The Charifund Inc. fund primarily invests in a diversified portfolio of UK equities. The Charibond Inc.

NOTES TO THE FINANCIAL STATEMENTS (continued)

fund primarily invests in deposits, UK government bonds and other sterling denominated fixed interest securities. The Property Fund invests in property.

The Trust's reserves are £7,168,202 (2020: £6,690,560) which is the balance of the unrestricted fund as shown on page 7. It is the view of the Supervisory Board that the Trust has sufficient reserves available to meet the future needs, opportunities, contingencies and risks of the Trust.

5. Analysis of charitable expenditure	2021 £	2020 £
General grants	19,417	19,814
Christmas grants	552,500	581,000
Bereavement grants	140,000	120,000
Governance costs	37,880	36,914
	<u>749,797</u>	<u>757,728</u>

All grants are provided to individuals, as such, there is no requirement to disclose recipients of the grants.

6. Debtors: amounts falling due within one year	2021 £	2020 £
Dividends due	<u>15,925</u>	<u>15,925</u>

7. Loans to beneficiaries	2021 No. of loans	2020 No. of loans	2021 £	2020 £
Loans at beginning of year	15	16	540,011	359,917
Repayments	(1)	(2)	(23,105)	(21,405)
New loans	0	1	—	201,037
Interest capitalised			462	462
Loans at end of year	<u>14</u>	<u>15</u>	<u>517,368</u>	<u>540,011</u>

Analysis of Loans to beneficiaries	2021 £	2020 £
Loans: amounts falling due within one year	6,000	6,000
Loans: amounts falling due after one year	511,368	534,011
Loans at end of year	<u>517,368</u>	<u>540,011</u>

8 Reconciliation of net movement in funds to net cash flow from operating activities	2021 £	2020 £
Net movement in funds	1,639,405	(2,385,539)
Deduct dividend income shown in investing activities	(832,157)	(699,765)
Deduct interest income shown in investing activities	(468)	(469)
Deduct gains / add back (losses) on investments	(1,518,864)	2,364,633
Sundry Debtors	—	575
Loans to beneficiaries	22,643	(180,094)
Net cash used in operating activities	<u>(689,441)</u>	<u>(900,659)</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

9 Reconciliation of net movement in funds to net funds in the Statement of Financial Activities

2021

Fund name	Balances brought forward £	Income £	Expenditure £	Transfers £	Gains and losses £	Balances carried forward £
Permanent Endowment Fund	11,382,928	534,160	—	(534,160)	1,161,763	12,544,691
Unrestricted Fund	6,690,560	336,178	(749,797)	534,160	357,101	7,168,202
Total funds	18,073,488	870,338	(749,797)	—	1,518,864	19,712,893

2020

Fund name	Balances brought forward £	Income £	Expenditure £	Transfers £	Gains and losses £	Balances carried forward £
Permanent Endowment Fund	13,297,045	495,747	—	(495,747)	(1,914,117)	11,382,928
Unrestricted Fund	7,161,982	241,075	(757,728)	495,747	(450,516)	6,690,560
Total funds	20,459,027	736,822	(757,728)	—	(2,364,633)	18,073,488

10 Financial Assets and Financial Liabilities

A. Financial assets and financial liabilities – classification and measurement

Under FRS 102, the financial assets and financial liabilities of the Trust are valued at either FVTPL or amortised cost.

2021

	Fair value through profit or loss £	Amortised Cost £	Total carrying value £	Fair value where applicable £
Financial Assets				
Charibond Inc	4,286,119	—	4,286,119	4,286,119
Charifund Inc	12,598,825	—	12,598,825	12,598,825
Property fund	1,701,597	—	1,701,597	1,701,597
Other debtors	—	15,925	15,925	15,925
Loans to beneficiaries	—	517,368	517,368	517,368
Cash at bank and in hand	—	593,059	593,059	593,059
Total	18,586,541	1,126,352	19,712,893	19,712,893

2020

	Fair value through profit or loss £	Amortised Cost £	Total carrying value £	Fair value where applicable £
Financial Assets				
Charibond Inc	4,438,576	—	4,438,576	4,438,576
Charifund Inc	11,112,183	—	11,112,183	11,112,183
Property fund	1,516,918	—	1,516,918	1,516,918
Other debtors	—	15,925	15,925	15,925
Loans to beneficiaries	—	540,011	540,011	540,011
Cash at bank and in hand	—	449,875	449,875	449,875
Total	17,067,677	1,005,811	18,073,488	18,073,488

NOTES TO THE FINANCIAL STATEMENTS (continued)

B. Financial assets and financial liabilities - determination of fair value

The fair values of the financial assets and liabilities as included in the table above have been determined on the following bases.

The fair values of the financial instruments are determined by the use of current market bid prices for quoted investments, or by using quotations from independent third-parties, such as brokers and pricing services or by using appropriate valuation techniques. Investments valued using valuation techniques include financial investments which by their nature do not have an externally quoted price based on regular trades and financial investments for which markets are no longer active as a result of market conditions e.g. market illiquidity. The valuation techniques used include comparison to recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, option adjusted spread models and, if applicable, enterprise valuation. These techniques may include a number of assumptions relating to variables such as credit risk and interest rates. Changes in assumptions relating to these variables could positively or negatively impact the reported fair value of these instruments. When determining the inputs into the valuation techniques used priority is given to publicly available prices from independent sources, when available but overall, the source of pricing is chosen with the objective of arriving at a fair value measurement which reflects the price at which an orderly transaction would take place between market participants on the measurement date.

The fair value estimates are made at a specific point in time, based upon available market information and judgements about the financial instruments, including estimates of the timing and amount of expected future cash flows and the credit standing of counterparties. Such estimates do not reflect any premium or discount that could result from offering for sale at one time the Company's entire holdings of a particular financial instrument, nor do they consider the tax impact of the realisation of unrealised gains or losses from selling the financial instrument being fair valued. In some cases the fair value estimates cannot be substantiated by comparison to independent markets, nor can the disclosed value be realised in immediate settlement of the financial instrument.

PRUDENTIAL STAFF CHARITABLE TRUST

England & Wales - Charity number 232467

Accounts

Charity Commission Annual Return 2020

Charity registration number:

Most of the information you give in this form will become publicly available on the Register of Charities. Any field that the Charity Commission will not display will be clearly marked.

This document is a record of the information provided in the Annual Return 2020.

PART A - Charity information

Financial period

Financial period start date

01/01/2020

Financial period end date

31/12/2020

Income and spending

Income £

£ 736,822

Spending £

£ 757,728

Serious Incidents

For the period of this return, were there any serious incidents in your charity that have not been reported to the Charity Commission?

No

Fundraising - professional fundraiser

Did your charity raise funds from the public?

No

Grantmaking

Was grant making the main way your charity carried out its purposes?

Yes

Government contracts

During the financial period for this annual return, did the charity receive income from contracts (other than grant agreements) with central government or local authorities?

No

Government grants

During the financial period for this annual return, did the charity receive income from grants from central government or local authorities?

No

Income from outside the UK

Did your charity receive income from outside the UK ?

No

Spending outside England & Wales

Did your charity operate outside England and Wales?

Yes

Select countries/territories your charity operated in during the financial period covered by this annual return

☒ Scotland

Scotland

Total Spending outside England & Wales

£

Spending outside England & Wales

When spending money or working outside England and Wales, did your charity transfer money other than using the regulated banking system?

No

Spending outside England & Wales

Did your charity have procedures and controls in place to monitor expenditure outside England and Wales?

Yes

Are the trustees satisfied that your charity's risk management policies and procedures adequately covered activities and spending outside England and Wales?

Yes

Trading subsidiaries

Did the charity have any subsidiaries?

No

Trustee payments

Did any of the trustees receive any remuneration, payments or benefits from the charity other than refunds of legitimate trustee expenses?

No

Did any of the trustees resign and then take up employment with the charity?

No

Employees' salaries

Did any of your charity's staff receive total employee benefits of £60,000 or more?
Select No if your charity does not have any staff or does not pay any staff.

No

For your highest paid member of staff only, what was the total value of their employee benefits?

(For example if your highest paid member of staff received £35,000 enter 35000). If you do not have any staff or did not pay any staff, enter 0 (zero)).

£ 0

Volunteers

How many UK volunteers, excluding trustees, did the charity have during the financial period?

0

Financial controls

Did your charity review its internal financial controls?

Yes

Safeguarding

Has the charity obtained a standard, enhanced or enhanced with barred lists DBS check on all trustees, employees and volunteers who are in roles that are eligible for these checks?

Select Yes if there are no trustees, employees or volunteers in roles that are eligible for these types of DBS checks.

Yes

PART B - Financial information

Account type

Does your charity prepare:

Charity only accounts

Income and endowments

Donations & legacies

£ 36,700

Of the total donations & legacies what amount is Endowments received

£ 0

Investment income

£ 700,122

Other income

£ 0

Total Income and endowments

£ 736,822

Of the total donations & legacies what amount is Legacies

£ 0

Other trading activities

£ 0

Income from charitable activities

£ 0

Expenditure

Expenditure on raising funds

£ 0

Other expenditure

£ 0

Of the total expenditure on raising funds what value is Investment management costs

£ 0

Expenditure on charitable activities

£ 757,728

Of the total expenditure on charitable activities what value is Grants to institutions

£ 0

Of the total expenditure on charitable activities what value is Governance costs

£ 0

Total Expenditure

£ 757,728

Gains/(losses)

Gains/(losses) on revaluation of fixed assets

This figure should be prefixed with the minus symbol if it is a negative value.

£ 0

Actuarial gains/(losses) on defined benefit pension schemes

This figure should be prefixed with the minus symbol if it is a negative value.

£ 0

Net gains/(losses) on investments

This figure should be prefixed with the minus symbol if it is a negative value.

£ -2,364,633

Other gains/(losses)

This figure should be prefixed with the minus symbol if it is a negative value.

£ 0

Assets

Total fixed assets

£ 17,067,677

Of the total fixed assets what value is Fixed asset investments

£ 0

Total current assets

£ 1,005,811

Of the total current assets what value is Current asset investments

£ 0

Of the total current assets
what value is Cash at bank and in
hand

£ 449,875

Funds

Endowment funds

£ 11,382,928

Restricted funds

£ 0

Unrestricted funds

£ 6,690,560

Total Funds

£ 18,073,488

Liabilities

Creditors due within 1 year

£ 0

Creditors falling due after one year and
provisions

£ 0

Defined benefit pension scheme
asset/(liability)

This figure should be prefixed with a
minus symbol if it is a negative value

£ 0

Total net assets/(liabilities)

£ 18,073,488

Additional information

Support costs

£ 0

Depreciation charge for the year

£ 0

Level of reserves

£ 0

Average number of employees

0

Privacy statement

Any information you give us will be held securely and processed only in accordance with the rule on data protection. We will not disclose your personal details to anyone unconnected to the Charity Commission unless:

- you have consented to their release; or
- we are legally obliged to disclose them; or
- we regard disclosure as either (a) necessary so that we can properly carry out our statutory functions or (b) necessary in the public interest.

We may share and disclose information about you with relevant public authorities, regulatory bodies and agencies, outside the Charity Commission but only if:

- we can lawfully do so; and
- we decide that disclosure is necessary for national security, crime detection, prevention, and law enforcement, or other issues in the public interest

Information we collect about you

We will use this information:

To enable us to carry out our statutory functions and duties;

This will include the following actions:

- (a) update, consolidate, and improve the accuracy of our records;
- (b) undertake crime detection and prevention and law enforcement and assist the third parties specified above to investigate or prevent crime and carry out law enforcement;
- (c) data analysis, testing, research, statistical and survey purposes

Information we receive from other sources.

Information we receive from other sources

We may combine this information with information you give to us and information we collect about you.

We may use this information and the combined information for the purposes set out above (depending on the types of information we receive).

We will ensure that any such disclosure and use is proportionate; considers your right to respect for your private life; and is done fairly and lawfully in accordance with the data protection principles of the Data Protection Act.

The Data Protection Act 1998 regulates the use of 'personal data', which is essentially any information, however stored, about identifiable living individuals.

As a 'data controller' under the Act, the Charity Commission must comply with it. Any changes we may make to our privacy statement in the future will be set out in the replacement version of this form.

Please check back frequently to see any updates or changes to our privacy policy.

Declaration

This annual return has not been submitted and no Declaration has been made

By clicking 'Accept', you agree to the storing of cookies on your device to enhance site functionality including analytics, targeting and personalisation