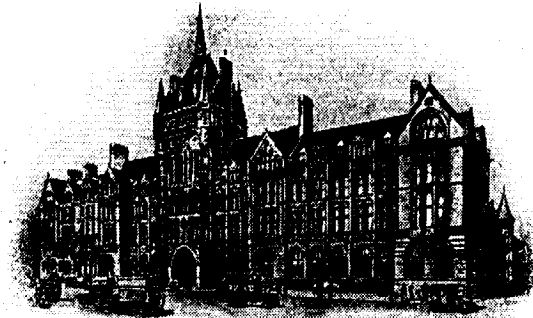


The Prudential Assurance Company LIMITED

SEVENTY-SIXTH ANNUAL REPORT

For the Year ending 31st December, 1924



President :

SIR THOMAS DEWEY, Bt.

Directors :

ALFRED CORDEROY THOMPSON, *Chairman*

EDGAR HORNE, *Deputy-Chairman*

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

GUY PHILIP HARBEN, O.B.E.

JAMES MOON

JOHN ROY LANCASTER

WILLIAM THOMAS PUGH

SIR JOHN HENRY LUSCOMBE

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.



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 Road, E.1.
 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.
 362, North End Road, Fulham, S.W.6.

12, South Side, Clapham Common, S.W.4.
 4, Station Parade, Balham, S.W.12.
 103, Ladbroke Grove, W.11.
 111, Edgware Road, W.2.
 8, New Broadway, Ealing, W.5.
 46, High Road, Chiswick, W.4.
 178, Finchley Road, N.W.3.

Aberdare
 Aberdeen
 Abertillery
 Accrington
 Altrincham
 Ammanford
 Arbroath
 Ashington
 Ashton-under-Lyne
 Ayr
 Bacup
 Banbury
 Barnsley
 Barnstaple
 Barrow
 Bath
 Bathgate
 Batley
 Bedford
 Belfast
 Birkenhead
 Birmingham
 Bishop Auckland
 Blackburn
 Blackpool
 Blaydon
 Blyth
 Bolton
 Bournemouth
 Bradford
 Bridgend
 Brighouse
 Brighton
 Bristol
 Bromley, Kent
 Burnley
 Bury
 Bury St. Edmunds
 Caerphilly
 Camborne
 Cambridge
 Canterbury
 Cardiff
 Carlisle
 Carnarvon
 Castleford
 Chatham
 Chelmsford
 Cheltenham
 Chester
 Chesterfield
 Clifton
 Coatbridge
 Colchester
 Colwyn Bay
 Consett

Cork
 Coventry
 Crewe
 Croydon
 Darlington
 Dartmouth
 Darwen
 Derby
 Dewsbury
 Doncaster
 Douglas (I. of M.)
 Dover
 Dublin
 Dumbarton
 Dumfries
 Dundee
 Dunfermline
 Durham
 Eastbourne
 Edinburgh
 Ely
 Enfield
 Exeter
 Falkirk
 Faversham
 Folkestone
 Frome
 Garston
 Gateshead
 Glasgow
 Gloucester
 Gorton
 Gosport
 Gravesend
 Grays
 Greenock
 Grimsby
 Guildford
 Halifax
 Hamilton
 Hanley
 Harrogate
 Hastings
 Haverfordwest
 Hawick
 Hereford
 Hertford
 High Wycombe
 Huddersfield
 Hull
 Ilkeston
 Inverness
 Ipswich
 Jersey
 Keighley
 Kendal

Kettering
 Kilmarnock
 Kirkcaldy
 Lancaster
 Leamington
 Leeds
 Leicester
 Leigh, Lancs.
 Lewes
 Lichfield
 Lincoln
 Liverpool
 Llanelli
 Long Eaton
 Loughborough
 Louth
 Lowestoft
 Luton
 Macclesfield
 Maidstone
 Manchester
 Mansfield
 Margate
 Melton Mowbray
 Merthyr Tydvil
 Mexborough
 Middlesbrough
 Motherwell
 Neath
 Nelson
 Newbury
 Newcastle-on-Tyne
 Newport, Mon.
 Newton Abbot
 Northampton
 North Shields
 Norwich
 Nottingham
 Oldham
 Oswestry
 Oxford
 Paisley
 Pentre (Glam.)
 Perth
 Peterborough
 Plymouth
 Pontefract
 Pontypridd
 Poole
 Portsmouth
 Preston
 Pudsey
 Reading
 Redfield
 Red Hill
 Rochdale

Rotherham
 Rugby
 Ryde
 St. Helens
 Seaham Harbour
 Selby
 Sheffield
 Shipley
 Shrewsbury
 Sittingbourne
 Skipton
 Southampton
 Southend-on-Sea
 Southport
 South Shields
 Stafford
 Stalybridge
 Stirling
 Stockport
 Stockton-on-Tees
 Stoke-on-Trent
 Stroud
 Sunderland
 Sutton
 Swansea
 Swindon
 Tamworth
 Taunton
 Tonbridge
 Torquay
 Truro
 Tunbridge Wells
 Wakefield
 Wallasey
 Walsall
 Warrington
 Waterford
 Watford
 Wednesbury
 West Bromwich
 West Hartlepool
 Weston-super-Mare
 Weymouth
 Wigan
 Winchester
 Wolverhampton
 Wolverton
 Woolston
 Worcester
 Workington
 Worksop
 Wrexham
 Yarmouth
 York

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

Alexandria
 Amsterdam
 Antwerp
 Auckland

Batavia
 Bombay
 Buenos Aires
 Calcutta

Copenhagen
 Hamburg
 Kobe
 Manila

Montreal
 New York
 Paris
 Shanghai

Singapore
 Winnipeg
 Yokohama

THE PRUDENTIAL ASSURANCE COMPANY LIMITED

SEVENTY-SIXTH ANNUAL REPORT

For the Year ending 31st December, 1924

THE DIRECTORS have much pleasure in presenting their Report and Accounts for the year 1924.

The **Total Assets** of the Company now amount to £171,049,265, as compared with £158,450,229 a year ago, *i.e.*, an increase of £12,599,036.

The **Total Income** during 1924 was £35,136,037, as compared with £33,699,266 in 1923, *i.e.*, an increase of £1,436,771.

The **Total Surplus** arising from the Life business is £6,093,581, of which £500,000 has been carried to the Investments Reserve Funds, £450,000 to the Common Contingency Fund, £3,379,949 has been set aside to provide for Bonuses to the Ordinary and Industrial Branch Policyholders, £800,000 to the holders of A shares, £387,097 to the Superintendency and Agency Staff, £86,022 to the Special Contingency Fund in accordance with the Articles of Association, and £490,513 has been carried forward.

Ordinary Branch.—The number of policies issued during the year was 83,410, assuring the sum of £14,217,481, and producing a new annual premium income of £1,031,743. The premiums received were £10,012,236, being an increase of £283,725 over those for the year 1923.

The claims of the year amounted to £7,267,538. The number of deaths was 11,406 and of matured endowment assurances 48,795, the combined annual premium income being £465,186.

The number of policies, including annuities, in force at the end of the year was 1,120,128.

Industrial Branch.—The premiums received during the year were £15,210,290, being an increase of £322,942.

The claims of the year amounted to £4,728,593. The total number of claims and surrenders was 552,757 on 666,363 policies, of which 84,208 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 123,528, the number in force being 2,327,714. The number of free policies which became claims was 66,024.

The total number of policies in force in this Branch at the end of the year was 24,018,159. 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 £663,112, being an increase for the year of £145,581 over 1923. The claims of the year amounted to £228,562.

The premiums received under Sinking Fund policies were £54,390. The capital sum insured under these policies is £2,792,106.

The premiums received during the year on Marine Insurance business, after deduction of reinsurances, commission, discounts, brokerages and returns, amounted to £400,042. The claims which arose, not only in respect of the risks written in 1924, but also those written in 1923, 1922 and 1921, were £396,590.

The **Staff Provident Fund**, which was founded in 1898 for the benefit of the outdoor staff, amounts to £330,367.

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.

In the **Industrial Branch** the valuation was made on the same mortality basis as was used last year, namely, the English Life Tables (No. 8).

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 fund at the end of the year was £555,822 as compared with the year's premium income of £400,042.

In the **Ordinary Branch** the surplus shown is £2,423,829, including the sum of £179,152 brought forward from last year. Out of this surplus the Directors have added £250,000 to the Investments Reserve Fund, which stands as at 31st December, 1924, at £3,250,000. £1,660,648 has been set aside to provide a bonus to the participating policyholders, £183,070 has been transferred to Profit and Loss Account, and the balance of £330,111 has been carried forward. The above-stated amount of £1,660,648 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, 1924.

In the **Industrial Branch** the surplus shown is £3,669,752, including the sum of £148,195 brought forward from last year. Out of this Surplus the Directors have added £250,000 to the Investments Reserve Fund, which stands as at 31st December, 1924, at £2,500,000; £1,719,301 has been set aside to provide for a bonus to policyholders; £1,152,952 has been transferred to Profit and Loss Account; £387,097 has been reserved for Bonus to the members of the Outdoor Staff, and the balance of £160,402 has been carried forward.

A contingent reversionary bonus vesting after 15 years from the date of the policy of £1 10s. per cent. on the sum assured, has been added to all policies issued since 1st January, 1923, and on which premiums were being paid on 31st December 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.

All policies issued before 1st January, 1923, which are in force in the United Kingdom (excluding the Irish Free State), and 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 6th March, 1925, and 2nd March, 1933, both dates inclusive, will receive a bonus addition as follows:—

| Premiums paid for. | | | | | | | | | | Amount of claim increased by. | | |
|---------------------------------|----|----|----|----|----|----|----|----|----|-------------------------------|----|-------------|
| | | | | | | | | | | £ | s. | |
| 10 years and less than 20 years | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | 5 | 0 per cent. |
| 20 " " " " 30 | " | " | " | " | " | " | " | " | " | " | 7 | 10 " " |
| 30 " " " " 40 | " | " | " | " | " | " | " | " | " | " | 12 | 10 " " |
| 40 " " " " 45 | " | " | " | " | " | " | " | " | " | " | 17 | 10 " " |
| 45 " " " " 50 | " | " | " | " | " | " | " | " | " | " | 20 | 0 " " |
| 50 " " " " 55 | " | " | " | " | " | " | " | " | " | " | 30 | 0 " " |
| 55 " " " " 60 | " | " | " | " | " | " | " | " | " | " | 45 | 0 " " |
| 60 " " upwards | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | 60 | 0 " " |

These bonuses are inclusive of, and not in addition to, those declared in March, 1924, which were guaranteed for five years to 7th March, 1929. The bonuses now declared are guaranteed for a period of eight years to 2nd March, 1933.

In the Irish Free State the basis and rate of taxation are less favourable than in the United Kingdom and in addition the surplus is proportionately much less. It has therefore been decided that the above rates of bonus for policies issued before 1st January, 1923, shall not apply to policies in force in the Irish Free State, but such policies will continue to receive bonus at the rates and for the period guaranteed last year.

The Company's profit-sharing scheme, which provides, after payment of a fixed dividend to the holders of A shares, for the distribution of any remaining profit in certain proportions to the Industrial Branch policyholders, shareholders and members of the outdoor staff, was modified at the Extraordinary General Meetings of the Company held in July and August last. The provisions of Section 126 of the Articles of Association are now as follows:—

Whenever the Remaining ordinary and industrial profits after deduction of the sum or sums (if any) set aside under these Articles as or in augmentation of any such Contingency Fund or funds as aforesaid shall exceed an amount sufficient to pay to the Members a dividend of ten shillings free of Income Tax in respect of each A share for each completed year elapsed since the last preceding date up to which profits shall have been ascertained and declared then out of the Remaining ordinary and industrial profits the amount required to pay such dividend as last aforesaid shall be divided and dealt with in manner provided by the immediately preceding Article and the surplus shall be divided as follows (that is to say):—

- (a) Four equal Sixth parts of the surplus shall be distributed or reserved for distribution as a bonus in respect of such policies or classes of policies in the Industrial Branch as the Directors shall in their absolute discretion from time to time determine.
- (b) The two remaining equal Sixth parts of the surplus (one of such remaining two equal Sixth parts being hereinafter called "the first Sixth share" and the other "the second Sixth share") shall be respectively applied and dealt with as follows (that is to say):—

The first Sixth share shall be divided and paid by immediate money payment as a bonus to the Members who on the first Thursday in March next following such 31st December are on the Register in respect of A Shares rateably according to the number of A shares held by them respectively until such Members shall have received out of the first Sixth share in respect of each A share so held an amount equal to five shillings free of Income Tax.

The balance (if any) of the first Sixth share shall be divided into five equal parts of which two equal parts shall be set aside as or in augmentation of the Special Contingency Fund hereinafter mentioned and the remaining three equal parts shall be divided and paid by immediate money payment as a further bonus among such Members as last aforesaid rateably according to the number of A shares held by them respectively until such Members shall have received out of such remaining three equal parts in respect of each A share so held an amount equal to two shillings free of Income Tax.

The balance (if any) of the said remaining three equal parts shall be divided into two equal moieties of which one moiety shall be set aside in augmentation of the Special Contingency Fund and the remaining moiety shall be divided and paid by immediate money payment as an additional bonus amongst such Members as last aforesaid rateably according to the number of A shares held by them respectively.

- (c) The second Sixth share to the extent of an amount equal to the aggregate of the sums which shall on the division of the first Sixth share be distributed and paid thereout amongst and to the Members aforesaid shall be distributed or reserved for distribution as a bonus amongst such of the Superintendents Assistant Superintendents and Agents of the Company and other Members of the Company's outdoor staff as the Directors shall in their absolute discretion determine and the balance (if any) of the second Sixth share shall be set aside in augmentation of the Special Contingency Fund.

The sum to be transferred to the Special Contingency fund this year is £86,022. The total amount which has been allotted under our profit-sharing scheme since its initiation by way of bonus to the Industrial Branch policyholders and outdoor staff is £7,006,610, made up as follows:—

| Year. | Outdoor Staff. | Policyholders. | TOTAL. |
|----------------------------------|-------------------|-------------------|-------------------|
| | £ | £ | £ |
| From March, 1908, to March, 1923 | 805,920 | 2,960,000 | 3,765,920 |
| March, 1924.. .. . | 227,642 | 906,650 | 1,134,292 |
| March, 1925.. .. . | 387,097 | 1,719,301 | 2,106,398 |
| | <u>£1,420,659</u> | <u>£5,585,951</u> | <u>£7,006,610</u> |

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. | Expense Ratio. |
|--------------|---|
| 1920 | 40.50 per cent. of Total Premiums received. |
| 1921 | 36.92 " " " " |
| 1922 | 32.12 " " " " |
| 1923 | 29.74 " " " " |
| 1924 | 27.86 " " " " |

The four Prudential Approved Societies have during the year paid to or on behalf of their members benefits amounting approximately to £3,597,300, making a total of over £25,056,000 since National Insurance was introduced. Included in the amount paid during the year is a sum of £245,509 expended on Additional (non-cash) Benefits granted as a result of the first valuation of the Societies, and made up as follows:—Dental Treatment £112,505, Hospital and Convalescent Home Treatment £115,878, Medical and Surgical Appliances £1,958, Optical Treatment £12,054, and Nursing £3,114. The number of persons admitted to membership of the Societies during the year was 312,750, of whom 140,282 were men and 172,468 women.

The retiring Directors are Mr. WILLIAM THOMAS PUGH, Mr. DANIEL WINTRINGHAM STABLE, and Mr. JAMES MOON, 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,
19th February, 1925.

REVENUE ACCOUNT OF THE ORDINARY BRANCH

For the Year ending 31st December, 1924, in respect of Life Assurance Business.

| | £ | s. | d. | | £ | s. | d. |
|---|-------------|----|----|--|------------|----|-----------------|
| Amount of life assurance fund at the beginning of the year .. | 69,079,634 | 2 | 0 | Claims under policies paid and outstanding :— | | | |
| Premiums | 10,012,236 | 3 | 11 | By death .. | £1,774,157 | 16 | 3 |
| Consideration for annuities granted | 124,377 | 17 | 10 | By maturity .. | 5,493,380 | 5 | 9 |
| Interest and dividends .. | £3,772,306 | 11 | 6 | <hr/> | | | 7,267,538 2 0 |
| Less income tax thereon .. | 484,019 | 5 | 7 | Surrenders | | | 701,273 11 0 |
| <hr/> | 3,288,287 | 5 | 11 | Bonuses surrendered for cash .. | | | 96,316 6 9 |
| | | | | Annuities | | | 152,115 9 5 |
| | | | | Commission | | | 657,587 13 5 |
| | | | | Expenses of management | | | 593,941 17 1 |
| | | | | Corporation Profits Tax | | | 6,774 7 0 |
| | | | | Transfer to Investments reserve fund | | | 250,000 0 0 |
| | | | | Transfer to Profit and Loss account | | | 183,070 0 0 |
| | | | | Amount of life assurance fund at the end of the year | | | 72,595,918 3 0 |
| <hr/> | £82,504,535 | 9 | 8 | <hr/> | | | £82,504,535 9 8 |

NOTES.—During the year 83,410 policies were issued for a sum assured of £14,217,481. The amount received by way of single premiums was £96,694 11s. 1d. The yearly renewal premium income was £1,031,742 17s. 2d.

REVENUE ACCOUNT OF THE INDUSTRIAL BRANCH

For the Year ending 31st December, 1924, in respect of Industrial Assurance Business.

| | £ | s. | d. | | £ | s. | d. |
|--|-------------|----|----|--|------------|----|-----------------|
| Amount of industrial assurance fund at the beginning of the year .. | 79,284,759 | 19 | 0 | Claims under policies paid and outstanding :— | | | |
| Premiums | 15,210,289 | 12 | 6 | By death .. | £3,835,258 | 16 | 7 |
| Interest, dividends and rents .. | £4,178,901 | 8 | 2 | By maturity .. | 893,334 | 10 | 0 |
| Less income tax thereon .. | 173,326 | 11 | 5 | <hr/> | | | 4,728,593 6 7 |
| <hr/> | 4,005,574 | 16 | 9 | Surrenders | | | 938,957 9 7 |
| Amount received from General Branch for Approved Societies' expenses | 645,497 | 12 | 4 | Commission | | | 3,177,206 3 9 |
| <hr/> | £99,146,122 | 0 | 7 | Expenses of management | | | 1,706,077 3 9 |
| | | | | Corporation Profits Tax | | | 20,512 13 0 |
| | | | | Transfer to Investments reserve fund | | | 250,000 0 0 |
| | | | | Reserve for bonus to members of Company's outdoor staff | | | 387,096 15 6 |
| | | | | Transfer to Profit and Loss account | | | 1,152,951 10 2 |
| | | | | Amount of Industrial assurance fund at the end of the year | | | 86,784,726 18 3 |
| <hr/> | £99,146,122 | 0 | 7 | <hr/> | | | £99,146,122 0 7 |

NOTES.—During the year 1,776,519 policies were issued, for a maximum sum assured of £50,303,442.

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REVENUE ACCOUNTS OF THE GENERAL BRANCH

For the Year ending 31st December, 1924.

Fire Insurance Business.

| | £ | s. | d. | | £ | s. | d. |
|--|-----------------|----|----|--|-----------------|----|----|
| Amount of fire insurance fund at the beginning of the year :— | | | | | | | |
| Reserve for unexpired risks .. £116,748 | | 2 | 11 | | | | |
| Additional reserve 92,133 | | 14 | 1 | | | | |
| | 208,881 | 17 | 0 | | | | |
| Premiums | 356,295 | 9 | 6 | | | | |
| Transfer from Profit and Loss account | 15,139 | 14 | 1 | | | | |
| | | | | | | | |
| | <u>£580,317</u> | 0 | 7 | | | | |
| | | | | | | | |
| Claims under policies paid and outstanding | 144,130 | 11 | 11 | | | | |
| Commission | 66,374 | 5 | 4 | | | | |
| Expenses of management | 91,823 | 15 | 2 | | | | |
| Contributions to fire brigades | 689 | 2 | 4 | | | | |
| Corporation Profits Tax | 753 | 14 | 0 | | | | |
| Amount of fire insurance fund at the end of the year :— | | | | | | | |
| Reserve for unexpired risks being 40 per cent. of the premium income for the year £142,518 | | 3 | 9 | | | | |
| Additional reserve .. 134,027 | | 8 | 1 | | | | |
| | | | | | 276,545 | 11 | 10 |
| | | | | | | | |
| | <u>£580,317</u> | 0 | 7 | | <u>£580,317</u> | 0 | 7 |

Sickness and Accident Insurance Business.

| | £ | s. | d. | | £ | s. | d. |
|---|-----------------|----|----|--|-----------------|----|----|
| Amount of sickness and accident insurance fund at the beginning of the year :— | | | | | | | |
| Reserve for unexpired accident risks £30,502 | | 19 | 4 | | | | |
| Reserve for sickness risks | 25,996 | 16 | 0 | | | | |
| Total estimated liability in respect of outstanding claims 4,720 | | 13 | 6 | | | | |
| Additional reserve for accident risks 37,500 | | 0 | 0 | | | | |
| | 98,720 | 8 | 10 | | | | |
| Premiums | 96,808 | 5 | 8 | | | | |
| Amount received from Approved Societies for expenses | 645,497 | 12 | 4 | | | | |
| | | | | | | | |
| | <u>£841,026</u> | 6 | 10 | | | | |
| | | | | | | | |
| Payments under policies, including medical and legal expenses in connection therewith | 21,597 | 17 | 8 | | | | |
| Commission | 14,521 | 4 | 10 | | | | |
| Expenses of management | 30,251 | 4 | 6 | | | | |
| Amount transferred to Industrial Branch for Approved Societies' expenses | 645,497 | 12 | 4 | | | | |
| Corporation Profits Tax | 899 | 4 | 0 | | | | |
| Transfer to Profit and Loss account .. | 8,069 | 18 | 2 | | | | |
| 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 .. £38,723 | | 6 | 3 | | | | |
| Reserve for sickness risks | 27,290 | 0 | 0 | | | | |
| Total estimated liability in respect of outstanding claims 6,883 | | 3 | 0 | | | | |
| Additional reserve for accident risks .. 47,492 | | 16 | 1 | | | | |
| | | | | | 120,189 | 5 | 4 |
| | | | | | | | |
| | <u>£841,026</u> | 6 | 10 | | <u>£841,026</u> | 6 | 10 |

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0597-007

REVENUE ACCOUNTS OF THE GENERAL BRANCH—continued.

Employers' Liability Insurance Business transacted within the United Kingdom,
including the Irish Free State.

| | | £ | s. | d. | | | £ | s. | d. |
|--|---------|----|----|--------|---|----|--|----|--------------|
| Amount of employers' liability insurance fund at the beginning of the year:— | | | | | Payments under policies, including medical and legal expenses in connection therewith | | | | |
| Reserve for unexpired risks .. | £18,705 | 5 | 10 | | Commission | | 18,317 | 3 | 5 |
| Total estimated liability in respect of outstanding claims | 10,867 | 0 | 0 | | Expenses of management | | 4,904 | 8 | 9 |
| Additional reserve | 12,047 | 3 | 10 | | Corporation Profits Tax | | 17,615 | 14 | 4 |
| | | | | | Amount of employers' liability insurance fund at the end of the year:— | | 525 | 17 | 0 |
| | | | | 41,619 | 9 | 8 | Reserve for unexpired risks being 40 per cent. of the premium income for the year .. £22,549 2 9 | | |
| Premiums | | | | 56,372 | 16 | 10 | Total estimated liability in respect of outstanding claims 16,379 0 0 | | |
| Interest and dividends | £2,759 | 11 | 3 | | | | Additional reserve .. 19,991 17 9 | | |
| Less income tax thereon | 468 | 13 | 9 | | | | | | 58,920 0 6 |
| | | | | 2,290 | 17 | 6 | | | |
| | | | | | | | | | £100,283 4 0 |
| | | | | | | | | | £100,283 4 0 |

Miscellaneous Insurance Business.

| | | £ | s. | d. | | | £ | s. | d. |
|---|---------|----|----|----------|--|---|--|----|---------------|
| Amount of miscellaneous insurance fund at the beginning of the year:— | | | | | Claims under policies paid and outstanding | | | | |
| Reserve for unexpired risks .. | £38,746 | 14 | 7 | | Commission | | 44,516 | 14 | 4 |
| Additional reserve | 21,306 | 15 | 7 | | Expenses of management | | 30,395 | 15 | 1 |
| | | | | 60,053 | 10 | 2 | | | 41,045 8 8 |
| Premiums | | | | 153,635 | 14 | 0 | | | 648 7 0 |
| Transfer from Profit and Loss account | 14,411 | 6 | 5 | | Corporation Profits Tax | | Amount of miscellaneous insurance fund at the end of the year:— | | |
| | | | | | | | Reserve for unexpired risks being 40 per cent. of the premium income for the year .. £61,454 5 7 | | |
| | | | | | | | Additional reserve .. 50,039 19 11 | | |
| | | | | | | | | | 111,494 5 6 |
| | | | | £228,100 | 10 | 7 | | | £228,100 10 7 |

Sinking Fund Insurance Business.

| | | £ | s. | d. | | | £ | s. | d. |
|---|--------|----|----|----------|--|---|---|----|---------------|
| Amount of sinking fund insurance fund at the beginning of the year .. | | | | | Claims under policies paid and outstanding | | | | |
| Premiums | | | | 122,082 | 0 | 0 | <i>Nil</i> | | |
| Interest and dividends | £8,023 | 18 | 8 | | Surrenders | | 17,676 | 15 | 11 |
| Less income tax thereon | 784 | 11 | 6 | | Commission | | 1,664 | 1 | 7 |
| | | | | 7,239 | 7 | 2 | | | 1,087 16 2 |
| | | | | | | | | | 567 7 0 |
| | | | | | | | Transfer to Profit and Loss account .. 2,702 7 9 | | |
| | | | | | | | Amount of sinking fund insurance fund at the end of the year 160,013 6 10 | | |
| | | | | £183,711 | 15 | 3 | | | £183,711 15 3 |

REVENUE ACCOUNTS OF THE GENERAL BRANCH—continued.

Marine Insurance Business.

| | £ | s. | d. | | £ | s. | d. |
|--|-----------------|-----------|----------|--|-----------------|-----------|----------|
| Amount of marine insurance fund at the beginning of the year .. | 501,805 | 12 | 7 | Claims under policies paid and outstanding | 396,589 | 16 | 4 |
| Premiums, after deduction of reinsurances, commission, discounts, brokerages and returns | 400,041 | 11 | 6 | Expenses of management | 18,031 | 5 | 0 |
| Interest and dividends £28,736 16 2 | | | | Bad debts—Balance written off .. | 5,921 | 6 | 6 |
| Less income tax thereon 3,433 1 5 | | | | Amount of marine insurance and reserve fund at the end of the year | 555,822 | 9 | 7 |
| | 25,303 | 14 | 9 | | | | |
| Profit on realisation of investments | 49,213 | 18 | 7 | | | | |
| | | | | | | | |
| | <u>£976,364</u> | <u>17</u> | <u>5</u> | | <u>£976,364</u> | <u>17</u> | <u>5</u> |

PROFIT AND LOSS ACCOUNT for the year ending 31st December, 1924.

| | £ | s. | d. | | £ | s. | d. |
|---|-------------------|-----------|----------|--|-------------------|-----------|----------|
| Balance from last year's account .. | 675,000 | 0 | 0 | Dividend to holders of A shares in respect of the year 1923 .. | 675,000 | 0 | 0 |
| Interest not carried to other accounts £35,363 0 4 | | | | Reserve for income tax (General Branch) | 10,000 | 0 | 0 |
| Less income tax thereon | 6,584 | 5 | 9 | Transfer to General Branch Revenue accounts:— | | | |
| | 28,778 | 14 | 7 | Fire insurance | 15,139 | 14 | 1 |
| Transfer from Ordinary Branch Revenue account | 183,070 | 0 | 0 | Miscellaneous insurance | 14,411 | 6 | 5 |
| Transfer from Industrial Branch Revenue account | 1,152,951 | 10 | 2 | Transfer to Common contingency fund | 450,000 | 0 | 0 |
| Transfer from General Branch Revenue accounts:— | | | | Transfer to Special contingency fund | 86,021 | 10 | 2 |
| Sickness and accident insurance .. | 8,069 | 18 | 2 | Balance to Balance Sheet (Industrial Branch) being allocation to holders of A shares out of profits for 1924 | 800,000 | 0 | 0 |
| Sinking fund insurance | 2,702 | 7 | 9 | after transferring— | | | |
| | | | | £500,000 0 0 to Investments reserve funds, and reserving for bonus | | | |
| | | | | £1,660,648 0 0 to policy-holders, Ordinary Branch | | | |
| | | | | £1,719,301 4 0 to policy-holders, Industrial Branch, and | | | |
| | | | | £387,096 15 6 to members of the Company's outdoor staff | | | |
| | | | | | | | |
| | <u>£2,050,572</u> | <u>10</u> | <u>8</u> | | <u>£2,050,572</u> | <u>10</u> | <u>8</u> |

the 31st December, 1924.

| ASSETS. | Ordinary Branch. | | Industrial Branch. | | General Branch. | | Common Contingency Fund. | | Special Contingency Fund. | | Total. | |
|--|------------------|-------|--------------------|-------|-----------------|-------|--------------------------|-------|---------------------------|-------|--------------|-------|
| | £ | s. d. | £ | s. d. | £ | s. d. | £ | s. d. | £ | s. d. | £ | s. d. |
| Mortgages on property within the United Kingdom | 5,073,515 | 9 6 | 1,422,462 | 1 8 | — | — | — | — | — | — | 6,495,977 | 11 2 |
| Mortgages on property out of the United Kingdom | 500,625 | 0 0 | 500,625 | 0 0 | — | — | — | — | — | — | 1,001,250 | 0 0 |
| Loans on parochial and other public rates | 3,080,099 | 2 3 | 7,222,784 | 8 10 | — | — | — | — | — | — | 10,302,883 | 11 1 |
| Loans on Life interests | 307,850 | 0 0 | 381,633 | 12 0 | — | — | — | — | — | — | 689,483 | 12 0 |
| Loans on Reversions | 26,587 | 3 3 | — | — | — | — | — | — | — | — | 26,587 | 3 3 |
| Loans on Stocks and Shares | 135,300 | 0 0 | 320,000 | 0 0 | — | — | — | — | — | — | 455,300 | 0 0 |
| Loans on Company's policies within their surrender values | 2,830,355 | 10 10 | — | — | — | — | — | — | — | — | 2,830,355 | 10 10 |
| Loans on Personal security | — | — | — | — | — | — | — | — | — | — | — | — |
| Loans to educational institutions secured on income | 23,075 | 7 11 | 186 | 16 1 | — | — | — | — | — | — | 23,262 | 4 0 |
| Investments:— | — | — | — | — | — | — | — | — | — | — | — | — |
| Deposits with the High Court:— | — | — | — | — | — | — | — | — | — | — | 16,080 | 19 1 |
| £17,122 14s. 5% War Loan 1929-1947 | 16,080 | 19 1 | — | — | — | — | — | — | — | — | 20,000 | 0 0 |
| £20,000 5% War Loan 1929-1947 | — | — | 20,000 | 0 0 | — | — | — | — | — | — | — | — |
| £20,000 5% National War Bonds 1928 | — | — | — | — | 19,981 | 5 0 | — | — | — | — | 19,981 | 5 0 |
| Deposits with the Supreme Court of Judicature in Irish Free State:— | — | — | — | — | — | — | — | — | — | — | 20,000 | 0 0 |
| £20,000 5% War Loan 1929-1947 | 20,000 | 0 0 | — | — | 20,000 | 0 0 | — | — | — | — | 20,000 | 0 0 |
| £20,000 5% War Loan 1929-1947 | — | — | — | — | — | — | 1,000,000 | 0 0 | — | — | 70,302,265 | 16 9 |
| British Government securities | 28,666,133 | 4 8 | 40,150,293 | 6 10 | 485,839 | 5 3 | — | — | — | — | 153,814 | 0 0 |
| Bank of England stock | 153,814 | 0 0 | — | — | — | — | — | — | — | — | — | — |
| Municipal and county securities, United Kingdom | 1,154,887 | 10 11 | 1,715,199 | 11 6 | 26,415 | 0 0 | — | — | — | — | 2,896,502 | 2 5 |
| Indian and Colonial Government securities | 5,354,413 | 12 6 | 6,382,060 | 0 8 | 145,179 | 3 1 | — | — | — | — | 11,881,661 | 16 3 |
| Indian and Colonial provincial securities | 347,210 | 11 3 | 117,063 | 0 11 | — | — | — | — | — | — | 464,273 | 12 2 |
| Indian and Colonial municipal securities | 2,183,376 | 17 3 | 870,484 | 8 8 | — | — | — | — | — | — | 3,053,861 | 5 11 |
| Foreign Government securities | 4,636,368 | 17 8 | 4,135,038 | 11 7 | 324,393 | 12 2 | — | — | — | — | 9,095,801 | 1 5 |
| Foreign provincial securities | 210,772 | 10 2 | 143,867 | 5 8 | 32,021 | 13 4 | — | — | — | — | 386,661 | 9 2 |
| Foreign municipal securities | 927,901 | 10 2 | 477,347 | 4 11 | 46,787 | 10 0 | — | — | — | — | 1,452,036 | 5 1 |
| Railway and other debentures and debenture stocks and gold and sterling bonds—Home and Foreign | 8,560,434 | 14 4 | 10,026,254 | 13 7 | 40,942 | 0 0 | — | — | — | — | 18,627,631 | 7 11 |
| Railway and other preference and guaranteed stocks and shares | 4,226,418 | 16 8 | 3,361,870 | 3 6 | 54,683 | 8 10 | — | — | — | — | 7,642,972 | 9 0 |
| Railway and other ordinary stocks and shares | 5,541,793 | 6 11 | 2,656,471 | 10 3 | 393,584 | 13 8 | — | — | — | — | 8,591,849 | 10 10 |
| Rent charges | 247,344 | 18 10 | — | — | — | — | — | — | — | — | 247,344 | 18 10 |
| Freehold ground rents and Scotch feu duties | — | — | 4,924,130 | 15 3 | — | — | — | — | — | — | 4,924,130 | 15 3 |
| Leasehold ground rents | — | — | 3,599 | 1 4 | — | — | — | — | — | — | 3,599 | 1 4 |
| House property | 35,429 | 4 1 | 5,188,911 | 8 5 | — | — | — | — | — | — | 5,188,911 | 8 5 |
| Life interests | 594,262 | 8 1 | — | — | — | — | — | — | — | — | 35,429 | 4 1 |
| Reversions | 3,176 | 11 5 | — | — | — | — | — | — | — | — | 594,262 | 8 1 |
| Agents' balances | 508,073 | 11 9 | 616,236 | 16 4 | 159,809 | 2 3 | — | — | — | — | 48,972 | 13 0 |
| Outstanding premiums | 203,941 | 17 10 | 74,542 | 0 0 | 844 | 19 11 | — | — | — | — | 1,284,119 | 10 4 |
| Outstanding interest, dividends and rents | — | — | — | — | — | — | — | — | — | — | 279,328 | 17 9 |
| Interest, dividends and rents accrued but not payable | 319,916 | 6 5 | 299,148 | 0 0 | 1,675 | 14 7 | — | — | — | — | 620,740 | 1 0 |
| Due from Re-insurance Companies | — | — | — | — | 152,195 | 18 7 | — | — | — | — | 152,195 | 18 7 |
| Sundry debtors | — | — | — | — | 1,189 | 19 6 | — | — | — | — | 1,189 | 19 6 |
| Bills receivable | 55,789 | 8 10 | 36,821 | 15 9 | 1,820 | 13 9 | — | — | — | — | 92,611 | 4 7 |
| Marine Stamps | — | — | — | — | — | — | — | — | — | — | 1,820 | 13 9 |
| Cash:— | — | — | — | — | — | — | — | — | — | — | — | — |
| On deposit:— | — | — | 70,000 | 0 0 | — | — | — | — | — | — | 70,000 | 0 0 |
| In the United Kingdom | — | — | — | — | 32,968 | 15 0 | — | — | — | — | 32,968 | 15 0 |
| Abroad | — | — | — | — | — | — | — | — | 86,021 | 10 2 | 86,021 | 10 2 |
| In hand and on current account:— | — | — | — | — | — | — | — | — | — | — | — | — |
| In the United Kingdom | 351,683 | 7 6 | 372,741 | 17 8 | 88,155 | 3 3 | — | — | — | — | 898,601 | 18 7 |
| Abroad | 15,384 | 19 6 | 74,475 | 16 4 | 12,684 | 7 5 | — | — | — | — | 102,545 | 3 3 |
| | £76,312,016 | 19 7 | £91,574,061 | 7 3 | £2,077,165 | 7 8 | £1,000,000 | 0 0 | £86,021 | 10 2 | £171,049,265 | 4 8 |

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 for any purposes other than those of the class of business to which the fund is applicable.

We have investigated the methods of calculating and apportioning the expenses of management and the accounts thereof and in our opinion the accounts show a fair and equitable apportionment of the expenses between the Industrial and other Branches of the Company's business.

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, 1924, and we find the same in good order and properly vouched. We have also examined the Deeds, Share Certificates and Bonds in possession of the Company, and have verified by Certificates of Bankers or other Depositories the Securities and Cash in their custody, which together represent the Assets and Investments set out in the above account as on the 31st December, 1924.

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

17th February, 1925.

The
Prudential
Assurance Company
LIMITED

HOLBORN BARS, LONDON, E.C.1



DIRECTORS' REPORT
AND
STATEMENT OF ACCOUNTS
at 31st December, 1924

To be presented to the Shareholders at
the Ordinary General Meeting to be held
at Holborn Bars, London, on Thursday,
the 5th day of March, 1925, at 2 o'clock

(4685) 6:61-13500-2-25

Printers: Hazell, Watson & Viney, Ltd., 52, Long Acres, W.C.2.

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