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PRUDENTIAL
ASSURANCE COMPANY.

Directors' Report

AND

STATEMENTS OF ACCOUNTS

FOR

The Year ending 31st December 1880.

PRUDENTIAL ASSURANCE COMPANY.

THIRTY-SECOND ANNUAL REPORT,

For the Year ending 31st December 1880.

THE DIRECTORS have much pleasure in presenting their Report and Accounts for the year 1880.

In every respect the Accounts are satisfactory, the progression of the income is particularly gratifying, the increase of the Assurance Funds very considerable, while the percentage of each item of expenditure again shows a reduction.

ORDINARY BRANCH.

In this Branch the New Business completed during the year consists of 5,089 Policies, assuring the sum of £639,935, and producing a New Annual Premium Income of £22,529 9s. 11d.

The Claims of the year amount to £58,815 14s. 2d., under 468 Policies, representing 406 Deaths and 19 Endowment Assurances matured.

Six Annuitants have died during the year.

The expenses of the Branch are 11.22 per cent. on the Premium Income, and are a trifle less than those of last year.

The Annual Premium Income at the end of the year is £122,647 5s. 5d., showing an increase of £13,065 16s. over the year 1879.

The Assurance Fund, which at the beginning of the year was £531,452 16s. 9d., is now £663,485 1s. 2d., showing an increase of £72,032 4s. 5d.

The following is a list in detail of the Assets of this Branch:—

	£	s.	d.
Mortgages on Property within the United Kingdom	157,110	4	1
Loans on the Company's Policies.....	23,653	0	11
Investments :—			
In British Government Securities (£100,000 Consols)	95,132	2	3
Indian ditto ditto	850	0	0
Colonial ditto ditto, viz. :—			
£10,000 Victoria Bonds.....	£10,770	0	11
£ 5,000 Cape of Good Hope ditto	5,030	4	2
£10,000 South Australian ditto	10,131	17	6
£10,000 Queensland ditto	9,412	10	0
£ 5,000 Natal ditto	5,095	0	0
£ 5,500 New Zealand ditto	5,907	10	0
£ 3,000 Canada ditto	2,792	4	8
	49,139	7	3
Foreign Government Securities—£1,000 French Loan....	807	15	0
£3,800 Japanese „	3,473	16	6
£4,300 Brazilian „	4,059	7	6
£ 300 Moorish „	286	3	9
£5,000 Russian „	4,740	12	6
	13,367	15	3
Railway and other Debentures and Debenture Stock	44,139	10	11
Ditto Shares (Preference and Ordinary)	21,697	16	7
House Property	91,228	14	8
Reversions	57,986	3	6
Life Interests	76	12	6
Mortgages of Reversions	2,848	9	2
Loans on Municipal and other Rates	19,013	7	6
Agents' Balances.....	4,711	8	7
Outstanding Premiums	1,273	3	5
Ditto Interest and Rents	5,283	9	7
Amount due from the Official Liquidator of International Insurance Society	8,067	15	0
Deposits at Three Months Notice	50,000	0	0
Cash—On Deposit	£20,000	0	0
On current account.....	11,269	17	10
In hand.....	100	0	0
	31,369	17	10
	£676,948	19	0

At the close of the year 1881 the Quinquennial Division of Profits will take place. All persons whose Proposals have been accepted and the Premiums paid before the 31st December 1881 will participate in the Bonus.

From the results of the operations of the four years of the present Quinquennium, there seems every reason to believe that a very satisfactory Bonus will be declared.

INDUSTRIAL BRANCH.

The Premiums actually received during the year in this Branch are £1,608,849 8s. 7d., as compared with the sum of £1,407,143 10s. 6d. received during 1879, showing an increase of Premium Receipts of £201,705 18s. 1d.

The Claims of the year amount to £573,837 1s. 9d., while the total amount of Claims paid in this Branch is £3,146,360.

The Assurance Fund, which at the beginning of the year was £1,001,033 15s. 5d., is now £1,318,547 1s. 2d., showing an increase of £317,513 5s. 9d.

The following is a list in detail of the Assets of this Branch:—

	£	s.	d.
Mortgages on Property within the United Kingdom	72,930	0	11
Investments:—			
In British Government Securities (£150,000 New Three per Cents.)	144,600	11	6
Railway Debenture Stock	48,632	9	11
Freehold Ground Rents	450,001	0	1
Scotch Feu Duties	7,047	14	0
House Property.....	217,121	7	8
Freehold Estates	59,678	8	4
Life and other Interests and Reversions	43,008	5	2
Furniture and Fittings.....	24,000	0	0
Loans on Municipal and other Rates.....	166,670	14	10
Loans on Personal Security	36,626	18	5
Agents' Balances	89,429	14	2
Outstanding Interest and Rents	10,380	0	10
Deposits at Three Months' notice	5,000	0	0
Cash—On current account	£23,320	10	9
In hand	250	0	0
		23,570	10 9
		£1,398,697	16 7

The expenses of conducting the existing business of this Branch are now 31.9 per cent. upon the Premium Income, showing a further reduction from those of last year, and being 10 per cent. less than the amount provided at the last valuation.

These expenses are necessarily higher than those in the Ordinary Branch, as the premiums are collected weekly, but they are still less than those of any other similar Company transacting purely Life Assurance business.

The rate of the New Business charges is upwards of one-half per cent. less than that of last year, but inasmuch as specific provision is made for these charges in the first year's premium, and they are defrayed by new entrants, forming no charge whatever upon renewals, their incidence is of no practical moment.

The process of reducing the Extension Expenses has been continued during the past year. The expenses incurred under this head show a diminution of more than **one-half** per cent., and the same remarks apply to these as to the New Business charges.

The Organization of this Branch is still maintained in a high state of efficiency.

The result of the valuation at the end of the year 1876 completely demonstrated the safety and soundness of the system on which the Company's Industrial Business is carried on.

The Directors have since that date caused statistical returns of the most minute and exhaustive character relating to the transactions of this Branch to be compiled. The books containing these returns have been from time to time examined with an anxious desire to introduce all improvements for the benefit of the Assured which may with safety and propriety be adopted.

The business of the past four years has been attended with the most satisfactory results, and the Directors propose, if the valuation at the close of the year realizes their expectations, to introduce such additional alterations and improvements as they consider can be made with due regard to the stability of the Company.

The retiring Directors are Messrs. HORNE and PUGH, who offer themselves for re-election.

The Auditors, Mr. JAMES ALLANSON and Dr. BARNES, also retire, and offer themselves for re-election.

HOLBORN BARS,
17th February 1881.

EDGAR HORNE,
Chairman.

*REVENUE ACCOUNTS of the PRUDENTIAL ASSURANCE COMPANY (ORDINARY BRANCH)
for the Year ending 31st December 1880.*

(No. 1.) LIFE ASSURANCE ACCOUNT.

	£	s.	d.		£	s.	d.
Amount of Life Assurance Fund at the beginning of the year	591,452	16	9	Claims under Life Policies (after deduction of sums re-assured)	58,815	14	2
Premiums, after deduction of Re-assurance Premiums:—				Surrenders	4,009	18	0
New Premiums	£21,271	7	3	Annuities	3,553	4	11
Renewals	98,759	8	2	Commission	8,689	10	4
				Expenses of Management	4,778	0	8
	120,030	15	5	Amount transferred to Leasehold Redemption Fund	1,000	0	0
Consideration for Annuities granted	6,659	15	4	Amount of Life Assurance Fund at the end of the year, as per Fourth Schedule	663,485	1	2
Interest, Dividends and Rents	26,173	6	3		£744,331	9	3
Fines for revival of Policies	14	15	6				
	£744,331	9	3				

(No. 2.) SICKNESS AND ASSURANCE ACCOUNT.

	£	s.	d.		£	s.	d.
No new business transacted for many years.				Claims	23	10	0
Amount of Sickness and Assurance Fund at the beginning of the year	490	16	2	Surrenders	30	0	0
Premiums	35	8	11	Commission	1	7	6
Interest	20	9	0	Sickness and Assurance Fund at the end of the year, as per Fourth Schedule	491	16	7
	£546	14	1		£546	14	1

LIFE ASSURANCE COMPANIES ACT, 1870.—FOURTH SCHEDULE.

BALANCE SHEET of the PRUDENTIAL ASSURANCE COMPANY (ORDINARY BRANCH) on the 31st December 1880.

LIABILITIES.	£	s.	d.	ASSETS.	£	s.	d.
Life Assurance Fund	663,485	1	2	Mortgages on Property within the United Kingdom	157,110	4	1
Sickness and Assurance Fund	491	16	7	Loans on the Company's Policies	23,653	0	11
	£663,976	17	9	Investments:—			
Claims under Life Policies admitted but not yet paid	12,972	1	3	In British Government Securities	95,132	2	3
				Indian and Colonial ditto	49,989	7	3
				Foreign ditto	13,367	15	3
				Railway and other Debentures and Debenture Stock	44,139	10	11
				Ditto Shares (Preference and Ordinary)	21,697	16	7
				House Property	£97,228	14	8
				Less Leasehold Redemption Fund transferred	6,000	0	0
					91,228	14	8
				Reversions	57,986	3	5
				Life Interests	76	12	6
				Mortgages of Reversions	2,848	9	2
				Loans on Municipal and other Rates	19,013	7	6
				Agents' Balances	4,711	8	7
				Outstanding Premiums	1,273	3	5
				Ditto Interest and Rents	5,283	9	7
				Amount due from Official Liquidator of International Insurance Society	8,067	15	0
				Deposits at Three Months notice	50,000	0	0
				Cash—On deposit	£20,000	0	0
				On current account	11,269	17	10
				In hand	100	0	0
					31,369	17	10
	£676,948	19	0		£676,948	19	0

THOS. C. DEWEY, }
WILLIAM HUGHES, } *Managers.*
W. J. LANCASTER, *Secretary.*

EDGAR HORNE, *Chairman.*
HENRY HARBEN, }
PATRICK FRASER, } *Directors.*

We have examined, month by month, the various Receipts and Payments of the Prudential Assurance Company.
We have also examined the foregoing Accounts, find them to be correct, and hereby confirm the same. We have seen and examined the various securities.

JAMES ALLANSON, }
ROBERT BARNES, } *Auditors.*

14th February 1881.

REVENUE ACCOUNT of the PRUDENTIAL ASSURANCE COMPANY (INDUSTRIAL BRANCH)
for the Year ending 31st December 1880.

LIFE ASSURANCE ACCOUNT.

	£	s.	d.		£	s.	d.
Amount of Life Assurance Fund at the beginning				Claims under Life Policies	573,837	1	9
of the year	1,001,033	15	5	Surrenders	897	19	3
Premiums	1,608,849	8	7	Commission—			
Interest, Dividends and Rents	40,600	10	11	Agents' Salaries for the weekly collection of Premium from			
				4,898,509 Policies	310,180	0	10
				Special New Business Charges	200,678	0	4
					510,858	1	2
				NOTE.—The expenses incurred under the items "Special New Business Charges" and "Extension Expenses," form no charge upon the Renewal Income. They are borne entirely by new entrants, and are covered by a clause in the Policies limiting the benefit until the first year has expired.			
				Expenses of Management—			
				Extension Expenses	38,055	8	6
				Head Office Expenses, including Printing, Advertising, Medical Fees, and Superintendents' Salaries, and Travelling Expenses	204,542	3	1
					242,597	11	7
				NOTE.—Postage, Policy, and Receipt Stamps (exclusive of Agents' Postage) amount to £31,818 9s. 1d.			
				Amount written off New Offices Account	2,000	0	0
				Ditto Furniture Account	500	0	0
				Dividends to Shareholders	1,246	0	0
				Amount of Life Assurance Fund at the end of the year, as per Fourth Schedule	1,318,547	1	2
	£2,650,483	14	11		£2,650,483	14	11

LIFE ASSURANCE COMPANIES ACT, 1870.—FOURTH SCHEDULE.

BALANCE SHEET of the PRUDENTIAL ASSURANCE COMPANY (INDUSTRIAL BRANCH)
on the 31st December 1880.

LIABILITIES.	£	s.	d.	ASSETS.	£	s.	d.
Shareholders Capital	24,920	0	0	Mortgages on Property within the United Kingdom	72,930	0	11
Life Assurance Fund	1,318,547	1	2	Investments:			
Contingency Fund	40,000	0	0	In British Government Securities	144,600	11	6
Claims under Life Policies admitted	15,230	15	5	Railway Debenture Stock	48,632	9	11
				Freehold Ground Rents	450,001	0	1
				House Property	219,121	7	8
				Less Amount written off New Offices	2,000	0	0
					217,121	7	8
				Scotch Feu Duties	7,047	14	0
				Freehold Estates	59,678	8	4
				Life and other Interests and Reversions	43,008	5	2
				Furniture and Fittings	24,500	0	0
				Less Amount written off	500	0	0
					24,000	0	0
				Loans on Municipal and other Rates	166,670	14	10
				Loans on Personal Security	36,626	18	5
				Agents Balances	89,429	14	2
				Outstanding Interest and Rents	10,380	0	10
				Deposits at Three Months notice	5,000	0	0
				Cash—On current account	£23,320	10	9
				In hand	250	0	0
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	£1,398,697	16	7		£1,398,697	16	7

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