

FOUNDED 1848

Prudential Assurance Company

SEVENTY-FIFTH ANNUAL REPORT

For the Year ending 31st December, 1923

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President:
SIR THOMAS DEWEY, Bt.

Directors:

ALFRED CORDEROY THOMPSON, Chairman

EDGAR HORNE, Deputy-Chairman GUY PHILIP HARBEN, O.B.E.

JOHN ROY LANCASTER

SIR JOHN HENRY LUSCOMBE

SIR JOHN PAGET MELLOR, Bt., K.C.B.

JAMES MOON

WILLIAM THOMAS PUGH FREDERICK SCHOOLING, F.I.A.

DANIEL WINTRINGHAM STABLE

Secretary:

SIR GEORGE MAY, K.B.E., F.I.A.

Deputy Actuary:

F. P. SYMMONS, F.I.A.

Assistant Managers:

F. D. McMILLAN

H. H. REDMAN

A. H. SABIN

Deputy General Managers:

E. DEWEY

H. R. GRAY

General Manager and Actuary: SIR JOSEPH BURN, K.B.E., F.I.A.

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Chief Office: HOLBORN BARS, LONDON, E.C.1

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HOME DISTRICT OFFICES

WHERE ALL CLASSES OF INSURANCE MAY BE EFFECTED.

LONDON:

334, Holloway Road, N.7. 271, Whitechapel Rd., E.r. Central Park Rd., Barking Rd., E.6. 415, High Street, Stratford, E.15. 189, Hoe St., Walthamstow, E.17. High Street, Lewisham, S.E.13. 29, Green's End, Woolwich, S.E.18.

12, South Side, Clapham Common, S.W.4. 362, North End Road, Fulham, S.W.6. 4, Station Parade, Balham, S.W.12. 103, Ladbroke Grove, W.11. 111, Edgware Road, W.2. 46, High Road, Chiswick, W.4. 178, Finchley Road, N.W.3.

Aberdare
Aberdeen
Abertillery
Accrington
Altrincham
Ammanford
Arbroath
Ashington
Ashton-under

Ashton-under-Lyne Bacup Banbury Barnsley Barnstaple Barrow Bath Bathgate Batley Bedford Belfast Birkenhead Birmingham Bishop Auckland Blackburn Blackpool

Blaydon

Blyth

Bolton

Bradford

Bournemouth

Bridgend Brighouse Brighton Bristol Bromley, Kent Burnley Bury Bury St. Edmunds Caerphilly Camborne Cambridge Canterbury Cardiff Carlisle Carnarvon Castleford Chatham Chelmsford Cheltenham

Cork Coventry Crewe Crovdon Darlington Dartmouth Darwen Derby Dewsbury Doncaster Dublin Dumbarton Dumfries Dundee Dunfermline Durham Ealing Eastbourne Edinburgh Ely Enfield Exeter Falkirk Faversham Folkestone Frome

Garston

Glasgow

Gorton

Gosport

Gateshead

Gloucester

Gravesend

Grays Greenock Grimsby Guildford Halifax Hamilton Hanley Harrogate Hastings Haverfordwest Hawick Hereford Hertford High Wycombe Huddersfield Hull Ilkeston Inverness Ipswich Isle of Man Jersev Keighley

Kendal Kettering Kilmarnock Kirkcaldv Lancaster Leamington Leeds Leicester Leigh, Lancs. Lewes Lichfield Lincoln Liverpool Llanelly Long Eaton Loughborough Lowestoft Luton Macclesfield Maidstone Manchester Mansfield Margate Melton Mowbray Merthyr Tydvil Mexborough Middlesbrough Motherwell Neath Nelson

Newcastle-on-Tyne Newport, Mon. Newton Abbot Northampton North Shields Norwich Nottingham Oldham Oswestry Oxford Paisley Perth Peterborough Plymouth **Pontefract** Pontypridd Poole Portsmouth Preston Pudsey Reading Redfield

Red Hill

Rochdale

Newbury

Rotherham Rugby Ryde St. Helens Seaham Harbour Sheffield Shipley Shrewsbury Sittingbourne Skipton Southampton Southend-on-Sea Southport South Shielde Stafford Stalybridge Stirling Stockport Stockton-on-Tees Stoke-on-Trent Stroud Sunderland

Sutton

Swansea Swindon Tamworth Taunton Tonbridge Ton Pentre Torquay Tunbridge Wells Wakefleld Wallasey Walsall Warrington Waterford Watford Wednesbury West Bromwich West Hartlepool Weston-super-Mare Weymouth Widnes Winchester Wigan Wolverhampton

Wolverton

Woolston

Worcester

Worksop

Wrexham

Yarmouth

York

Workington

Representatives for the transaction of certain classes of Insurance have also been appointed in:

Alexandria Amsterdam Antwerp Auckland

Chester

Clifton

Consett

Chesterfield

Coatbridge

Colchester

Colwyn Bay

Batavia Bombay Buenos Aires Calcutta Copenhagen Hamburg Kobe Manila

Montreal New York Paris Shanghai Singapore Yokohama

PRUDENTIAL ASSURANCE COMPANY

SEVENTY/FIFTH ANNUAL REPORT

For the Year ending 31st December, 1923

THE DIRECTORS have much pleasure in presenting their report and accounts for the year 1923.

The Total Assets of the Company now amount to £158,450,229, as compared with £146,134,945 a year ago, i.e., an increase of £12,315,284.

The Total Income during 1923 was £33,699,266, as compared with £32,349,378 in 1922, i.e., an increase of £1,349,888.

The Total Surplus for the year was £4,962,661, of which £1,000,000 has been carried to the Investments Reserve Funds, £250,000 to the Common Contingency Fund, £2,482,672 has been set aside to provide for Bonuses to the Ordinary and Industrial Branch Policyholders, £675,000 to the holders of fully-paid shares, £227,642 to the Superintendency and Agency Staff in accordance with the Articles of Association, and £327,347 has been carried forward.

Ordinary Branch.—The number of policies issued during the year was 73,831, assuring the sum of £12,112,425, and producing a new annual premium income of £888,806. The premiums received were £9,728,511, being an increase of £112,921 over those for the year 1922.

The claims of the year amounted to £6,809,106. The number of deaths was 10,937. The number of endowment assurances matured was 44,468, the annual premium income of which was £333,123.

The number of policies, including annuities, in force at the end of the year was 1,122,666.

Industrial Branch.—The premiums received during the year were £14,887,348, being an increase of £500,760.

The claims of the year amounted to £4,308,331. The total number of claims and surrenders was 574,582 on 676,496 policies, of which 81,883 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 124,166, the number in force being 2,270,210. The number of free policies which became claims was 58,504.

The total number of policies in force in this Branch at the end of the year was 23,668,404. The average duration of the whole life premium paying policies in force exceeds 17 years.

General Branch.—The premiums received, after deduction of reinsurances, in respect of Fire, Sickness and Accident, Employers' Liability and Miscellaneous insurances, were £517,531, being an increase for the year of £34,780 over 1922. The claims of the year amounted to £195,243.

The premiums received under Sinking Fund policies were £42,767. The capital sum insured under these policies is £2,199,689.

The premiums received during the year on Marine Insurance business, after deduction of reinsurances, commission, discounts, brokerages and returns, amounted to £377,385. The claims which arose, not only in respect of the risks written in 1923, but also those written in 1922 and 1921, were £284,356.

The Staff Provident Fund, which was founded in 1898 for the benefit of the outdoor staff, amounts to £309,917.

The valuation has been made by Sir Joseph Burn, K.B.E., F.I.A. In the Ordinary Branch the same mortality bases have been used as heretofore, namely, the Institute of Actuaries (H^M) Table of Mortality for 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.

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In the Industrial Branch the reserves have been considerably strengthened by valuing all classes of assurance on the English Life Tables (No. 8). The insurance clauses of the Courts (Emergency Powers) Act have ceased to operate in Great Britain, so that the greater portion of the reserves held on account of those policies previously protected by the Act are no longer required; the reserves so released have been applied towards the amount necessary to effect the change in the valuation basis. The whole of the Act, including the Insurance clauses, is still in force in Ireland.

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 $3\frac{1}{4}$ per cent.

In the Marine Section it will be seen from the accounts that the position is eminently satisfactory, the fund at the end of the year being £501,806 as compared with the year's premium income of £377,385,

In the Ordinary Branch the surplus shown is £2,428,648, including the sum of £177,186 brought forward from last year. Out of this surplus the Directors have added £500,000 to the Investments Reserve Fund, which stands as at December 31st, 1923, at £3,000,000. £1,576,022 has been set aside to provide a bonus to the participating policyholders, £173,474 has been transferred to Profit and Loss Account, and the balance of £179,152 has been carried forward. The above-stated amount of £1,576,022 is sufficient to provide a bonus of £2 per cent. on the original sums assured, and a bonus at that rate will be allocated to participating policies in the Ordinary Branch which were in force on the 31st December, 1923.

In the Industrial Branch the surplus shown is £2,534,013, including the sum of £123,069 brought forward from last year. Out of this Surplus the Directors have added £500,000 to the Investments Reserve Fund, which stands as at 31st December, 1923, at £2,250,000; £906,650 has been set aside to provide for a bonus to policyholders; £751,526 has been transferred to Profit and Loss Account; £227,642 has been reserved for Bonus to the members of the Outdoor Staff, and the balance of £148,195 has been carried forward.

In accordance with the method announced last year a contingent reversionary bonus (vesting after 15 years) of 25s. per cent. on the sum assured, has been added to all policies which were issued during the year 1923 and which were in force on December 31st last. The bonus will be calculated on the amount payable on a claim arising by death or maturity provided the policy has then been 15 years in force. In addition, these policies on becoming claims after they have been not less than 5 years and under 15 years in force will share in any interim bonus which may be declared.

This declaration of bonus as a reversionary addition to the sum assured marks a further and important stage in the development of Industrial Assurance.

In respect of all policies issued before January 1st, 1923, which are entitled to participate under the bonus distribution scheme, on which 10 years' premiums have been paid and which become claims by death or maturity of endowment between March 7th, 1924, and March 7th, 1929, both dates inclusive, a bonus addition will be made as follows:—

Premiums paid for.								;	Amount of claim* increased by.			
10 y	'ears	and	less	thar	ı 20	years				 		£ s. 5 0 per cent.
20	,,	,,	,,	,,	30	,,				 		7 10 ,, ,,
30	,,	,,	,,	,,	40	,,			<i>:</i> .	 	i	10 0 ,, ,,
4 0	,,	,,	, ,,	,,	50	,,				 	1	15 0 ,, ,,
50	,,	,,	,,	,,	55	,,				 		20 0 ,, ,,
55	,,	,,	,,	,,	60	,,				 	1	30 0 ,, ,,
60	,,	,,	upw	ards	3	t		• •		 • •		40 0 ,, ,,

These bonuses are inclusive of, and not in addition to, those declared in March, 1923, which were guaranteed for three years to March 4th, 1926. The bonuses now declared are guaranteed for a period of five years to 7th March, 1929.

^{*} These increases do not necessarily apply to policies in the Irish Free State, owing to the deduction on account of Income Tax, as mentioned hereafter.

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

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The sum which has already been allotted under this scheme by way of bonus to the Industrial Branch policyholders and outdoor staff amounts to £4,900,212 as follows:—

Year.		Outdoor Staff.*	· Policyholders.*
From March, 1908 to March, 1923		£805,920 227,642	£2,960,000 906,650
Addition, 1021	:	£1,033,562	£3,866,650

* An arrangement has recently been made with the Inland Revenue Authorities whereby the Outdoor Staff's share of the Profits is no longer taxed in the hands of the Company but in the hands of the recipients. By the Finance Act, 1923, the Policyholders' share of the profits is not subject to income tax except in respect of Irish business (to which the 1923 Act does not apply). Allowance has been made for these two changes in the method of taxation in ascertaining the proportions payable to the respective groups of participants in the profit-sharing scheme.

The important changes which have been effected during recent years in the organisation of the work of the Industrial Branch both at Chief Office and among the Superintendency and Agency Staff have resulted in a progressive decrease in the rate of expenditure in this branch, as shown in the following table:—

Year.			Ex	pense Rat	io.			
1920		 		40·50 p	er cent.	of Total	Premiums	received.
1921	• • •	 		36.92	,,	,,	,,	**
1922		 		32.12	,,	"	,,	**
1923	• • •	 		29.74	,,	**	"	,,

As foreshadowed last year, in consequence of this reduction in the expense ratio it has been found possible to issue a new Industrial Branch prospectus as from January 1st, 1924. The new range of tables provides simpler forms of contract with increased benefits to the assured.

The Industrial Assurance Act, 1923, which came into general operation on January 1st, 1924, increases the limits of the amount which may be assured up to age 10 on the lives of children in Great Britain. The full amounts allowed by the Act are assured by the new tables without increase in premium.

The four Prudential Approved Societies have during the year paid to or on behalf of their members benefits amounting approximately to £3,261,700, making a total of over £21,458,700 since National Insurance was introduced. Included in the amount paid during the year is a sum of £242,723 expended on Additional (non-cash) Benefits granted as a result of the first valuation of the Societies and made up as follows:—Dental Treatment £113,582, Hospital and Convalescent Home Treatment £120,940, Medical and Surgical Appliances £1,382, Optical Treatment £3,704, and Nursing £3,115. The number of persons admitted to membership of the Societies during the year was 315,049, of whom 145,106 were men and 169,943 women.

The Directors deplore the loss of one of their colleagues, Dr. J. Irvine Boswell, who died on August 22nd last. His professional knowledge and wide experience will be greatly missed by the Board. The vacancy in the Directorate has been filled by the appointment of Sir John Paget Mellor, Bt., K.C.B., a qualified shareholder. He now offers himself for election.

The retiring Directors are Sir Thomas Charles Dewey, Bt., Mr. Alfred Corderoy Thompson and Mr. John Roy Lancaster, who offer themselves for re-election.

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, 21st February, 1924.

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REVENUE ACCOUNT OF THE ORDINARY BRANCH

For the Year ending 31st December, 1923, in respect of Life Assurance Business.

Amount of life assurance fund at the beginning of the year		 £ 65,683,121	7	Claims under policies paid and outstanding:— By death £1,705,130 7 11 By maturity 5,103,975 15 1	<u>.</u>	s.	d.
Premiums	£3,500,924	,,		Surrenders	6,809,106 589,572 99,949 146,128 690,947 538,569 7,220 500,000	0 0 0 0 15	7 1 4 0 9
-		3,079,500 £78,634,600		 Transfer to Profit and Loss account Amount of life assurance fund at the end of the year	173,474	2	0

Notes.—During the year 73,831 policies were issued for a sum assured of £12,112,424 17s. The amount received by way of single premiums was £12,454 4s. 1d. The yearly renewal premium income was £888,805 15s. 6d.

REVENUE ACCOUNT OF THE INDUSTRIAL BRANCH

For the Year ending 31st December, 1923, in respect of Industrial Assurance Business.

	£	s.	d.	1	£	S.	\overline{d} .
Amount of industrial assurance fund				Claims under policies paid and out-		•	
at the beginning of the year	72,226,418	15	2	standing:—			
Premiums	14,887,347	10	2	By death £3,440,139 6 6			
nterest, divi-				By maturity 868,192 0 2			
dends and rents £3,780,270 5 6				· •	308,331	6	8
ess income tax				1 6	37.892		
thereon 331,130 16 11	•				324,638	0	
	3,449,139	8	7	1 m	766.747	3	6
mount received from General					24,760	1	0
Branch for Approved Societies'					500.000	0	0
expenses	663,391	15	4	Reserve for bonus to members of	,		
•					27,642	5	6
					51,526	0	0
				Amount of Industrial assurance fund	,		
		,		at the end of the year 79,2	84,759	19	0
	E91,226,297	9	3		226,297	9	3

Notes.—During the year 1,795,279 policies were issued, for a maximum sum assured of £60,131,787.

REVENUE ACCOUNTS OF THE GENERAL BRANCH

For the Year ending 31st December, 1923.

Fire Insurance Business.

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				The state of the s			
	£	s. (d		£	s.	,7
* Amount of fire insurance fund at the	£	5. (<i>i</i> .	Claims under policies paid and out-	~		
beginning of the year:—-	4			standing	116,667	1 1	11
Reserve for unex-	•			Commission	59,372		2
pired risks . £93,561 8 0				Expenses of management	66,314		2
				Contributions to fire brigades	667	_	
Reserve for unex- pired liability				Corporation Profits Tax	235		
under reinsurance				Amount of fire insurance fund at the	-30	10	•
à				end of the year:—		•	
contracts 10,276 13 0				Reserve for unex-			
Additional reserve 25,985 5 6	100.000	0					
	129,823			pired risks being 40			
Premiums	291,870	7	3	per cent. of the pre-			
Interest and dividends £12,879 17 1				mium income for the			
Less income tax thereon 3,879 7 3				year £116,748 2 11			
	9,000			Additional reserve 92,133 14 1		-	
Transfer from Profit and Loss account	21,445	1	0		208,881	17	0
•			:				
					0.150.100		
	£452,139	4	7		£452,139	4	7
			,				كنسمة
	£	s.	d.		£	s.	d.
Amount of sickness and accident insur-		•		Payments under policies, including		,	
ance fund at the beginning of the	•			medical and legal expenses in			
year:—				connection therewith	22,671	5	9
					•		
Reserve for unex-				Commission	12,304		
Reserve for unex-					12,304 18.637	13	2
pired risks £26,669 5 8				Expenses of management	12,304 18,637	13	2
pired risks £26,669 5 8 Reserve for sickness				Expenses of management Amount transferred to Industrial	-	13	2
pired risks £26,669 5 8 Reserve for sickness risks				Expenses of management Amount transferred to Industrial Branch for Approved Societies'	18,637	13 18	2 4
pired risks £26,669 5 8 Reserve for sickness risks 15,570 10 0 Total estimated lia-				Expenses of management Amount transferred to Industrial Branch for Approved Societies' expenses	18,637 663,391	13 18	2 4
pired risks £26,669 5 8 Reserve for sickness risks 15,570 10 0 Total estimated liability in respect of				Expenses of management Amount transferred to Industrial Branch for Approved Societies' expenses Corporation Profits Tax	18,637 663,391 434	13 18 15 1	2 4
pired risks £26,669 5 8 Reserve for sickness risks 15,570 10 0 Total estimated liability in respect of outstanding claims 5,633 12 6				Expenses of management Amount transferred to Industrial Branch for Approved Societies' expenses Corporation Profits Tax Transfer to Profit and Loss account	18,637 663,391	13 18 15 1	2 4 4 0
pired risks £26,660 5 8 Reserve for sickness risks				Expenses of management	18,637 663,391 434	13 18 15 1	2 4 4 0
pired risks £26,669 5 8 Reserve for sickness risks				Expenses of management Amount transferred to Industrial Branch for Approved Societies' expenses Corporation Profits Tax Transfer to Profit and Loss account	18,637 663,391 434	13 18 15 1	2 4 4 0
pired risks £26,660 5 8 Reserve for sickness risks		8	2	Expenses of management Amount transferred to Industrial Branch for Approved Societies' expenses Corporation Profits Tax Transfer to Profit and Loss account Amount of sickness and accident insurance fund at the end of the year :— Reserve for unex-	18,637 663,391 434	13 18 15 1	2 4 4 0
pired risks . £26,660 5 8 Reserve for sickness risks	85,373		2 3	Expenses of management Amount transferred to Industrial Branch for Approved Societies' expenses Corporation Profits Tax Transfer to Profit and Loss account Amount of sickness and accident insurance fund at the end of the year :— Reserve for unexpired risks being 40	18,637 663,391 434	13 18 15 1	2 4 4 0
pired risks . £26,660 5 8 Reserve for sickness risks	85,373 82,031			Expenses of management Amount transferred to Industrial Branch for Approved Societies' expenses Corporation Profits Tax Transfer to Profit and Loss account Amount of sickness and accident insurance fund at the end of the year :— Reserve for unexpired risks being 40 per cent. of the	18,637 663,391 434	13 18 15 1	2 4 4 0
pired risks . £26,660 5 8 Reserve for sickness risks	85,373 82,031			Expenses of management Amount transferred to Industrial Branch for Approved Societies' expenses Corporation Profits Tax Transfer to Profit and Loss account Amount of sickness and accident insurance fund at the end of the year :— Reserve for unexpired risks being 40 per cent. of the premium income	18,637 663,391 434	13 18 15 1	2 4 4 0
pired risks . £26,660 5 8 Reserve for sickness risks	85,373 82,031	1	3	Expenses of management Amount transferred to Industrial Branch for Approved Societies' expenses Corporation Profits Tax Transfer to Profit and Loss account Amount of sickness and accident insurance fund at the end of the year :— Reserve for unexpired risks being 40 per cent. of the premium income for the year for	18,637 663,391 434	13 18 15 1	2 4 4 0
pired risks . £26,660 5 8 Reserve for sickness risks	85,373 82,031 5,595	1	3	Expenses of management Amount transferred to Industrial Branch for Approved Societies' expenses Corporation Profits Tax Transfer to Profit and Loss account Amount of sickness and accident insurance fund at the end of the year :— Reserve for unexpired risks being 40 per cent. of the premium income for the year for accident risks £30,502 19 4	18,637 663,391 434	13 18 15 1	2 4 4 0
pired risks . £26,660 5 8 Reserve for sickness risks	85,373 82,031 5,595	18	3	Expenses of management Amount transferred to Industrial Branch for Approved Societies' expenses Corporation Profits Tax Transfer to Profit and Loss account Amount of sickness and accident insurance fund at the end of the year :— Reserve for unexpired risks being 40 per cent. of the premium income for the year for accident risks £30,502 19 4 Reserve for sickness	18,637 663,391 434	13 18 15 1	2 4 4 0
pired risks . £26,660 5 8 Reserve for sickness risks	85,373 82,031 5,595	18	3	Expenses of management Amount transferred to Industrial Branch for Approved Societies' expenses Corporation Profits Tax Transfer to Profit and Loss account Amount of sickness and accident insurance fund at the end of the year :— Reserve for unexpired risks being 40 per cent. of the premium income for the year for accident risks £30,502 19 4 Reserve for sickness risks 25,996 16 0	18,637 663,391 434	13 18 15 1	2 4 4 0
pired risks . £26,660 5 8 Reserve for sickness risks	85,373 82,031 5,595	18	3	Expenses of management Amount transferred to Industrial Branch for Approved Societies' expenses Corporation Profits Tax Transfer to Profit and Loss account Amount of sickness and accident insurance fund at the end of the year :— Reserve for unexpired risks being 40 per cent. of the premium income for the year for accident risks £30,502 19 4 Reserve for sickness risks £5,996 16 0 Total estimated lia-	18,637 663,391 434	13 18 15 1	2 4 4 0
pired risks . £26,660 5 8 Reserve for sickness risks	85,373 82,031 5,595	18	3	Expenses of management Amount transferred to Industrial Branch for Approved Societies' expenses Corporation Profits Tax Transfer to Profit and Loss account Amount of sickness and accident insurance fund at the end of the year :— Reserve for unexpired risks being 40 per cent. of the premium income for the year for accident risks £30,502 19 4 Reserve for sickness risks £5,996 16 0 Total estimated liability in respect of	18,637 663,391 434	13 18 15 1	2 4 4 0
pired risks . £26,660 5 8 Reserve for sickness risks	85,373 82,031 5,595	18	3	Expenses of management Amount transferred to Industrial Branch for Approved Societies' expenses Corporation Profits Tax Transfer to Profit and Loss account Amount of sickness and accident insurance fund at the end of the year: Reserve for unexpired risks being 40 per cent. of the premium income for the year for accident risks for the year for accident risks Total estimated liability in respect of outstanding claims Amount transferred to Industrial Expenses 1	18,637 663,391 434	13 18 15 1	2 4 4 0
pired risks . £26,660 5 8 Reserve for sickness risks	85,373 82,031 5,595	18	3	Expenses of management Amount transferred to Industrial Branch for Approved Societies' expenses Corporation Profits Tax Transfer to Profit and Loss account Amount of sickness and accident insurance fund at the end of the year :— Reserve for unexpired risks being 40 per cent. of the premium income for the year for accident risks £30,502 19 4 Reserve for sickness risks £5,996 16 0 Total estimated liability in respect of outstanding claims 4,720 13 6 Additional reserve	18,637 663,391 434	13 18 15 1	2 4 4 0
pired risks . £26,660 5 8 Reserve for sickness risks	85,373 82,031 5,595	18	3	Expenses of management Amount transferred to Industrial Branch for Approved Societies' expenses Corporation Profits Tax Transfer to Profit and Loss account Amount of sickness and accident insurance fund at the end of the year: Reserve for unexpired risks being 40 per cent. of the premium income for the year for accident risks for the year for accident risks Total estimated liability in respect of outstanding claims Amount transferred to Industrial Expenses 1	18,637 663,391 434 20,232	13 18 15 1 1	4 0 9
pired risks . £26,660 5 8 Reserve for sickness risks	85,373 82,031 5,595	18	3	Expenses of management Amount transferred to Industrial Branch for Approved Societies' expenses Corporation Profits Tax Transfer to Profit and Loss account Amount of sickness and accident insurance fund at the end of the year :— Reserve for unexpired risks being 40 per cent. of the premium income for the year for accident risks £30,502 19 4 Reserve for sickness risks £5,996 16 0 Total estimated liability in respect of outstanding claims 4,720 13 6 Additional reserve	18,637 663,391 434	13 18 15 1 1	4 0 9

REVENUE ACCOUNTS OF THE GENERAL BRANCH—continued.

	loyers' Liability			
	, £ s. d.	Demonster under policies including	£ s.	d.
Amount of employers' liability insur-		Payments under policies, including medical and legal expenses in con-		
ance fund at the beginning of the		nection therewith	20,024 14	0
year : —			5,377 15	_
Reserve for unex-		Commission	10,624 16	-
pired risks £16,834 13 8		Expenses of management	99 6	-
Total estimated lia-		Corporation Profits Tax	33 0	r U
bility in respect of		Amount of employers' liability insurance fund at the end of the		
outstanding claims 12,768 0 0				
	29,602 13 8	year:		
Premiums	46,763 4 8	Reserve for unex-		
Interest and dividends £1,975 0 10		pired risks being 40		
Less income tax thereon 594 17 6	1.000 9 4	per cent. of the premium income		
	1,380 3 4	for the year £18,705 5 10		
		Total estimated lia-		
		bility in respect of		
	•	outstanding claims 10,867 0 0		
		Additional reserve 12,047 3 10		
		Auditional reserve 12,047 5 10	41,619	9 8
	•	-		
-	£77,746 1 8	•	£77,746	1 8
· -				
M	liscellaneous Ins	urance Business.		
	£ s. d.		£	s. d
Amount of miscellaneous insurance		Claims under policies, paid and out-		
fund at the beginning of the		standing	35,880	1 .
year:—		Commission	14,530	
Reserve for unexpired risks	33,021 0 7	Expenses of management	22,008 1	
Premiums	96,866 16 6	Corporation Profits Tax	114 1	4
Interest and dividends £3,862 11 4		Amount of miscellaneous insurance		
Less income tax thereon 1,163 7 10	. 1	fund at the end of the year:—		
	2,699 3 6	Reserve for unex-		
		pired risks being 40		
	1	per cent. of the		
	•	premium income	•	
		for the year £38,746-14 7		
	!	Additional reserve 21,306 15 7	ድስ ስፍያ 1	10
	•	 ,	60,053	
	£132,587 0 7		£132,587	
	,			0
		P		0
. S		surance Business.		0
S		surance Business.	£	0 s.
	Sinking Fund Ir	surance Business. Claims under policies paid and out-		s.
Amount of sinking fund insurance fund	Sinking Fund Ir		175	s. 0
Amount of sinking fund insurance fund at the beginning of the year	Sinking Fund Ir £ s. d. 78,479 1 4	Claims under policies paid and out-		s. 0
Amount of sinking fund insurance fund at the beginning of the year Premiums	Sinking Fund Ir	Claims under policies paid and outstanding	175	s. 0 13
Amount of sinking fund insurance fund at the beginning of the year Premiums	Sinking Fund Ir £ s. d. 78,479 1 4	Claims under policies paid and outstanding	175 386	s. 0 13 5
Amount of sinking fund insurance fund at the beginning of the year Premiums	Sinking Fund Ir £ s. d. 78,479 1 4 42,766 17 8	Claims under policies paid and outstanding	175 386 2,168	s. 0 13 5 6
Amount of sinking fund insurance fund at the beginning of the year Premiums	Sinking Fund Ir £ s. d. 78,479 1 4	Claims under policies paid and outstanding	175 386 2,168 855	s. 0 13 5 6 14
Amount of sinking fund insurance fund at the beginning of the year Premiums	Sinking Fund Ir £ s. d. 78,479 1 4 42,766 17 8	Claims under policies paid and outstanding	175 386 2,168 855 165 1,212	s. 0 13 5 6 14
Amount of sinking fund insurance fund at the beginning of the year Premiums Interest and dividends £8,301 6 5	Sinking Fund Ir £ s. d. 78,479 1 4 42,766 17 8	Claims under policies paid and outstanding	175 386 2,168 855 165 1,212	s. 0 13 5 6 14
Amount of sinking fund insurance fund at the beginning of the year Premiums Interest and dividends £8,301 6 5	Sinking Fund Ir £ s. d. 78,479 1 4 42,766 17 8	Claims under policies paid and outstanding	175 386 2,168 855 165	s. 0 13 5 6 14
Amount of sinking fund insurance fund at the beginning of the year Premiums	Sinking Fund Ir £ s. d. 78,479 1 4 42,766 17 8	Claims under policies paid and outstanding	175 386 2,168 855 165 1,212	s. 0 13 5 6 14 19 0

REVENUE ACCOUNTS OF THE GENERAL BRANCH—continued.

Marine	Insurance	Business.
--------	-----------	-----------

	£802,432	4	7		£802,432	4	7
Less income tax thereon 3,658 18 5	18,984	7	1				
ances, commission, discounts, brokerages and returns		2	1	the end of the year	501,805	12	7
Amount of marine insurance fund at the beginning of the year Premiums, after deduction of reinsur-	406,062 1	15	5	standing Expenses of management Amount of marine insurance fund at	284,355 16,270		
	£	s.	d.	Claims under policies paid and out-	£	s.	d.

PROFIT AND LOSS ACCOUNT for the year ending 31st December, 1923.

	£	s.	d.		£	s.	d.
Balance from last year's account:— Ordinary Branch £135,438 0 0 Industrial Branch 489,562 0 0	~			Dividend to holders of fully-paid shares in respect of the year 1922 Transfer to General Branch Revenue	625,000	0	0
Industrial Dianom. Teopera	625,000	0	0	account :— Fire insurance	21,445	1	0
Transfer from Ordinary Branch Revenue account Transfer from Industrial Branch	173,474			Transfer to Common contingency fund Balance to Balance Sheet (Industrial Branch) being allocation to holders	250,000		
Revenue account Transfer from General Branch Revenue accounts:—	751,526			of fully-paid shares out of pro- fits for 1923 after transfer of—	675,000	0	0
Sickness and accident insurance Sinking fund insurance	20,232 1,212			£1,000,000 0 0 to Invest- ments reserve funds, and re- serving. for bonus			
	`			£1,576,022 0 0 topolicy- holders, Ordi- nary Branch			
				£906,650 9 0 to policy- holders, In- dustrial Branch, and			
				£227,642 5 6 to members of the Com- pany's out- door staff			. •

£1,571,445 1 0

£1,571,445 1 C

BALANCE SHEET OF AL

LIABILITIES.	Ordinary Branch.	Industrial Branch.	General Branch.	Common ContingencyFund	Total.
Shareholders' capital. Nominal capital:— 1,000,000 shares of £1 each £1,000,000 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 Assur- ance Company Act, 1875. 1,000,000 "B" shares of £1 each 1,000,000 £2,000,000	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s.
Issued capital:— 1,000,000 shares of £1 each, fully paid £1,000,000 1,000,000 "B" shares of £1 each, 4s, paid 200,000		1,000,000 0 0	— 200,000 0 0		1,000,000 0 200,000 0
each, 4s. paid	63,079,634 2 0	79,284,759 19 0	208,881 17 0 98,720 8 10 41,619 9 8 60,053 10 2 122,082 0 0 501,805 12 7		200,000 0 148,364,394 1 208,881 17 98,720 8 41,619 9 60,053 10 122,082 0 501,805 12
Revenue accounts 500,000 500,000 Common contingency fund at 1st January £300,000 Add transfer from Profit and	3,000,000 0 0	2,250,000 0 0		-	5,250,000 0
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.			_	550,000 0 0	550,000 0
Contingency fund	394,341 19 7 3,047 19 11 100,000 0 0	4,404 0 0 	350,000 0 0 67,414 4 8 64,743 14 16 157 14 3		350,000 0 466,160 4 3,047 19 64,743 14 200,000 0 157 14
outdoor staff in respect of the years 1921 and 1922	<u>-</u>	65,920 1 11	-		65,920 1
outdoor staff Balance standing to credit of Profit and loss account	a com	227,642 5 6 675,000 0 0	: 		$\begin{array}{ccc} 227,642 & 5 \\ 675,000 & 0 \end{array}$
			<u> </u>		_i
	£72,577,024 1 6	£83,607,726 6 5	£1,715,478 12 0	£550,000 0 0	£158,450,228 19

The values of the Stock Exchange securities are determined, under the Articles of Association of the Company, by the Directors.

These values have been compared with the middle market prices as at 31st December, 1923, and we certify that in our belief the Assets set forth in the Balance Sheet are, in the aggregate, fully of the value stated therein.

Part of the Assets of the General Branch has been deposited under local laws in places out of the United Kingdom on account of the Fire and Marine Insurance business.

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

J. BURN, General Manager and Actuary.

A. C. THOMPSON, Chairman.

G. E. MAY, Secretary.

EDGAR HORNE, JAMES MOON, Directors.

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ANCHES on the 31st December, 1923.

		A STATE OF THE PARTY OF THE PAR			
ASSETS.	Ordinary Branch.	Industrial Branch.	General Branch.	Common Contingency Fund	Total.
· ·	£ s. d.	£ s. d.	£ s. d.	£ s. d.	\mathfrak{L} s. d.
gages on property within the United	2 5. w. ,	,			
Kingdom	5,056,470 13 10	1,474,608 14 0		_	6,531,079 7 10
rages on property out of the United	.,,			1	
Kingdom		-	_	<u> </u>	
s on parochial and other public rates	3,241,310 3 0	7,435,457 16 4			10,676,767 19 4
on Life interests	308,350 0 0	381,633 12 0			689,983 12 0
on Reversions	22,783 18 6			_	$22,783 18 6 \\ 190,300 0 0$
s on Stocks and shares	90,300 0 0	100,000 0 0		_	190,300 0 0
on Company's policies within their	0 F0F 000 0 T0				2,537,263 0 10
surrender values	2,537,263 0 10				2,007,200 0 10
s on Personal security					
s to Educational Institutions secured on income	25,402 17 5	206 6 3			25,609 3 8
on income	20,402 11 0	200 0 0			
eposits with the High Court:—					
217,122 14s. 5% War Loan 1929–1947	16,080 19 1				16,080 19 1
£20,000 5% War Loan 1929–1947		20,000 0 0		-	20,000 0 0
220,000 5% National War Bonds					
1928			19,981 5 0		19,981 5 0
eposits with the Supreme Court of Judi-					
cature in Irish Free State:-					00.000 6 6
£20,000 5% War Loan 1929–1947	20,000 0 0	0,000		_	20,000 0 0
\$20,000 5% War Loan 1929–1947			20,000 0 0	FF0 000 0 0	20,000 0 0
itish Government securities	29,866,695 17 3	38,721,980 18 8	536,962 12 0	550,000 0 0	69,675,639 7 11 153.814 0 0
ank of England stock	153,814 0 0	-			153,814 0 0
unicipal and county securities, United		1 405 054 0 0	00 415 0 0		2,866,731 3 5
K ingdom	1,154,442 3 5	1,685,874 0 0 6.363,970 19 9	26,415 0 0 126,427 11 2		11,869,279 7 11
dian and Colonial Government securities	5,378,880 17 0	, -,,	120,427 11 2		464,848 19 6
dian and Colonial provincial securities	$\begin{array}{cccccccccccccccccccccccccccccccccccc$	$\begin{array}{cccccccccccccccccccccccccccccccccccc$			3,048,687 7 1
dian and Colonial municipal securities	3,285,309 1 1	2,589,651 16 3	118,922 10 1	_	5,993,883 7 5
oreign Government securities oreign provincial securities	212,484 5 3	143,867 5 8	37,208 9 10		393,560 0 9
oreign municipal securities	901,990 4 2	408,425 0 1			1,310,415 4 3
allway and other debentures and deben-	001,000 1 2	100,1			
ture stocks and gold and sterling					
bonds—Home and Foreign	7,559,964 13 2	7,610,160 2 10	22,942 0 0		15,193,066 16 0
ailway and other preference and guaran-					F F00 F1F 10 F
teed stocks and shares	3,279,145 3 1	2,186,889 1 6	54,683 8 10		5,520,717 13 5
ailway and other ordinary stocks and			000 504 10 0		
shares	4,156,837 19 4	1,526,697 5 10	393,584 13 8		6,077,119 18 10
ent charges	242,504 14 5	-		_	242,504 14 5
reehold ground rents and Scotch feu		4 #11 404 19 A			4,711,424 13 0
duties	_	4,711,424 13 0 3,680 7 6			3,680 7 6
easehold ground rents		5,173,503 6 9	_		5,173,503 6 9
fouse property fe interests	35.429 4 1	0,170,000 0 8			35,429 4 1
	0 = 1 001 = 4				654,001 7 4
ats' balances	1,907 16 8	12,292 9 11	101 4 8		14,301 11 3
standing premiums	100 = 00 1 0	619,309 6 8	196,087 11 7	1	1,305,126 3 0
standing interest and rents	004074 10 1	78,254 11 11	-		282,269 11 0
rest, dividends and rents accrued but					
not payable	159,581 15 7	197,388 9 6			356,970 5 1
dry debtors			74,570 3 1		74,570 3 1
receivable	56,988 9 10	25,393 13 11			82,382 3 9
ine Stamps			1,675 9 0		1,675 9 0
):-	*	00.000 0 0			53,307 5 10
deposit	001.000 0 3	20,000 0 0	33,307 5 10	1	2,121,470 2 1
hand and on current accounts	881,368 2 1	1,187,492 12 9	52,609 7 3	_	2,121,410 2 1
				i	
		•		1	
1944 記:					
	£79 577 094 1 &	£83,607,726 6 5	£1 715 478 12 0	£550,000 0 0	£158,450,228 19 11
	212,011,024 1 0	200,007,720 0 0	, / 10, ±10 12 U	2000,000	7230,200,220 10 11
A CONTRACTOR OF THE CONTRACTOR			I control of the second of the		A STATE OF THE PARTY OF THE PAR

We report that, with the assistance of the Chartered Accountants as stated below, we have examined the foregoing accounts and have ined all the information and explanations that we have required, and in our opinion such accounts are correct and the foregoing Balance 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 informand 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 for any purposes other than those of the class of business to which the fund

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 december 31st, 1923, and we find the same in good order and properly vouched. We have also examined the Deeds, Share Certificates Bonds in possession of the Company, and have verified by Certificates of Bankers or other Depositaries the Securities and Cash in their the Assets and Investments set out in the above Account as on the 31st December, 1923.

February, 1924.

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

Assurance Company

HOLBORN BARS, LONDON, E.C.1



DIRECTORS' REPORT

STATEMENT OF ACCOUNTS

at 31st December, 1923

To be presented to the Shareholders at the Ordinary General Meeting to be held at Holborn Bars, London, on Thursday, the 6th day of March, 1924, at 2 o'clock

Printers: Hazell, Watson & Viney, Ld., 52, Long Acre, W.C 2.

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