

# PRUDENTIAL ASSURANCE COMPANY

LIMITED.

## SIXTIETH ANNUAL REPORT,

FOR THE YEAR ENDING 31ST DECEMBER, 1908.

THE DIRECTORS have much pleasure in presenting their report and accounts for the year 1908.

ORDINARY BRANCH.—The number of policies issued during the year was 80,379, assuring the sum of £7,614,898 and producing a new annual premium income of £440,376.

The premiums received during the year were £4,616,337, being an increase of £135,960 over the year 1907.

The claims of the year amounted to £2,812,962. The number of deaths was 8,389, and 15,322 endowment assurances matured.

The number of policies in force at the end of the year was 866,797.

INDUSTRIAL BRANCH.—The premiums received during the year were £6,925,755, being an increase of £264,124.

The claims of the year amounted to £2,670,345, including £72,696, the proportion of bonus paid since the date of the last annual meeting. The number of claims and surrenders, including 4,355 endowment assurances matured, was 310,722.

The number of free policies granted during the year to those policyholders of five years' standing and upwards who desired to discontinue their payments, was 145,261, the number in force being 1,395,929. The number of free policies which became claims during the year was 40,094.

The total number of policies in force at the end of the year was 17,963,127: their average duration exceeds eleven and a quarter years.

The assets of the Company, in both branches, as shewn in the balance sheet, are £71,958,859, being an increase of £3,952,575 over those of 1907.

The Staff Provident Fund, which was founded in 1898 for the benefit of the outdoor staff, now amounts to £189,646.

The valuation has again been made by Mr. SCHOOLING, and the same mortality tables and rate of interest have been used as in previous years, namely, in the Ordinary Branch, the Institute of Actuaries (H.M.) Table of Mortality for the life risks, and Mr. Finlaison's Government Annuity Table 1884 for the annuities, and in the Industrial Branch, Dr. Farr's English Life Table No. 3. The net premiums only have been valued in both branches, the rate of interest in each case being 3 per cent.

In the ORDINARY BRANCH the surplus shewn is £1,569,824, including the sum of £284,941 brought forward from last year. Out of this surplus the Directors have added £250,000 to the Investments Reserve Fund, which stands as at 31st December, 1908, at £1,550,000.

In the INDUSTRIAL BRANCH the surplus shewn is £1,204,996, including the sum of £403,739 brought forward from last year. Out of this surplus the Directors have added £50,000 to the Reserve Fund, which stands as at 31st December, 1908, at £1,300,000.

The total surplus of the two branches, as shewn by the valuation, is thus £2,774,820, which is disposed of as follows: £250,000 has been added to the Investments Reserve Fund of the Ordinary Branch, and £50,000 has been added to the Reserve Fund of the Industrial Branch: £1,710,577 will be distributed among the participating policyholders in the Ordinary Branch, the policyholders in the Industrial Branch, the Shareholders, and the Superintendency and Agency Staff in accordance with the Regulations of the Company under its special Act of Parliament, leaving £764,243 to be carried forward, namely, £311,789 in the Ordinary Branch and £452,454 in the Industrial Branch.

In the Ordinary Branch a reversionary bonus at the rate of £1 12s. per cent. on the original sums assured has again been added to all classes of participating policies issued since the year 1876.

The Directors are pleased to announce an increase in the Industrial Branch bonus. All policies of over five years' duration which become claims either by death or maturity of endowment from the 5th of March, 1909, to the 3rd of March, 1910, both dates inclusive, will participate. This bonus will be paid by way of addition to the sums assured of:—

- £5 per cent. on all policies becoming claims upon which at least five but less than ten years' premiums have been paid,
- £10 per cent. on all policies becoming claims upon which at least ten but less than twenty years' premiums have been paid, and
- £12 10s. per cent. on all policies becoming claims upon which at least twenty years' premiums have been paid.

The Directors deeply regret to report the death, after a few days' illness, of their esteemed colleague, Mr. PERCY THOMAS REID, who had been a Director of the Company for 23 years.

The vacancy has been filled by the appointment of Mr. PHILIP SPENCER GREGORY, a qualified Shareholder, and his election will be submitted to the Shareholders for confirmation.

The retiring Directors are Messrs. WILLIAM THOMAS PUGH, JOHN WHATELY SIMMONDS, and Sir WILLIAM LANCASTER, who offer themselves for re-election.

The Auditors, Messrs. SECRETAN and NICHOLLS, also offer themselves for re-election.

Messrs. DELOITTE, PLENDER, GRIFFITHS & Co. have examined the securities, and their certificate is appended to the balance sheets.

HOLBORN BARS,  
18th February, 1909.

H. A. HARBEN,  
Chairman.

**GENERAL BALANCE SHEET OF THE PRUDENTIAL ASSURANCE COMPANY LIMITED,**  
BEING THE SUMMARY OF BOTH BRANCHES, ON THE 31ST DECEMBER, 1908.

| LIABILITIES.  | £          | s. | d. | ASSETS.   | £           | s. | d. |
|---|------------|----|----|---|-------------|----|----|
| Shareholders' capital                               | 1,000,000  | 0  | 0  | British Government securities   | 3,416,799   | 17 | 6  |
| Reserve funds                                       | 2,850,000  | 0  | 0  | Indian and Colonial government securities                                     | 6,282,786   | 12 | 11 |
| Life assurance funds                                | 67,894,765 | 0  | 4  | Railway and other debentures and debenture stocks and gold and sterling bonds | 10,119,247  | 2  | 1  |
| Claims under life policies admitted                 | 146,790    | 18 | 10 | Loans on County Council, Municipal, and other rates                           | 15,036,040  | 5  | 5  |
| Bonus under life policies reserved for distribution | 67,303     | 4  | 11 | Freehold ground rents, and Scotch feu duties                                  | 4,880,107   | 8  | 7  |
|   |            |    |    | Freehold and leasehold property   | 3,729,237   | 18 | 11 |
|   |            |    |    | Mortgages on property within the United Kingdom                               | 8,997,567   | 2  | 6  |
|   |            |    |    | Railway, Gas, and Water stocks  | 7,603,002   | 16 | 2  |
|   |            |    |    | Suez Canal shares   | 161,192     | 13 | 5  |
|   |            |    |    | Telegraph and other shares  | 96,984      | 18 | 0  |
|   |            |    |    | Leasehold ground rents  | 8,207       | 13 | 0  |
|   |            |    |    | Metropolitan and London County Consolidated stocks and City of London bonds   | 248,406     | 8  | 9  |
|   |            |    |    | Metropolitan Water Board stocks   | 435,263     | 10 | 7  |
|   |            |    |    | Bank of England stock   | 202,754     | 7  | 10 |
|   |            |    |    | Indian, Colonial and Foreign corporation stocks                               | 2,268,696   | 4  | 2  |
|   |            |    |    | Foreign government securities   | 2,438,547   | 8  | 4  |
|   |            |    |    | Reversions and Life Interests   | 1,339,794   | 19 | 6  |
|   |            |    |    | Loans on the company's policies   | 2,806,987   | 16 | 2  |
|   |            |    |    | Rent charges  | 249,736     | 11 | 8  |
|   |            |    |    | Outstanding premiums, and agents' balances                                    | 563,622     | 3  | 0  |
|   |            |    |    | Outstanding interest, and rents   | 587,149     | 17 | 7  |
|   |            |    |    | Cash—In hands of superintendents  | 34,951      | 2  | 0  |
|   |            |    |    | Do. On deposit, on current accounts, and in hand                              | 451,774     | 6  | 0  |
|   |            |    |    |   | £71,958,859 | 4  | 1  |

FREDK. SCHOOLING,  
A. C. THOMPSON, } *Joint Managers.*

D. W. STABLE,  
J. SMART, } *Joint Secretaries.*

H. A. HARBEN, *Chairman.*  
THOS. C. DEWEY, } *Directors.*  
W. J. LANCASTER, }

We report that with the assistance of the Chartered Accountants as stated below we have examined the foregoing accounts and have obtained all the information and explanations that we have required and in our opinion such accounts are correct and the foregoing Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs according to the best of our information and the explanations given to us and as shown by the books of the Company.

PHILIP SECRETAN, } *Auditors.*  
W. H. NICHOLLS, }

We have examined the Cash transactions (receipts and payments) affecting the accounts of the Assets and Investments for the year ended December 31st, 1908, and we find the same in good order and properly vouched. We have also examined the Deeds and Securities, Certificates, &c., representing the Assets and Investments set out in the above account, and we certify that they were in possession and safe custody as on December 31st, 1908.

DELOITTE, PLENDER, GRIFFITHS & Co., *Chartered Accountants.*

15th February, 1909.

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LIFE ASSURANCE COMPANIES ACT, 1870.—FOURTH SCHEDULE.

BALANCE SHEET OF THE PRUDENTIAL ASSURANCE COMPANY LIMITED (ORDINARY BRANCH)  
ON THE 31ST DECEMBER, 1908.

| LIABILITIES.                        |     |     |             | £ | s. | d.          | ASSETS.  |     |     |   | £   | s.  | d.          |    |    |
|-------------------------------------|-----|-----|-------------|---|----|-------------|--|-----|-----|---|-----|-----|-------------|----|----|
| Life assurance fund                 | ... | ... | £38,045,026 | 7 | 5  |             | Mortgages on property within the United Kingdom    | ... | ... | 6,763,282   | 10  | 11  |             |    |    |
| Sickness assurance fund             | ... | ... | 467         | 5 | 4  |             | Loans on the company's policies                    | ... | ... | 2,806,987   | 16  | 2   |             |    |    |
| Investments reserve fund            | ... | ... | 1,550,000   | 0 | 0  |             | Loans on County Council, Municipal and other rates | ... | ... | 5,405,114   | 16  | 2   |             |    |    |
|                                     |     |     |             |   |    | 39,595,493  | 12   | 9   |     | Rent charges  | ... | ... | 249,736     | 11 | 8  |
| Claims under life policies admitted | ... | ... |             |   |    | 143,243     | 5  | 7   |     | Investments:—   |     |     |             |    |    |
|                                     |     |     |             |   |    |             |  |     |     | In British Government securities  | ... | ... | 1,426,884   | 13 | 2  |
|                                     |     |     |             |   |    |             |  |     |     | Bank of England stock   | ... | ... | 202,754     | 7  | 10 |
|                                     |     |     |             |   |    |             |  |     |     | Metropolitan Consolidated stock   | ... | ... | 179,423     | 17 | 9  |
|                                     |     |     |             |   |    |             |  |     |     | Metropolitan Water Board stocks   | ... | ... | 435,263     | 10 | 7  |
|                                     |     |     |             |   |    |             |  |     |     | Indian and Colonial government securities                                     | ... | ... | 5,226,623   | 19 | 2  |
|                                     |     |     |             |   |    |             |  |     |     | Colonial corporation stocks   | ... | ... | 1,031,688   | 18 | 3  |
|                                     |     |     |             |   |    |             |  |     |     | Foreign government securities   | ... | ... | 1,829,572   | 1  | 8  |
|                                     |     |     |             |   |    |             |  |     |     | Foreign corporation stocks  | ... | ... | 690,322     | 19 | 10 |
|                                     |     |     |             |   |    |             |  |     |     | Railway and other debentures and debenture stocks and gold and sterling bonds | ... | ... | 4,678,234   | 1  | 3  |
|                                     |     |     |             |   |    |             |  |     |     | Railway, Gas, Water and other stocks and shares                               | ... | ... | 6,641,223   | 12 | 0  |
|                                     |     |     |             |   |    |             |  |     |     | Reversions and Life Interests   | ... | ... | 1,339,794   | 19 | 6  |
|                                     |     |     |             |   |    |             |  |     |     | Outstanding premiums  | ... | ... | 228,549     | 19 | 4  |
|                                     |     |     |             |   |    |             |  |     |     | Outstanding interest  | ... | ... | 305,507     | 5  | 10 |
|                                     |     |     |             |   |    |             |  |     |     | Cash—On current accounts and in hand  | ... | ... | 297,770     | 17 | 3  |
|                                     |     |     |             |   |    | £39,738,736 | 18   | 4   |     |   |     |     | £39,738,736 | 18 | 4  |

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THOS. C. DEWEY, } *Directors.*  
W. J. LANCASTER, }

We report that with the assistance of the Chartered Accountants as stated below we have examined the foregoing accounts and have obtained all the information and explanations that we have required and in our opinion such accounts are correct and the foregoing Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs according to the best of our information and the explanations given to us and as shown by the books of the Company.

PHILIP SECRETAN, } *Auditors.*  
W. H. NICHOLLS, }

We have examined the Cash transactions (receipts and payments) affecting the accounts of the Assets and Investments for the year ended December 31st, 1908, and we find the same in good order and properly vouched. We have also examined the Deeds and Securities, Certificates, &c., representing the Assets and Investments set out in the above account, and we certify that they were in possession and safe custody as on December 31st, 1908.

DELOITTE, PLENDER, GRIFFITHS & CO. *Chartered Accountants.*

15th February, 1909.

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LIFE ASSURANCE COMPANIES ACT, 1870.—THIRD SCHEDULE.  
 REVENUE ACCOUNT OF THE PRUDENTIAL ASSURANCE COMPANY LIMITED (INDUSTRIAL BRANCH)  
 FOR THE YEAR ENDING 31ST DECEMBER, 1908.

| LIFE ASSURANCE ACCOUNT.   |             |    |                 |
|---|-------------|----|-----------------|
|   | £           | s. | d.              |
| Amount of life assurance fund at the beginning of the year                              | £28,124,921 | 8  | 8               |
| Amount transferred from the Ordinary Branch under Regulations of the company            | 95,003      | 0  | 0               |
| Premiums  | 6,925,755   | 5  | 7               |
| Interest and rents  | 1,005,203   | 7  | 3               |
|   | £36,150,883 | 1  | 6               |
|   |             |    | £ s. d.         |
| Claims under life policies :—   |             |    |                 |
| Sums assured  | £2,597,618  | 16 | 2               |
| Bonus additions paid to 31st December   | 72,696      | 15 | 1               |
| Surrenders  |             |    | 2,670,345 11 3  |
| Bonus to Superintendents and Agents   |             |    | 156,798 6 8     |
| Commission :—   |             |    | 35,000 0 0      |
| Salaries of 17,298 agents for the weekly collection of premium from 16,567,198 policies | £1,269,113  | 17 | 7               |
| Special new business charges  | 634,165     | 5  | 7               |
| Expenses of management :—   |             |    | 1,903,270 3 2   |
| Policy, postage, and receipt stamps (Head Office only)                                  | £86,610     | 7  | 6               |
| Superintendency charges   | 237,663     | 2  | 4               |
| Medical fees  | 63,822      | 19 | 5               |
| Head Office expenses  | 495,788     | 18 | 8               |
| Dividends and bonus to shareholders   |             |    | 883,885 7 11    |
| Amount transferred to reserve fund  |             |    | 535,000 0 0     |
| Bonus under life policies reserved for distribution                                     |             |    | 50,000 0 0      |
| Amount of life assurance fund at the end of the year as per Fourth Schedule             |             |    | 67,303 4 11     |
|   |             |    | 29,819,271 7 7  |
|   |             |    | £36,150,883 1 6 |

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LIFE ASSURANCE COMPANIES ACT, 1870.—FOURTH SCHEDULE.

BALANCE SHEET OF THE PRUDENTIAL ASSURANCE COMPANY LIMITED (INDUSTRIAL BRANCH)

ON THE 31ST DECEMBER, 1908.

| LIABILITIES.  |     | £          | s.     | d. | ASSETS.   |   | £           | s.        | d. |   |
|---|-----|------------|--------|----|---|---|-------------|-----------|----|---|
| Shareholders' capital                               | ... | £1,000,000 | 0      | 0  | Mortgages on property within the United Kingdom                               | ...                                       | 2,234,284   | 11        | 7  |   |
| Life assurance fund                                 | ... | 29,849,271 | 7      | 7  | Loans on County Council, Municipal and other rates                            | ...                                       | 9,630,925   | 9         | 3  |   |
| Reserve fund  | ... | 1,300,000  | 0      | 0  | Investments:—   |   |             |           |    |   |
|   |     |            |        |    | In British Government securities  | ...                                       | 1,989,915   | 4         | 4  |   |
|   |     |            |        |    | London County Consolidated Stock and City of London corporation bonds         | ...                                       | 68,982      | 11        | 0  |   |
| Claims under life policies admitted                 | ... |            | 3,547  | 13 | 3   | Indian and Colonial government securities | ...         | 1,056,162 | 13 | 9 |
| Bonus under life policies reserved for distribution | ... |            | 67,303 | 4  | 11  | Indian and Colonial corporation stocks    | ...         | 335,060   | 5  | 0 |
|   |     |            |        |    | Foreign government securities   | ...                                       | 608,975     | 6         | 8  |   |
|   |     |            |        |    | Foreign corporation stocks  | ...                                       | 211,624     | 1         | 1  |   |
|   |     |            |        |    | Railway and other debentures and debenture stocks and gold and sterling bonds | ...                                       | 5,441,013   | 0         | 10 |   |
|   |     |            |        |    | Railway preference and guaranteed stocks                                      | ...                                       | 1,219,956   | 15        | 7  |   |
|   |     |            |        |    | Freehold ground rents and Scotch feu duties                                   | ...                                       | 4,880,107   | 8         | 7  |   |
|   |     |            |        |    | Leasehold ground rents  | ...                                       | 8,207       | 13        | 0  |   |
|   |     |            |        |    | House property—   |   |             |           |    |   |
|   |     |            |        |    | Freehold  | ...                                       | £3,418,194  | 12        | 10 |   |
|   |     |            |        |    | Leasehold   | ...                                       | 311,043     | 6         | 1  |   |
|   |     |            |        |    |   |   | 3,729,237   | 18        | 11 |   |
|   |     |            |        |    | Agents' balances  | ...                                       | 4,326       | 13        | 3  |   |
|   |     |            |        |    | Outstanding premiums  | ...                                       | 330,745     | 10        | 5  |   |
|   |     |            |        |    | Outstanding interest and rents  | ...                                       | 281,642     | 11        | 9  |   |
|   |     |            |        |    | Cash—In hands of superintendents  | ...                                       | 34,951      | 2         | 0  |   |
|   |     |            |        |    | Do. On deposit, on current accounts, and in hand                              | ...                                       | 154,003     | 8         | 9  |   |
|   |     |            |        |    |   |   |             |           |    |   |
|   |     |            |        |    |   |   | £32,220,122 | 5         | 9  |   |
|   |     |            |        |    |   |   |             |           |    |   |
|   |     |            |        |    |   |   | £32,220,122 | 5         | 9  |   |

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We report that with the assistance of the Chartered Accountants as stated below we have examined the foregoing accounts and have obtained all the information and explanations that we have required and in our opinion such accounts are correct and the foregoing Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs according to the best of our information and the explanations given to us and as shown by the books of the Company.

PHILIP SECRETAN, }  
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DELOITTE, PLENDER, GRIFFITHS & Co., *Chartered Accountants.*

15th February, 1909.

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PRUDENTIAL  
Assurance Company Limited.

—+—  
DIRECTORS' REPORT  
AND  
STATEMENT OF ACCOUNTS

*At 31st December, 1908.*

Printers: SIR JOSEPH CAUSTON & SONS, Limited, London.

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