

# PRUDENTIAL ASSURANCE COMPANY

LIMITED.

## SIXTY-SECOND ANNUAL REPORT,

FOR THE YEAR ENDING 31ST DECEMBER, 1910.

THE DIRECTORS have much pleasure in presenting their report and accounts for the year 1910.

ORDINARY BRANCH.—The number of policies issued during the year was 80,311, assuring the sum of £7,462,496, and producing a new annual premium income of £446,473.

The premiums received during the year were £4,806,121, being an increase of £96,014 over the year 1909.

The claims of the year amounted to £3,240,957. The number of deaths was 8,465, and 19,157 endowment assurances matured.

The number of policies in force at the end of the year was 903,896.

INDUSTRIAL BRANCH.—The premiums received during the year were £7,426,317, being an increase of £254,547.

The claims of the year amounted to £2,805,069, including £222,506 bonus additions. The number of claims and surrenders, including 4,600 endowment assurances matured, was 371,023.

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 145,187, the number in force being 1,608,935. The number of free policies which became claims during the year was 42,660.

The total number of policies in force in this Branch at the end of the year was 18,820,427: their average duration exceeds eleven and three-quarter years.

The assets of the Company, in both branches, as shewn in the balance sheet, after deducting the amount written off securities, are £77,529,226 being an increase of £3,327,525 over those of 1909.

The Staff Provident Fund, which was founded in 1898 for the benefit of the outdoor staff, now amounts to £215,712.

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<sup>M</sup>) 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 £1,751,114, including the sum of £332,353 brought forward from last year. Out of this surplus the Directors have added £300,000 to the Investments Reserve Fund, which, after deducting the £300,000 written off value of securities, stands as at 31st December, 1910, at £775,000.

In the INDUSTRIAL BRANCH the surplus shewn is £1,547,961, including the sum of £479,778 brought forward from last year. Out of this surplus the Directors have added £200,000 to the Investments Reserve Fund, which, after deducting the £450,000 written off value of securities, stands as at 31st December, 1910, at £600,000.

The total surplus of the two branches, as shewn by the valuation, is thus £3,299,075, which is disposed of as follows: £300,000 has been added to the Investments Reserve Fund of the Ordinary Branch, and £200,000 has been added to the Investments Reserve Fund of the Industrial Branch; £1,958,404 will be distributed among participating policyholders in the Ordinary Branch, 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 £840,671 to be carried forward, namely, £334,311 in the Ordinary Branch and £506,360 in the Industrial Branch.

The Directors, in continuation of the policy adopted last year, have considered it advisable to write down certain securities and have for this purpose taken the sum of £750,000 from the Investments Reserve Fund, £300,000 in the Ordinary Branch and £450,000 in the Industrial Branch. There will still remain a total sum of £1,375,000 in the Investments Reserve Fund.

In the Ordinary Branch a reversionary bonus at the rate of £1 14s. 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 rate of bonus in the Industrial Branch of the Company as follows:—

All policies of over five years' duration which become claims either by death or maturity of endowment from the 3rd of March, 1911, to the 7th of March, 1912, 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 fifteen years' premiums have been paid,
- £15 per cent. on all policies becoming claims upon which at least fifteen but less than twenty years' premiums have been paid, and
- £20 per cent. on all policies becoming claims upon which at least twenty years' premiums have been paid.

The Directors deeply regret to record the death of Mr. HENRY ANDRADE HARBEN, their able and respected Chairman. The Company have had the benefit of his valuable services as a Director for 31 years, during the last three of which he occupied the Chair with marked distinction.

The Board have elected as their Chairman Mr. THOMAS CHARLES DEWEY.

The vacancy in the Directorate has been filled by the appointment of JOHN IRVINE BOSWELL, M.D., a qualified Shareholder, and his election will be submitted to the Shareholders for confirmation.

The retiring Directors are Mr. WILLIAM EDGAR HORNE, M.P., SIR JOHN HENRY LUSCOMBE and Mr. PHILIP SPENCER GREGORY, 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,  
16th February, 1911.

THOS. C. DEWEY,  
Chairman.

## ASSURANCE COMPANIES ACT, 1909.—THIRD SCHEDULE.

BALANCE SHEET of the PRUDENTIAL ASSURANCE COMPANY LIMITED,  
BEING THE SUMMARY OF BOTH BRANCHES ON THE 31ST DECEMBER, 1910.

LIABILITIES.		ASSETS.	
	£ s. d.		£ s. d.
Shareholders' capital	1,000,000 0 0	Mortgages on property within the United Kingdom	8,043,111 11 3
Life assurance fund—		Mortgages on property out of the United Kingdom	nil
Ordinary Branch	41,425,962 6 0	Loans on parochial and other public rates	14,797,498 18 8
Life assurance fund—		Loans on Life Interests	1,127,253 8 11
Industrial Branch	33,424,266 7 0	Loans on Reversions	102,561 13 8
		Loans on Stocks and shares	104,000 0 0
Investments reserve fund	74,850,228 13 0	Loans on Company's policies within their surrender values	3,032,811 13 3
Claims admitted or intimated but not paid	1,375,000 0 0	Loans on Personal security	nil
Annuities due and unpaid	173,590 13 9	Loans to Educational Institutions secured on income, etc.	51,235 11 7
Balance of bonus under life policies reserved for distribution	2,011 9 2	Investments:—	
	128,395 10 1	Deposit with the High Court (£24,400 2½ % Consolidated stock)	19,520 0 0
		British Government securities	2,707,777 10 10
		Bank of England stock	152,902 18 7
		Municipal and county securities, United Kingdom	864,554 15 6
		Indian and Colonial Government securities	5,670,176 14 0
		Indian and Colonial provincial securities	956,178 11 1
		Indian and Colonial municipal securities	2,341,331 3 5
		Foreign Government securities	3,137,900 13 9
		Foreign provincial securities	152,358 9 6
		Foreign municipal securities	1,640,863 9 4
		Railway and other debentures and debenture stocks and gold and sterling bonds—Home and Foreign	13,221,420 0 11
		Railway and other preference and guaranteed stocks and shares	3,468,557 7 5
		Railway and other ordinary stocks and shares	3,784,754 1 4
		Rent charges	353,308 7 3
		Freehold ground rents and Scotch feu duties	4,749,200 10 0
		Leasehold ground rents	7,921 1 1
		House property	3,933,671 17 9
		Life interests	34,626 14 6
		Reversions	1,465,195 12 6
		Agents' balances	5,713 3 4
		Outstanding premiums	455,294 3 6
		Outstanding interest and rents	70,806 9 11
		Interest accrued but not payable	613,464 2 10
		Bills receivable	nil
		Cash:—	
		On deposit	20,000 0 0
		In hand and on current accounts	443,255 10 5
	£77,529,226 6 0		£77,529,226 6 0

The values of the Stock Exchange securities are determined, under the regulations of the Company, by the Directors. These values have been compared with the middle market prices on 31st December, 1910, due allowance being made for accrued interest, and the difference is more than provided for by the investments reserve fund.

We certify that in our belief the Assets set forth in the Balance Sheet are in the aggregate fully of the value stated therein less the investments reserve fund taken into account.

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

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

THOS. C. DEWEY, Chairman.

W. J. LANCASTER, } Directors.  
J. H. LUSCOMBE, }

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, 1910, 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, 1910.

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

13th February, 1911.

ASSURANCE COMPANIES ACT, 1909.—FIRST SCHEDULE.

REVENUE ACCOUNT OF THE PRUDENTIAL ASSURANCE COMPANY LIMITED (ORDINARY BRANCH)  
FOR THE YEAR ENDING 31ST DECEMBER, 1910, IN RESPECT OF LIFE ASSURANCE BUSINESS.

	£	s.	d.		£	s.	d.
Amount of life assurance fund at the beginning of the year ...	£39,784,184	17	0	Claims under policies paid and outstanding:—			
Amount transferred from sickness assurance account ...	437	8	3	By death ...	£1,096,070	13	10
	39,784,622	6	0	By maturity ...	2,144,886	5	10
<i>Less</i> amount transferred to the Industrial Branch, being proportion of profits ...	105,700	0	0	Surrenders, including surrenders of bonus ...			3,240,956 19 8
	39,678,922	6	0	Annuities ...			615,738 10 2
Premiums ...	4,806,120	14	5	Commission ...			142,512 10 1
Consideration for annuities granted ...	145,935	1	4	Expenses of management ...			286,240 3 10
Interest and dividends ...	£1,584,482	16	0	Amount transferred to investments reserve fund ...			120,153 0 4
<i>Less</i> income tax thereon ...	83,897	7	8	Amount of life assurance fund at the end of the year, as per Third Schedule ...			300,000 0 0
	1,500,585	8	4				41,425,962 6 0
	£46,131,563	10	1				£46,131,563 10 1

During the year 80,311 policies were issued assuring £7,462,496. £11,069 was received by way of single premiums. The yearly renewal premium income was £446,473. No business is transacted out of the United Kingdom.

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**BALANCE SHEET OF THE PRUDENTIAL ASSURANCE COMPANY LIMITED  
(ORDINARY BRANCH) ON THE 31st DECEMBER, 1910.**

LIABILITIES.			ASSETS.		
£	s.	d.	£	s.	d.
Life assurance fund ... ..	41,425,962	6	0	Mortgages on property within the United Kingdom ...	6,207,015 12 3
Investments reserve				Mortgages on property out of the United Kingdom ...	nil
fund ... .. £1,075,000 0 0				Loans on parochial and other public rates ... ..	5,127,046 11 4
Written off value				Loans on Life interests ... ..	702,253 8 11
of securities 300,000 0 0				Loans on Reversions ... ..	102,561 13 8
	775,000	0	0	Loans on Stocks and shares ... ..	104,000 0 0
			42,200,962 6 0	Loans on Company's policies within their surrender values ... ..	3,083,811 13 3
Claims under life policies admitted or intimated but not paid ... ..			170,180 13 9	Loans on Personal security ... ..	nil
Annuities due and unpaid ... ..			2,011 9 2	Loans to Educational institutions secured on income, &c.	50,713 11 2
				Investments:—	
				British Government securities ... ..	1,146,839 3 10
				Bank of England stock ... ..	152,902 18 7
				Municipal and county securities, United Kingdom	639,599 0 8
				Indian and Colonial Government securities ... ..	4,555,290 9 10
				Indian and Colonial provincial securities... ..	526,320 9 8
				Colonial municipal securities ... ..	1,677,592 5 9
				Foreign Government securities ... ..	2,454,911 11 8
				Foreign provincial securities ... ..	22,094 9 8
				Foreign municipal securities ... ..	1,223,446 11 5
				Railway and other debentures and debenture stocks and gold and sterling bonds—Home and Foreign ... ..	6,042,777 15 11
				Railway and other preference and guaranteed stocks and shares ... ..	2,146,539 2 5
				Railway and other ordinary stocks and shares ...	3,720,175 5 0
				Rent charges ... ..	353,308 7 3
				Life interests ... ..	34,626 14 6
				Reversions ... ..	1,465,195 12 6
				Outstanding premiums ... ..	177,811 16 8
				Outstanding interest ... ..	18,485 0 1
				Interest accrued but not payable... ..	340,943 15 9
				Bills receivable ... ..	nil
				Cash in hand and on current accounts ... ..	297,891 7 2
			<u>£42,373,154 8 11</u>		<u>£42,373,154 8 11</u>

The values of the Stock Exchange securities are determined, under the regulations of the Company, by the Directors. These values have been compared with the middle market prices on 31st December, 1910, due allowance being made for accrued interest, and the difference is more than provided for by the investments reserve fund.

We certify that in our belief the Assets set forth in the Balance Sheet are in the aggregate fully of the value stated therein less the investments reserve fund taken into account.

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

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

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

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PHILIP SECRETAN, } *Auditors.*  
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13th February, 1911.

ASSURANCE COMPANIES ACT, 1909.—FIRST SCHEDULE.

REVENUE ACCOUNT OF THE PRUDENTIAL ASSURANCE COMPANY LIMITED (INDUSTRIAL BRANCH)

FOR THE YEAR ENDING 31ST DECEMBER, 1910, IN RESPECT OF LIFE ASSURANCE BUSINESS.

	£	s.	d.		£	s.	d.
Amount of life assurance fund at the beginning of the year ... ..	£31,543,696	8	9				
Amount transferred from Ordinary Branch under Regulations of the company ...	105,700	0	0				
	31,649,396	8	9				
Balance of bonus under life policies reserved for distribution at the beginning of the year ... ..	90,902	3	6				
Premiums ... ..	7,426,316	13	8				
Interest, dividends and rents ... ..	£1,211,864	11	4				
Less income tax thereon ... ..	62,910	11	3				
	1,148,954	0	1				
	£40,315,569	6	0				
				Claims under policies paid and outstanding:—			
				By death ... ..	£2,529,301	3	8
				By maturity ... ..	53,261	8	2
				Bonus additions paid to 31st December	222,506	13	5
					2,805,069	5	3
				Surrenders ... ..			
				Bonus to Superintendents and Agents ...			
					233,802	1	7
				Commission:—			65,000 0 0
				Agency charges, including salaries of 17,863 agents for the weekly collection of premium from 17,211,492 policies ... ..	£1,343,115	0	7
				Special new business charges ... ..	641,734	1	7
					1,984,849	2	2
				Expenses of management:—			
				Policy, postage, and receipt stamps (Head Office only) ... ..	£78,557	12	3
				Superintendency charges ... ..	246,270	16	3
				Medical fees ... ..	61,330	18	5
				Head Office expenses ... ..	523,027	13	0
					909,186	19	11
				Dividends and bonus to shareholders ... ..	565,000	0	0
				Amount transferred to investments reserve fund ...	200,000	0	0
				Balance of bonus under life policies reserved for distribution	128,395	10	1
				Amount of life assurance fund at the end of the year, as per Third Schedule ... ..	33,424,266	7	0
					£40,315,569	6	0

During the year 2,306,412 policies were issued, assuring £20,546,799.

No business is transacted out of the United Kingdom.

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**BALANCE SHEET OF THE PRUDENTIAL ASSURANCE COMPANY LIMITED  
(INDUSTRIAL BRANCH) ON THE 31ST DECEMBER, 1910.**

LIABILITIES.				ASSETS.	
	£ s. d.	£ s. d.		£ s. d.	
Shareholders' capital ... ..	1,000,000 0 0		Mortgages on property within the United Kingdom ...	1,836,095 19 0	
Life assurance fund ... ..	33,424,266 7 0		Mortgages on property out of the United Kingdom ...	nil	
Investments reserve fund ... ..	£1,050,000 0 0		Loans on parochial and other public rates ... ..	9,670,452 7 4	
Written off value of securities ... ..	450,000 0 0		Loans on Life interests ... ..	425,000 0 0	
	600,000 0 0		Loans on Personal security ... ..	nil	
		35,024,266 7 0	Loans to Educational institutions secured on income, &c. ... ..	522 0 5	
Claims under life policies admitted or intimated but not paid ... ..	3,410 0 0		Investments:—		
Balance of bonus under life policies reserved for distribution ... ..	128,395 10 1		Deposit with the High Court (£24,400 2½ % Consolidated stock) ... ..	19,520 0 0	
			British Government securities ... ..	1,560,938 7 0	
			Municipal and county securities, United Kingdom	224,955 14 10	
			Indian and Colonial Government securities ... ..	1,114,886 4 2	
			Indian and Colonial provincial securities ... ..	429,858 1 5	
			Indian and Colonial municipal securities ... ..	663,738 17 8	
			Foreign Government securities ... ..	682,989 2 1	
			Foreign provincial securities... ..	130,263 19 10	
			Foreign municipal securities ... ..	417,416 17 11	
			Railway and other debentures and debenture stocks and gold and sterling bonds—Home and Foreign	7,178,642 5 0	
			Railway preference and guaranteed stocks ... ..	1,322,018 5 0	
			Railway and other ordinary stocks and shares ... ..	14,578 16 4	
			Freehold ground rents and Scotch feu duties ... ..	4,749,200 10 0	
			Leasehold ground rents ... ..	7,921 1 1	
			House property ... ..	3,933,671 17 9	
			Agents' balances ... ..	5,713 3 4	
			Outstanding premiums ... ..	277,482 6 9	
			Outstanding interest and rents ... ..	62,321 9 10	
			Interest accrued but not payable ... ..	272,520 7 1	
			Bills receivable ... ..	nil	
			Cash:—		
			On deposit ... ..	20,000 0 0	
			In hand and on current accounts ... ..	145,364 3 3	
		<b>£35,156,071 17 1</b>		<b>£35,156,071 17 1</b>	

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

13th February, 1911.

PRUDENTIAL  
Assurance Company Limited.

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DIRECTORS' REPORT  
AND  
STATEMENT OF ACCOUNTS

*At 31st December, 1910.*

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

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