

# PRUDENTIAL ASSURANCE COMPANY

LIMITED.

## *FORTY-FIFTH ANNUAL REPORT.*

FOR THE YEAR ENDING 31ST DECEMBER, 1893.

THE DIRECTORS have much pleasure in presenting their Report and Accounts for the year 1893.

ORDINARY BRANCH.—The number of Policies issued during the year was 54,558, assuring the sum of £5,627,065, and producing a New Annual Premium Income of £304,928.

The Premiums received during the year were £1,854,370, being an increase of £188,759 over the year 1892.

The Claims of the year amounted to £478,564. The number of Deaths was 3,397 and 154 Endowment Assurances matured.

The number of Policies in force at the end of the year was 335,176.

INDUSTRIAL BRANCH.—The Premiums received during the year were £3,971,863, being an increase of £122,706.

The Claims of the year amounted to £1,662,768. The number of Deaths was 185,003 and 1,267 Endowment Assurances matured.

The number of Free Policies granted during the year to those Policyholders of five years' standing, who have desired to discontinue their payments, was 55,764, the number in force being 338,272. The number of Free Policies which became Claims during the year was 6,424.

The total number of Policies in force at the end of the year was 10,476,393: their average duration is seven and a quarter years.

The assets of the Company, in both Branches, as shown in the Balance Sheet, are £18,538,865, being an increase of £2,229,213 over those of 1892.

It is with sincere regret the Directors have to record the death of their old and esteemed colleague, Dr. CROSS, which took place shortly after the last Annual Meeting. Dr. CROSS, who was one of the original Shareholders, was appointed a Director of the Company in 1877.

At the last Ordinary Meeting Dr. FRASER announced to the Shareholders the probability of his retirement in consequence of failing eyesight. He has since resigned, but the Directors are pleased to say that he has, at their request, accepted an honorary seat at the Board, and they still have the benefit of his advice and experience.

The two vacancies upon the Board have been filled by the appointment of Mr. THOMAS WHARRIE and Mr. JOHN WHATELY SIMMONDS, J.P., duly qualified Shareholders, whose election will be submitted to the Annual Meeting for confirmation.

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

The vacant Auditorships have been filled by the appointment of Messrs. ARCHIBALD DAY and PHILIP SECRETAN, who are duly qualified, and now offer

The Directors regret to announce the death of the Rev. T. H. COLE, who had acted as their Auditor for some years; but they have not considered it necessary to fill the vacancy.

The system of annual distribution of profits begun last year having given satisfaction alike to Policy-holders and Shareholders, the Directors have decided to continue it, and a complete valuation for the past year has been made.

For this valuation 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.

The results of the valuation are as follows:—

In the ORDINARY BRANCH a surplus is shewn of £442,930. This includes the sum of £70,000 brought forward last year, which it is now intended to increase to £100,000.

In the INDUSTRIAL BRANCH the surplus shewn is £500,944, including the sum of £200,000 brought forward last year, which it is now intended to increase to £360,000.

The total surplus of the two Branches as shewn by the valuation is thus £943,874, and after carrying forward the sums of £100,000 and £360,000 before mentioned, £483,874 is left for distribution among the participating Policy-holders and Shareholders, in accordance with the Regulations of the Company under its special Act of Parliament. In carrying forward so large a balance the Directors have adopted the same principles by which they were guided last year, but they anticipate that when the system of an annual valuation has had a longer trial, it may be possible to modify this course.

The processes and results of the valuation, which has been carried out by the Actuary, Mr. F. SCHOOLING, have been submitted to Mr. A. H. BAILEY, whose report is as follows:—

“The results of the valuation of the liabilities of your Company on the 31st December, 1893, have been submitted to and examined by me.

“The basis upon which the valuations have been made and the methods adopted in the process, are the same as upon the last occasion, and have my entire approval. And your resolution to retain a portion of the surplus in each Branch is I think judicious, having regard to the extent of the Company's liabilities.”

The Balance Sheet has been submitted to Messrs. DELOITTE, DEVER, GRIFFITHS & Co., whose certificate is appended to the accounts.

EDGAR HORNE,  
*Chairman.*

HOLBORN BARS,  
15th February, 1894.

GENERAL BALANCE SHEET OF THE PRUDENTIAL ASSURANCE COMPANY LIMITED  
ON THE 31ST DECEMBER, 1893.

LIABILITIES.	£ s. d.	ASSETS.	£ s. d.
Shareholders' capital ... ..	600,000 0 0	British Government securities (Consols) ... ..	2,046,458 9 9
Ordinary Branch funds ... ..	8,002,142 3 6	Railway and other Debentures and Debenture Stock ... ..	2,065,873 7 10
Industrial Branch fund ... ..	9,898,397 16 5	Loans, County Council, Municipal, and other Rates ... ..	4,744,556 11 3
Claims under life policies admitted ... ..	38,325 10 6	Freehold Ground Rents, and Scotch Feu Duties... ..	2,399,803 18 5
		Mortgages ... ..	2,342,110 17 3
		Metropolitan Consolidated Stock, and City of London Bonds ... ..	355,545 13 0
		Bank of England Stock ... ..	167,337 0 1
		Freehold and leasehold property ... ..	1,043,759 6 4
		Indian and Colonial Government securities ... ..	915,660 10 5
		Reversions ... ..	189,155 4 10
		Railway and other shares ... ..	1,136,512 8 9
		Loans on the Company's policies ... ..	228,357 15 5
		Rent charges ... ..	64,514 1 0
		Loans upon personal security ... ..	711 5 0
		Outstanding premiums ... ..	307,418 3 10
		Cash in hands of Superintendents, and Agents' balances ... ..	48,583 11 7
		Outstanding interest, and rents ... ..	166,842 10 2
		Cash—On deposit, on current accounts, and in hand ... ..	315,664 15 6
	<b>£18,538,865 10 5</b>		<b>£18,538,865 10 5</b>

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

EDGAR HORNE, *Chairman.*  
HENRY HARBEN, )  
W. T. PUGH, ) *Directors.*

We have examined the Cash transactions, Receipts and Payments, affecting the accounts of the Assets and Investments for the year ended December 31st, 1893, 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, 1893.

14th February, 1894.

DELOITTE, DEVER, GRIFFITHS & Co.

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LIFE ASSURANCE COMPANIES ACT, 1870.—THIRD SCHEDULE.

REVENUE ACCOUNTS OF THE PRUDENTIAL ASSURANCE COMPANY LIMITED (ORDINARY BRANCH)  
FOR THE YEAR ENDING 31ST DECEMBER, 1893.

(No. 1.) LIFE ASSURANCE ACCOUNT.

		<i>£</i> <i>s.</i> <i>d.</i>			<i>£</i> <i>s.</i> <i>d.</i>
Amount of Life Assurance fund at the beginning of the year ...	...	£6,701,124 10 3	Claims under life policies (after deduction of sums re-assured) ...	...	478,594 6 3
Less amount transferred to the Industrial Branch, being proportion of profits...	...	27,434 0 0	Surrenders ...	...	53,170 18 11
		6,673,690 10 3	Cash Bonus to Policyholders ...	...	52,990 5 0
Premiums, after deduction of re-assurance premiums ...	...	1,854,370 10 0	Annuities ...	...	50,500 0 4
Consideration for annuities granted ...	...	72,667 11 9	Commission ...	...	120,825 18 1
Interest and rents ...	...	231,713 1 9	Expenses of management ...	...	55,631 2 10
		<u>£8,832,441 13 9</u>	Amount written off House property ...	...	1,000 0 0
			Amount of life assurance fund at the end of the year, as per Fourth Schedule ...	...	8,001,706 16 4
					<u>£8,832,441 13 9</u>

(No. 2.) SICKNESS ASSURANCE ACCOUNT.

		<i>£</i> <i>s.</i> <i>d.</i>			<i>£</i> <i>s.</i> <i>d.</i>
Amount of sickness assurance fund at the beginning of the year ...	...	412 13 6	Claims ...	...	8 10 0
Premiums ...	...	18 5 7	Commission and Expenses ...	...	1 16 7
Interest ...	...	14 14 8	Sickness assurance fund at the end of the year, as per Fourth Schedule ...	...	435 7 2
		<u>£445 13 9</u>			<u>£445 13 9</u>



LIFE ASSURANCE COMPANIES ACT, 1870.—THIRD SCHEDULE.

REVENUE ACCOUNT OF THE PRUDENTIAL ASSURANCE COMPANY LIMITED (INDUSTRIAL BRANCH)  
FOR THE YEAR ENDING 31ST DECEMBER, 1893.

LIFE ASSURANCE ACCOUNT.

		£	s.	d.			£	s.	d.
Amount of Life Assurance Fund at the beginning of the year	...	£9,073,414	14	9	Claims under life policies	...	1,662,768	5	0
Amount transferred from Ordinary Branch under Regulations of the Company	...	27,434	0	0	Surrenders	...	5,597	8	5
					Commission:—				
Premiums	...	9,100,848	14	9	Salaries of 12,757 Agents for the weekly collection of premium from 10,138,121 policies	£727,365	6	11	
Interest and Rents	...	3,971,863	18	10	New Business charges	417,900	6	9	
		324,778	19	10					1,145,265 13 8
					Expenses of management:—				
					Policy, Postage, and Receipt stamps (Head Office only)	£42,203	7	11	
					Superintendency charges, and Medical fees	186,040	10	9	
					Head Office Expenses (including Printing, Advertising and Valuation expenses)	232,425	11	3	
									460,669 9 11
					Amount written off House property	...	2,000	0	0
					Dividends and Bonus to Shareholders	...	222,793	0	0
					Amount of Life Assurance Fund at the end of the year, as per Fourth Schedule	...	9,898,397	16	5
									£13,397,491 13 5
									£13,397,491 13 5



PRUDENTIAL  
Assurance Company Limited.



DIRECTORS' REPORT  
AND  
STATEMENT OF ACCOUNTS

*At 31st December, 1893.*

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