

SEVENTY-THIRD ANNUAL REPORT,

FOR THE YEAR ENDING 31ST DECEMBER, 1921.

THE DIRECTORS have much pleasure in presenting their report and accounts for the year 1921.

ORDINARY BRANCH.—The number of policies issued during the year was 93,522, assuring the sum of £15,968,378, and producing a new annual premium income of £1,138,447. The premiums received were £9,367,063, being an increase of £566,314 over those for the year 1920.

The claims of the year amounted to £5,753,003. The number of deaths was 10,845. The number of endowment assurances matured was 37,864, the annual premium income of which was £206,459.

The number of policies, including annuities, in force at the end of the year was 1,137,749.

INDUSTRIAL BRANCH.—The premiums received during the year were £13,998,392, being an increase of £1,006,784.

The claims of the year amounted to £3,588,321. The total number of claims and surrenders was 500,763 on 605,411 policies, of which 45,221 were matured endowment assurances.

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 104,577, the number in force being 2,131,409. The number of free policies which became claims was 52,438.

The total number of policies in force in this Branch at the end of the year was 23,802,250: their average duration is fifteen years.

GENERAL BRANCH.—The premiums received, after deduction of reinsurances, in respect of Fire, Sickness and Accident, Employers' Liability and Miscellaneous insurances, were £314,448, being an increase for the year of £103,604 over 1920. The claims of the year amounted to £138,623.

The premiums received under Sinking Fund policies were £32,531, being an increase of £20,710. The capital sum insured under these policies is £1,553,546.

The accounts now presented include for the first time particulars relating to Marine Insurance. The premiums received during the year on this class of business, after deduction of reinsurances, discounts, brokerages and returns, amounted to £339,320. The claims were £43,768.

The assets of the Company, in all Branches, as shown in the balance sheet, are £134,827,239, which represents an increase for the year of £10,374,087 over 1920.

The Staff Provident Fund, which was founded in 1898 for the benefit of the outdoor staff, amounts to £299,346.

The valuation has been made by Sir JOSEPH BURN, K.B.E., F.I.A., and the following mortality tables have been used, namely, in the Ordinary Branch, the Institute of Actuaries (H^M) Table of Mortality for the life risks, and British Offices' Life Annuity Tables 1893 for the annuities, the reserves being specially strengthened by assuming all annuitants to be select lives; in the Industrial Branch, Dr. Farr's English Life Table No. 3 has been employed for all assurances for the whole term of life, the English Life Table No. 6 being employed for all other classes.

The net premiums only have been valued in both Life Assurance Branches, the rate of interest in each case being 3 per cent.

In the General Branch all the premiums and interest received have been reserved, after deduction of claims and expenses. For the Sinking Fund policies the net premiums received have been accumulated with interest at 3½ per cent.

With regard to the Marine insurance account it must be pointed out that with such re-acquired business it is not possible to give any estimate of profits, the only figures available being in the ordinary form of Revenue Account which is submitted herewith. The bulk of the claim which we shall be liable cannot be ascertained for some time to come, and moreover there are disbursements and liabilities still outstanding. The Underwriter of the Royal Exchange Assurance (which Office acts as Managers and Attorneys in respect of our Marine business) is of opinion taking into consideration the difficult times which have been experienced by all Marine insurers experience is reasonably satisfactory.

In the ORDINARY BRANCH the surplus shown is £1,779,146, including the sum of £16,000 brought forward from last year. Out of this surplus the Directors have added £500,000 to the Investments Reserve Fund which after writing down book values of assets by £1,000,000 stands as at 31st December, 1921, at £2,000,000, and £176,996 has been carried forward.

A bonus of £1 6s. per cent. on the original sums assured will be allocated to participating policies in the Ordinary Branch which were in force on the 31st December, 1921.

In the INDUSTRIAL BRANCH the surplus shown is £1,309,096, including the sum of £6,000 brought forward from last year. Out of this surplus the Directors have added £300,000 to the Investments Reserve Fund which after writing down book values of assets by £400,000 stands as at 31st December, 1921, at £1,500,000; £200,000 has been carried to the Common Contingency Fund, and £117,798 has been carried forward.

The profit-sharing scheme in the Industrial Branch provides that after payment of a dividend to the shareholders any surplus profit shall be divided into six equal parts: one part retained by the shareholders, one distributed among the outdoor staff of the Company, the remaining four parts being allotted by way of bonus to the policyholders of the Industrial Branch.

The sum which has already been paid under this scheme by way of bonus to the Industrial Branch policyholders and outdoor staff amounts to £2,825,000.

It is with great pleasure that the Directors announce the resumption of bonuses under the profit-sharing scheme, which had to be suspended owing to the War.

A bonus addition of £2 10s. per cent. will be made to the sums assured on policies on which premiums have been paid for 10 years and upwards which become claims either by death or maturity or endowment from the 3rd March, 1922, to the 6th March, 1924, both dates inclusive.

The experience gained has shown the desirability of the bonus distribution being placed on a permanent basis, especially having regard to the increasing numbers of endowment assurances entitled to participate in the Industrial Branch profits. Accordingly the distribution of the amount now allotted to policyholders is to be spread over a period of two years and succeeding distributions will be spread over longer periods. Thus it is intended that next year any bonus declared shall be spread over a period of three years instead of two years, and in the following year over a period of four years, and so on.

In order to make clear the effect of this method of bonus allotment, let it be assumed that each year the same rate of 2½ per cent. is maintained. The resulting total bonus rates following on the 2½ per cent. now declared would be 5 per cent. for second and third years, 7½ per cent. for fourth and fifth years and so on. When the accumulation provides a bonus of 10 per cent. on participating policies on which 10 years' premiums have been paid it is intended to apply the surpluses to increase bonuses on policies of longer duration, until a bonus of 1 per cent. for each year of duration has been attained.

These figures are used to illustrate the bonus method, as there can of necessity be no guarantee as to future bonus distributions, which must depend on the profits earned by the Company; but as by the more remunerative interest yield and by the more economical working of our business, it is hoped to be able to make bonus distributions in the future which will not only maintain but constantly increase the popularity of our profit sharing Industrial Branch policies.

The total surplus of the two branches is £3,088,242. Of this amount £500,000 has been added to the Investments Reserve Fund of the Ordinary Branch, £300,000 has been added to the Investments Reserve Fund of the Industrial Branch, and £200,000 to the Common Contingency Fund; £1,798,458 will be distributed among participating policyholders in the Ordinary Branch, £300,000 to policyholders in the Industrial Branch, the Shareholders, and the Superintendency and Agency Staff in accordance with the Articles of Association of the Company, leaving £294,789 to be carried forward, namely £176,996 in the Ordinary Branch and £117,793 in the Industrial Branch.

The four Prudential Approved Societies have during the year paid to their members benefits amounting approximately to £2,742,400, making a total of over £15,059,000 paid since National Insurance was introduced. The number of persons admitted to membership of the Societies during the year was 311,596, of whom 127,816 were men and 183,780 women.

The Directors deplore the death of Mr. WILLIAM CHARLES SHARMAN, the Deputy Secretary of the Company, who died on the 17th May last, at the early age of 45 years. Mr. SHARMAN was in the full zenith of his powers, and the Company suffers a great loss by his death.

The retiring Directors are Dr. JOHN IRVINE BOSWELL, Mr. GUY PHILIP HARBEN, and Mr. JAMES MOON, who offer themselves for re-election.

Owing to ill health Mr. PHILIP SECRETAN, one of the Auditors, resigned his position during the year, and the Directors appointed Mr. ISIDORE HENRI ALPHONSE MARCHAND, a qualified shareholder, to fill the vacancy. Mr. WILLIAM HENRY NICHOLLS and Mr. ISIDORE HENRI ALPHONSE MARCHAND, offer themselves for re-election as Auditors.

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

A. C. THOMPSON,
Chairman.

HOLBORN BARS,
16th February, 1922.

REVENUE ACCOUNT OF THE INDUSTRIAL BRANCH
FOR THE YEAR ENDING 31ST DECEMBER, 1921, IN RESPECT OF LIFE ASSURANCE BUSINESS.

	£	s.	d.		£	s.	d.
Amount of life assurance fund at the beginning of the year	59,244,233		1 10	Claims under policies paid and outstanding:—			
Premiums	13,998,392		6 11	By death	£3,123,067		18 9
Interest, discounts, dividends and rents	£3,174,786		4 5	By maturity	460,253		3 8
Less income tax thereon	459,172		6 1				3,588,321 2 5
	2,715,613		18 4	Surrenders			622,959 18 7
Amount received from General Branch for Approved Societies' expenses	677,347		5 10	Commission			3,655,078 1 9
				Expenses of management			2,190,626 2 1
				Transfer to Investments reserve fund			300,000 0 0
				Transfer to Common contingency fund			200,000 0 0
				Reserve for bonus to members of Company's outdoor staff			50,000 0 0
				Transfer to profit and loss account			441,303 0 0
				Amount of life assurance fund at the end of the year			65,587,298 8 1
	£76,635,586		12 11				£76,635,586 12 11

NOTES.—During the year 1,692,399 policies were issued, assuring a maximum sum of £43,434,829. No business is transacted out of the United Kingdom.

BALANCE SHEET OF THE INDUSTRIAL BRANCH ON THE 31ST DECEMBER, 1921.

LIABILITIES.	£	s.	d.	ASSETS.	£	s.	d.
Shareholders' capital	1,000,000		0 0	Mortgages on property within the United Kingdom	1,438,668		13 7
This capital is liable in respect of contracts in all branches of the Company's business, but is included in the Industrial Branch accounts pursuant to Sec. 3 of the Prudential Assurance Company Act, 1875.				Mortgages on property out of the United Kingdom	Nil		
Life assurance fund	65,587,298		8 1	Loans on parochial and other public rates	7,980,968		9 8
Investments reserve fund, 1st January	£1,600,000		0 0	Loans on life interests	381,633		12 0
Less depreciation written off	400,000		0 0	Loans on personal security	Nil		
	1,200,000		0 0	Loans to Educational institutions secured on income	243		2 2
Add transfer from Industrial Branch Revenue account	300,000		0 0	Investments:—			
Common contingency fund, 1st January	200,000		0 0	Deposit with the High Court (£17,122 14s. 0d. 5%)			
Add transfer from Industrial Branch Revenue account	200,000		0 0	War Loan, 1929-1947	16,080		19 1
	400,000		0 0	British Government securities	33,688,720		7 7
In accordance with clause 122 (b) of the Articles of Association this fund may be applied to any one or more branches, as determined by the Directors.				Municipal and county securities, United Kingdom	1,524,154		10 6
Claims under life policies intimated and in course of payment	5,975		0 0	Indian and Colonial Government securities	1,993,600		0 7
Sundry creditors	100,000		0 0	Colonial provincial securities	213,040		2 8
Reserve for bonus to members of Company's outdoor staff	50,000		0 0	Indian and Colonial municipal securities	707,592		16 1
Balance standing to credit of profit and loss account	441,303		0 0	Foreign Government securities	1,959,767		12 6
				Foreign provincial securities	134,261		18 2
				Foreign municipal securities	766,672		4 2
				Railway and other debentures and debenture stocks and gold and sterling bonds—Home and Foreign	6,107,588		16 3
				Railway and other preference and guaranteed stocks and shares	1,040,152		10 1
				Railway and other ordinary stocks and shares	101,721		10 1
				Freehold ground rents and Scotch feu duties	4,705,044		6 2
				Leasehold ground rents	5,063		3 7
				House property	4,960,840		3 6
				Agents' Balances	16,922		12 2
				Outstanding premiums	454,131		18 2
				Outstanding interest and rents	62,933		10 11
				Interest, dividends and rents accrued but not payable	210,937		10 9
				Sundry debtors	8,996		6 7
				Bills receivable	Nil		
				Cash:—			
				On deposit	20,000		0 0
				In hand and on current accounts	594,239		11 1
	£89,084,576		8 1		£89,084,576		8 1

The values of Stock Exchange securities are determined, under the Articles of Association of the Company, by the Directors. Due allowance has been made for accrued interest, and the book value of these securities as set forth in the Balance Sheet stands considerably below cost price. A careful investigation as to the actual saleable value on 31st December, 1921, compared with the book value, shows that the Investments reserve fund is much more than sufficient to meet any depreciation of the permanent securities. Terminable securities have been valued on a basis which, with Sinking funds already established, provides for the equalisation of the book values and the redemption values at the date of maturity.

We certify that in our belief the Assets set forth in the Balance Sheet (having regard to the standards indicated) are in the aggregate fully of the value stated therein less the Investments reserve fund taken into account, and make ample provision for all the liabilities of the Company (Industrial Branch).

JOSEPH BURN, *General Manager and Actuary.*

A. C. THOMPSON, *Chairman.*

G. E. MAY, *Secretary.*

EDGAR HORNE,
J. ROY LANCASTER, } *Directors.*

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.

W. H. NICHOLLS,
I. H. A. MARCHAND, } *Auditors.*

We have examined the Cash transactions (receipts and payments) affecting the accounts of the Assets and Investments for the year ended December 31st, 1921, 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, 1921.

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

14th February, 1922.

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REVENUE ACCOUNTS OF THE GENERAL BRANCH
FOR THE YEAR ENDING 31ST DECEMBER, 1921.
FIRE, SICKNESS AND ACCIDENT, EMPLOYERS' LIABILITY AND MISCELLANEOUS INSURANCE BUSINESS.

	£ s. d.		£ s. d.
Amount of insurance funds at the beginning of the year	146,436 5 1	Claims under policies paid, and outstanding fire and miscellaneous claims	138,623 8 4
Premiums	314,447 18 11	Commission	55,766 6 8
Interest £12,816 13 3		Expenses of management	80,278 3 10
Less income tax thereon 4,021 18 6	8,794 14 9	Amount transferred to Industrial Branch for Approved Societies' expenses	677,347 5 10
Amount received from Approved Societies for expenses	677,347 5 10	Contributions to fire brigades	138 0 0
		Transfer to profit and loss account	1,670 7 2
		Amount of insurance funds at the end of the year—	
		Reserve for unexpired risks £174,464 8 11	
		Total estimated liability in respect of outstanding sickness and accident and employers' liability insurance claims	18,738 3 9
			193,202 12 8
	<u>£1,147,026 4 7</u>		<u>£1,147,026 4 7</u>

SINKING FUND INSURANCE BUSINESS.

	£ s. d.		£ s. d.
Amount of sinking fund insurance fund at the beginning of the year	24,950 18 8	Claims under policies paid and outstanding	2,000 0 0
Premiums	32,531 6 0	Surrenders	14 19 0
Interest and dividends £3,146 8 2		Commission	2,226 6 8
Less income tax thereon 987 7 2	2,159 1 0	Expenses of management	650 13 7
Transfer from profit and loss account	1,670 7 3	Amount of sinking fund insurance fund at the end of the year	56,419 13 8
			<u>£61,311 12 11</u>
	<u>£61,311 12 11</u>		<u>£61,311 12 11</u>

MARINE INSURANCE BUSINESS.

	£ s. d.		£ s. d.
Amount of marine insurance fund at the beginning of the year	Nil	Claims under policies paid and outstanding	43,787 15 8
Premiums, after deduction of reinsurances, discounts, brokerages and returns	339,320 3 11	Expenses of management	12,675 7 4
Interest and dividends £3,624 8 7		Amount of marine insurance fund at the end of the year	286,062 14 6
Less income tax thereon 438 15 0	3,185 13 7		
	<u>£342,505 17 6</u>		<u>£342,505 17 6</u>

BALANCE SHEET OF THE GENERAL BRANCH ON THE 31ST DECEMBER, 1921.

LIABILITIES.	£ s. d.	ASSETS.	£ s. d.
Authorised Capital, 1,000,000 "B" shares of £1 each, £1,000,000.		Deposit with the High Court (£20,000 5% National War Bonds 1928)	19,981 5 0
Subscribed Capital, 1,000,000 shares of £1 each, 2s. paid	100,000 0 0	British Government securities... ..	469,806 12 8
Fire, sickness and accident, employers' liability and miscellaneous insurance funds	193,202 12 8	Municipal and county securities, United Kingdom	28,529 14 9
Sinking fund insurance fund	56,419 13 8	Indian and Colonial Government securities... ..	71,622 13 6
Marine insurance fund	286,062 14 6	Outstanding premiums	61,808 3 8
Sundry creditors	10,709 15 1	Marine stamps	1,287 3 7
Reserve for income tax	7,791 10 4	Cash in hand and on current accounts	63,971 5 4
Claims intimated and in course of payment	35,076 0 9		
Amount due for reinsurances	27,744 11 6		
	<u>£717,006 18 6</u>		<u>£717,006 18 6</u>

The values of Stock Exchange securities are determined, under the Articles of Association of the Company, by the Directors. Due allowance has been made for accrued interest and the book value of these securities as set forth in the Balance Sheet stands at or under the market value on 31st December, 1921.

We certify that in our belief the Assets set forth in the Balance Sheet are in the aggregate fully of the value stated therein.

JOSEPH BURN, *General Manager and Actuary.*
G. E. MAY, *Secretary.*

A. C. THOMPSON, *Chairman.*
EDGAR HORNE, } *Directors.*
J. ROY 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.

W. H. NICHOLLS, } *Auditors.*
I. H. A. MARCHAND, }

We have examined the Cash transactions (receipts and payments) affecting the accounts of the Assets and Investments for the year ended December 31st, 1921, 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, 1921.

14th February, 1922.

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

**COMBINED BALANCE SHEET BEING THE SUMMARY OF ALL BRANCHES ON THE
31ST DECEMBER, 1921.**

LIABILITIES.		£	s.	d.	ASSETS.		£	s.	d.
Shareholders' capital.					Mortgages on property within the United Kingdom...		7,469,660	5	7
Nominal capital:—					Mortgages on property out of the United Kingdom...		118,664	4	6
1,000,000 shares of £1 each ...	£1,000,000				Loans on parochial and other public rates ...		11,607,563	19	11
1,000,000 "B" shares of £1 each...	1,000,000				Loans on life interests ...		723,693	4	0
	<u>£2,000,000</u>				Loans on reversions ...		41,673	17	6
Issued capital:—					Loans on stocks and shares ...		261,878	3	5
1,000,000 shares of £1 each, fully paid ...	£1,000,000				Loans on Company's policies within their surrender values ...		2,343,588	4	9
1,000,000 "B" shares of £1 each, 2s. paid ...	100,000				Loans on personal security ...		<i>Nil</i>		
		1,100,000	0	0	Loans to Educational institutions secured on income ...		30,124	13	3
Life assurance fund—					Investments:—				
Ordinary Branch ...		62,649,880	5	2	Deposit with the High Court:—				
Life assurance fund—					£17,122 14s. 5% War Loan, 1929-1947 }		36,062	4	1
Industrial Branch ...		65,587,298	8	1	£20,000 5% National War Bonds 1928 }		69,359,922	2	7
Insurance funds—					British Government securities ...		152,828	5	8
General Branch ...		535,685	0	10	Bank of England stock ...		2,711,805	11	10
Investments reserve funds ...		3,500,000	0	0	Municipal and county securities, United Kingdom		8,507,066	2	6
Common contingency fund ...		400,000	0	0	Indian and Colonial Government securities ...		763,043	5	3
Claims intimated and in course of payment ...		414,475	16	2	Colonial provincial securities ...		2,734,838	11	5
Annuities due and unpaid ...		2,649	15	8	Indian and Colonial municipal securities ...		5,683,503	10	6
Amount due for reinsurances ...		27,744	11	6	Foreign Government securities ...		275,928	17	4
Sundry creditors ...		101,713	8	6	Foreign provincial securities ...		2,200,883	2	9
Reserve for income tax—General Branch ...		7,791	10	4	Foreign municipal securities ...				
Reserve for bonus to members of Company's outdoor staff ...		50,000	0	0	Railway and other debentures and debenture stocks and gold and sterling bonds—Home and Foreign ...		13,421,438	2	4
Balance standing to credit of profit and loss account		560,000	0	0	Railway and other preference and guaranteed stocks and shares ...		2,718,698	14	2
					Railway and other ordinary stocks and shares		2,352,966	6	7
					Rent charges ...		316,517	10	1
					Freehold ground rents and Scotch feu duties...		4,705,644	6	2
					Leasehold ground rents ...		6,063	3	7
					House property ...		4,960,840	3	6
					Life interests ...		34,626	14	6
					Reversions ...		796,426	12	6
					Agents' balances ...		16,922	12	2
					Outstanding premiums ...		849,936	13	4
					Outstanding interest and rents ...		65,489	9	8
					Interest, dividends and rents accrued but not payable		603,132	17	3
					Bills receivable ...		<i>Nil</i>		
					Marine stamps ...		1,287	3	7
					Cash:—				
					On deposit ...		20,000	0	0
					In hand and on current accounts ...		1,055,620	0	0
		£134,827,238	16	3			£134,827,238	16	3

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDING 31ST DECEMBER, 1921.

	£	s.	d.		£	s.	d.
Balance from last year's account:—				Dividend to Shareholders in respect of the year 1920 ...	400,000	0	0
Ordinary Branch ...	£81,917	0	0	Transfer to sinking fund insurance Revenue account	1,670	7	3
Industrial Branch ...	318,083	0	0	Balance to Balance Sheet:—			
	400,000	0	0	Ordinary Branch ...	£108,697	0	0
Allocation to Shareholders out of profits for 1921 (after transfer of:—				Industrial Branch ...	441,303	0	0
£800,000 to Investments reserve funds					550,000	0	0
£200,000 to Common contingency fund and reserving for bonus—				Transfer from fire, sickness and accident, employers' liability and miscellaneous insurance Revenue account ...	1,670	7	3
£993,453 to policyholders, Ordinary Branch, £200,000 to policyholders, Industrial Branch, and £50,000 to members of Company's outdoor staff)					£951,670	7	3
Ordinary Branch ...	£108,697	0	0				
Industrial Branch ...	441,303	0	0				
	550,000	0	0				
Transfer from fire, sickness and accident, employers' liability and miscellaneous insurance Revenue account ...							
	1,670	7	3				
	£951,670	7	3				

The values of Stock Exchange securities are determined, under the Articles of Association of the Company, by the Directors. Due allowance has been made for accrued interest and the book value of these securities as set forth in the Balance Sheet stands considerably below cost price. A careful investigation as to the actual saleable value on 31st December, 1921, compared with the book value, shows that the Investments reserve funds are much more than sufficient to meet any depreciation of the permanent securities. Terminable securities have been valued on a basis which, with Sinking funds already established, provides for the equalisation of the book values and the redemption values at the date of maturity.

We certify that in our belief the Assets set forth in the Balance Sheet (having regard to the standards indicated) are in the aggregate fully of the value stated therein less the Investments reserve funds taken into account, and make ample provision for all the Liabilities of the Company. No part of any fund has been applied directly or indirectly to any purpose other than the business of the class to which it is applicable.

JOSEPH BURN, *General Manager and Actuary.*
G. E. MAY, *Secretary.*

A. C. THOMPSON, *Chairman.*
EDGAR HORNE,
J. ROY LANCASTER, } *Directors.*

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. No part of any fund has been applied directly or indirectly to any purpose other than the business of the class to which it is applicable.

W. H. NICHOLLS,
I. H. A. MARCIAND, } *Auditors.*

We have examined the Cash transactions (receipts and payments) affecting the accounts of the Assets and Investments for the year ended December 31st, 1921, 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, 1921.

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

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14th February, 1922.

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PRUDENTIAL
Assurance Company Limited.

HOLBORN BARS, LONDON, E.C. 1.

DIRECTORS' REPORT
AND
STATEMENT OF ACCOUNTS

At 31st December, 1921.

(6139) 15-2/22.

Printers: SIR JOSEPH CAUSTON & SONS, Limited, London, E.C. 3.

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