

The
Prudential Assurance Company
LIMITED

EIGHTY-FIRST
ANNUAL REPORT

For the Year ending 31st December, 1929



CHIEF OFFICE: HOLBORN BARS, LONDON, ENGLAND.

Directors :

SIR EDGAR HORNE, BART., *Chairman*
FREDERICK SCHOOLING, F.I.A., *Deputy-Chairman*
SIR GEORGE LEWIS BARSTOW, K.C.B. JOHN ROY LANCASTER
SIR LAURENCE NUNNS GUILLEMARD, SIR JOHN HENRY LUSCOMBE
G.C.M.G., K.C.B. JAMES MOON, A.I.A.
GUY PHILIP HARBEN, O.B.E. LT.-COL. PERCY LESTER REID,
FRANK HAYCRAFT O.B.E.

Secretary :

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

Assistant Secretaries :

P. C. CRUMP, O.B.E., F.I.A. E. H. LEVER, F.I.A.

Actuary :

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

Assistant Actuaries :

C. S. KELHAM, F.I.A. R. LEVEY, F.I.A.

Assistant Managers :

E. J. W. BORRAJO, M.B.E., A.I.A. F. D. McMILLAN
H. H. REDMAN A. H. SABIN

Deputy General Managers :

E. DEWEY E. F. SPURGEON, F.I.A.

General Manager :

SIR JOSEPH BURN, K.B.E., F.I.A.



Chief Office: HOLBORN BARS, LONDON, ENGLAND

P00002106

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.
111, Edgware Road, W.2.
8, New Broadway, Ealing, W.5.
46, High Road, Chiswick, W.4.
178, Finchley Road, N.W.3.

Aberdare	Colchester	Kilmarnock	Ryde
Aberdeen	Colwyn Bay	Kirkcaldy	St. Helens
Abertillery	Consett	Lancaster	Salisbury
Accrington	Cork	Leamington	Scarborough
Altrincham	Coventry	Leeds	Seaham Harbour
Ammanford	Crewe	Leicester	Selby
Arbroath	Croydon	Leigh, Lancs.	Sheffield
Ashington	Darlington	Lewes	Shipley
Ashton-under-Lyne	Derby	Lichfield	Shrewsbury
Ayr	Dewsbury	Lincoln	Sittingbourne
Bacup	Doncaster	Liverpool	Skipton
Banbury	Douglas (I. of M.)	Llanely	Southampton
Barnsley	Dover	Long Eaton	Southend-on-Sea
Barnstaple	Dublin	Loughborough	Southport
Barrow	Dumbarton	Louth	South Shields
Bath	Dumfries	Lowestoft	Stafford
Bathgate	Dundee	Luton	Stirling
Batley	Dunfermline	Macclesfield	Stockport
Bedford	Durham	Maldstone	Stockton-on-Tees
Belfast	Eastbourne	Manchester	Stoke-on-Trent
Birkenhead	Edinburgh	Mansfield	Stroud
Birmingham	Ely	Margate	Sunderland
Bishop Auckland	Enfield	Melton Mowbray	Sutton
Blackburn	Exeter	Merthyr Tydfil	Swansea
Blackpool	Falkirk	Middlesbrough	Swindon
Blaydon	Folkestone	Motherwell	Tamworth
Blyth	Garston	Neath	Taunton
Bolton	Gateshead	Nelson	Tonbridge
Bournemouth	Glasgow	Newbury	Ton Pentre, Glam.
Bradford	Gloucester	Newcastle-on-Tyne	Torquay
Bridgend	Gorton	Newport, Mon.	Truro
Brighouse	Gravesend	Newton Abbot	Tunbridge Wells
Brighton	Grays	Northampton	Wakefield
Bristol	Greenock	North Shields	Wallasey
Bromley, Kent	Grimby	Norwich	Walsall
Burnley	Guildford	Nottingham	Warrington
Bury	Halifax	Oldham	Waterford
Bury St. Edmunds	Hamilton	Oswestry	Watford
Caerphilly	Hanley	Oxford	Wednesbury
Camborne	Harrogate	Paisley	West Bromwich
Cambridge	Hastings	Perth	West Hartlepool
Canterbury	Haverfordwest	Peterborough	Weston-super-Mare
Cardiff	Hawick	Plymouth	Weymouth
Carlisle	Hereford	Pontefract	Wigan
Carnarvon	Hertford	Pontypridd	Winchester
Castleford	High Wycombe	Portsmouth	Wolverhampton
Chatham	Huddersfield	Preston	Wolverton
Chelmsford	Hull	Pudsey	Worcester
Cheltenham	Inverness	Reading	Workington
Chester	Ipswich	Red Hill	Worksop
Chesterfield	Keighley	Rochdale	Wrexham
Clifton	Kendal	Rotherham	Yarmouth
Coatbridge	Kettering	Rugby	York

REPRESENTATIVES FOR THE TRANSACTION OF CERTAIN CLASSES
OF INSURANCE HAVE ALSO BEEN APPOINTED IN

Adelaide	Brisbane	Edmonton	Melbourne	Sydney
Alexandria	Buenos Aires	Halifax (N.S.)	Montreal	Tientsin
Alleppey	Calro	Hamburg	Oslo	Tellicherry
Amsterdam	Calcutta	Havana	Paris	Toronto
Antwerp	Calicut	Helsingfors	Perth (W.A.)	Vancouver
Athens	Christchurch	Hobart	Quilon	Wellington
Auckland	Cochin	Kobe	Shanghai	Winnipeg
Batavia	Colombo	Lisbon	Singapore	
Bogota	Copenhagen	Mangalore	St. John's	
Bombay	Colmbatore	Manila	(Newfoundland)	

**THE
PRUDENTIAL ASSURANCE COMPANY
LIMITED**

EIGHTY-FIRST ANNUAL REPORT

For the Year ending 31st December, 1929

THE DIRECTORS have much pleasure in presenting their Report and Accounts for the year 1929.

The **Total Assets** of the Company now amount to **£228,569,538**, as compared with **£219,210,768** a year ago, i.e., an increase of **£9,358,770**.

The **Total Income** during 1929 was **£42,963,760**, as compared with **£41,791,521** in 1928, i.e., an increase of **£1,172,239**.

The **Total Surplus** arising from the **Life Business**, including the sum of **£478,315** brought forward is **£9,473,183**, which has been allocated as follows:—

	£
To the Investments reserve funds.. .. .	1,000,000
To the Common contingency fund	250,000
Cost of bonuses to the Ordinary and Industrial Branch participating policyholders	5,793,870
Transferred to Profit and Loss account for dividend and bonus to the holders of "A" shares issued before 21st November, 1929	925,000
Bonus to members of outdoor staff	528,497
To the Special contingency fund	483,333
To be carried forward	492,483

Ordinary Branch.—The number of policies issued during the year was **80,532**, assuring the sum of **£17,606,949**, and producing a new annual premium income of **£1,091,089**. The premiums received were **£11,713,684**.

The claims for the year amounted to **£9,709,485**. The number of deaths was **12,165** and of matured endowment assurances **57,284**, the combined annual premium income being **£637,727**.

The number of life policies in force at the end of the year was **1,054,138**, assuring with bonus **£187,547,449** and producing a premium income of **£10,700,664** per annum. The immediate annuities payable were **3,638** in number, and amounted to **£148,560** per annum. In addition there were **1,779** deferred and contingent annuities, securing **£40,479** per annum by an annual premium income of **£17,081**.

Industrial Branch.—The premiums received during the year were **£17,385,175**, being an increase of **£241,719** over those for the year 1928.

The claims for the year amounted to **£10,599,854**. The total number of claims and surrenders was **914,360** on **1,080,412** policies, of which **219,073** were matured endowment assurances.

The number of free policies granted during the year was **225,342**, the number in force being **2,718,869**. The number of free policies which became claims was **160,465**.

The total number of policies in force in this Branch at the end of the year was **25,084,471**, under which the maximum sum assured together with declared bonus was **£471,457,356** and producing an annual premium income of **£18,172,425**. The average duration of the whole life premium paying policies in force exceeds 18 years.

General Branch.—The premiums received during the year, after deduction of the re-insurances, were **£1,845,509**, being an increase of **£225,325** in sections other than Marine and a decrease of **£133,535** in the Marine, thus giving a net increase of **£91,790** over those for the year 1928.

Particulars of the premiums received, claims paid, expenses and reserves now held, in respect of the various sections of the General Branch excluding Sinking Fund business are set out below:—

	Premiums. £	Claims. £	Expenses. £	Reserves. £
*Fire	839,712	472,032	343,637	671,770
Sickness and Accident	133,233	43,440	51,097	159,214
Employers' Liability	94,512	43,563	34,903	123,387
Miscellaneous	454,343	200,347	188,006	363,474
Marine	234,054	417,091	15,962†	601,059
	£1,755,854	£1,176,473	£633,605	£1,918,904

* The figures of the Fire Section do not include the business written by the American subsidiary, The Prudential Insurance Company of Great Britain located in New York.

† The marine expenses do not include commission which in accordance with the usual practice was deducted from the gross premiums before receipt.

The premiums received under Sinking Fund policies were **£89,655**. The capital sum insured under these policies is **£6,194,974**.

The **Staff Provident Fund**, which was founded in 1898 for the benefit of the outdoor staff, amounts to **£397,673**. This Fund was closed to new members as from 31st December, 1927, and a new **Deferred Annuity Fund** has been set up to enable the Outdoor Staff to supplement their pensions.

The Valuation has been made by Mr. F. P. SYMMONS, F.I.A.

In both **Life Assurance Branches** net premiums only have been valued, the rate of interest assumed being 3 per cent.

In the **Ordinary Branch** the assurances have been valued by the British Offices' O^M Table of Mortality for life risks. The British Offices' Life Annuity Tables 1893 have been used as heretofore 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 last year, namely the English Life Tables (No. 8).

In the **General Branch** the surplus shown is £269,508, including the sum of £86,118 brought forward from last year. This surplus the Directors have applied as follows:—

To the strengthening of reserves	£
Transferred to Profit and Loss account for Income Tax	84,895
Transferred to Profit and Loss account for dividends to holders of "A" shares issued before 21st November, 1929, and "B" shares	37,000
To be carried forward	66,667
	80,946

In the **Ordinary Branch** the surplus shown is £3,457,192, including the sum of £201,743 brought forward from last year. This surplus the Directors have applied as follows:—

To the Investments reserve fund (which stands as at 31st December, 1929, at £5,500,000)	£
Cost of bonus to participating policyholders	500,000
Transferred to Profit and Loss account for dividend and bonus to holders of "A" shares issued before 21st November, 1929	2,477,808
To be carried forward	273,471
	205,913

The above stated amount of £2,477,808 is sufficient to provide a reversionary bonus of £2 6s. per cent. on the original sums assured under Endowment Assurance policies and £2 10s. per cent. on the original sums assured under Whole Life Assurance policies, and bonuses at those rates will be allocated to participating policies which were in force on the 31st December, 1929.

In the **Industrial Branch** the surplus shown is £6,015,991, including the sum of £276,572 brought forward from last year. This surplus the Directors have applied as follows:—

To the Investments reserve fund (which stands as at 31st December, 1929, at £4,750,000)	£
To the Common contingency fund	500,000
Cost of bonus to participating policyholders	250,000
Transferred to Profit and Loss account for dividend and bonus to holders of "A" shares issued before 21st November, 1929	3,316,062
Bonus to members of outdoor staff	651,529
To the Special contingency fund	528,497
To be carried forward	483,333
	286,570

A reversionary bonus of £1 14s. per cent. on the original sum assured payable on death or maturity of Endowment has been added to all participating policies issued on or after 1st January, 1923, on which premiums were being paid on 31st December, 1929.

All policies issued before 1st January, 1923, which are in force and on which premiums were being paid on 6th March, 1930 (except those in the Irish Free State), and are entitled to participate under the bonus distribution scheme and become claims by death or maturity of endowment between 7th March, 1930, and 1st March, 1945, both dates inclusive, will receive a bonus addition as follows:—

Premiums paid for.		Amount of claim increased by.	
		£	s.
7 years and less than 25 years	.. .. .	11	0 per cent.
25 " " " " 30 "	.. .. .	15	0 " "
30 " " " " 35 "	.. .. .	20	0 " "
35 " " " " 40 "	.. .. .	25	0 " "
40 " " " " 45 "	.. .. .	30	0 " "
45 " " " " 50 "	.. .. .	35	0 " "
50 " " " " 55 "	.. .. .	40	0 " "
55 " " " " 60 "	.. .. .	50	0 " "
60 " " " " 65 "	.. .. .	60	0 " "
65 " " " " 70 "	.. .. .	65	0 " "
70 " " upwards .. .. .	.. .. .	70	0 " "

These bonuses are inclusive of, and not in addition to, those declared in March, 1929, and are guaranteed for a period of fifteen years to 1st March, 1945.

In the Irish Free State the surplus is proportionately less than in the United Kingdom. It has therefore been decided that the above rates of bonus for policies issued before 1st January, 1923, shall apply only to participating policies in force in the Irish Free State which become claims by death or maturity of endowment between 7th March, 1930, and 5th March, 1931, both dates inclusive.

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 £23,560,982, 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
March, 1926	440,945	2,097,737	2,538,682
March, 1927	468,750	2,500,000	2,968,750
March, 1928	500,000	2,916,667	3,416,667
March, 1929	520,408	3,265,306	3,785,714
March, 1930	528,497	3,316,062	3,844,559
	<u>£3,879,259</u>	<u>£19,681,723</u>	<u>£23,560,982</u>

The important changes 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 continuous decrease in the rate of expense in this Branch. In 1920 the expense ratio was 40·5 per cent. of the premiums received, and in 1928 it fell for the first time below 25 per cent. to 24·89 per cent. In 1929 it was still further reduced to 24·79 per cent.

The Directors recommend a dividend at the rate of 10s. per "A" share payable by four quarterly instalments of 2s. 6d. each on the first Thursday in March, June, September and December, 1930, plus a bonus of 8s. 6d. and a dividend from the General Branch of 4d. per "A" share payable in March, 1930, only. This total amount of 18s. 10d. is payable free of Income Tax, and only in respect of the 1,000,000 shares issued before 21st November, 1929. The Directors also recommend a dividend at the rate of 1s. (free of Income Tax) per "B" share payable on the first Thursday in March, 1930.

By a Resolution passed at the Extraordinary General Meeting of Shareholders held on the 21st November last the Capital of the Company was increased to £2,250,000 by the creation of 250,000 new "A" shares of £1 each. In accordance with this Resolution and the Company's Articles, the new shares were offered pro rata to the existing "A" shareholders on the register at the close of business on the 20th November, 1929, at a premium of £4 per share. The shares rank *pari passu* with the 1,000,000 "A" shares of the Company previously issued, but will not participate in the divisible profits of the Company prior to the period commencing 1st January, 1930; consequently nothing will be payable by the Company in respect of the new "A" shares before March, 1931. This increase of Capital is intended mainly for the purpose of carrying on life assurance business abroad.

During the year the Directors suffered the loss of one of their colleagues, MR. D. WINTRINGHAM STABLE, LL.B., J.P., who had been in the service of the Company for 46 years. He was appointed Solicitor to the Company in 1883, subsequently becoming Secretary in 1900. In 1915 he was elected to the Board of Directors; in that capacity his professional qualifications were always unreservedly placed at the disposal of the Company, and his fellow Directors deeply deplore the loss of a genial and valued colleague.

The vacancy in the Directorate has been filled by the appointment of MR. FRANK HAYCRAFT, who now offers himself for election.

The retiring Directors are SIR EDGAR HORNE, BART., MR. FREDERICK SCHOOLING and MR. JOHN ROY LANCASTER, who offer themselves for re-election.

The appointment of MR. FRANK HAYCRAFT as a Director of the Company created a vacancy in the position of Auditor, and the Directors appointed MR. HENRY ROGERS GRAY, a qualified shareholder, to fill the vacancy. The HONOURABLE BERNARD FRANCIS ROLLO and MR. HENRY ROGERS GRAY 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.

EDGAR HORNE,
Chairman.

HOLBORN BARS,
20th February, 1930.

REVENUE ACCOUNT OF THE ORDINARY BRANCH
For the Year ending 31st December, 1929, in respect of Life Assurance Business.

	£	s.	d.		£	s.	d.
Amount of life assurance fund at the beginning of the year ..	87,105,293	12	8				
Premiums ..	11,713,684	7	10				
Consideration for annuities granted ..	88,151	14	4				
Interest and dividends ..	£5,038,715	13	6				
Less income tax ..	734,391	8	7				
	4,304,324	4	11				
Profit on Reversions realised ..	51,490	8	8				
	<u>£103,262,944</u>	<u>8</u>	<u>5</u>				
Claims under policies paid and outstanding :—							
By death ..	£2,254,127	9	10				
By maturity ..	7,455,357	19	11				
					9,709,485	9	9
Surrenders ..					1,113,143	12	5
Bonuses surrendered for cash ..					133,293	11	11
Annuities ..					146,197	9	6
Commission ..					661,595	9	0
Expenses of management ..					620,372	11	0
Transfer to Investments reserve fund ..					500,000	0	0
Transfer to Profit and Loss account ..					273,471	0	0
Amount of life assurance fund at the end of the year ..					<u>90,105,385</u>	<u>4</u>	<u>10</u>
					<u>£103,262,944</u>	<u>8</u>	<u>5</u>

NOTE.—During the year 80,532 policies were issued for a sum assured of £17,606,948 18s. 0d. The amount received by way of single premiums was £1,049,768 17s. 3d. The yearly renewal premium income was £1,091,088 12s. 5d.

REVENUE ACCOUNT OF THE INDUSTRIAL BRANCH

For the Year ending 31st December, 1929, in respect of Industrial Assurance Business.

	£	s.	d.		£	s.	d.
Amount of Industrial assurance fund at the beginning of the year ..	113,108,057	13	9				
Premiums ..	17,385,174	16	5				
Interest, dividends and rents ..	£6,567,063	15	5				
Less income tax ..	401,588	0	6				
	6,165,475	14	11				
	<u>£136,658,708</u>	<u>5</u>	<u>1</u>				
Claims under policies paid and outstanding :—							
By death ..	£5,529,005	7	8				
By maturity ..	5,070,848	18	9				
					10,599,854	6	5
Surrenders ..					1,854,257	1	1
Commission ..					2,625,484	14	2
Expenses of Management ..	£2,400,635	3	10				
Less amount received from General Branch for Approved Societies' expenses ..	715,781	14	2				
					1,684,853	9	8
Transfer to Investments reserve fund ..					500,000	0	0
Bonus allocation to members of Company's outdoor staff ..					528,497	8	2
Transfer to Profit and Loss Account ..					651,529	0	0
Transfer to Common Contingency Fund ..					250,000	0	0
Transfer to Special Contingency Fund ..					483,333	6	8
Amount of Industrial assurance fund at the end of the year ..					<u>117,480,898</u>	<u>18</u>	<u>11</u>
					<u>£136,658,708</u>	<u>5</u>	<u>1</u>

NOTE.—During the year 2,365,131 policies were issued, for a maximum sum assured of £63,182,236.

REVENUE ACCOUNTS OF THE GENERAL BRANCH

For the Year ending 31st December, 1929.

Fire Insurance Business.

	£	s.	d.		£	s.	d.
Amount of fire insurance fund at the beginning of the year :—							
Reserve for unexpired risks ..	£306,208	3	2				
Additional reserve ..	306,208	3	2				
	612,416	6	4				
Premiums ..					839,712	1	5
Interest and dividends ..	£55,429	8	6				
Less Income Tax ..	7,850	16	6				
	47,578	12	0				
Profit on realisation of investments ..	26,215	6	3				
	<u>£1,525,922</u>	<u>6</u>	<u>0</u>				
Claims under policies paid and outstanding ..					472,032	4	3
Commission ..					177,220	0	9
Expenses of management ..					166,416	11	8
Contributions to fire brigades ..					1,275	3	4
Transfer to Profit and Loss account ..					37,208	6	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 ..	£335,885	0	0				
Additional reserve brought forward ..	306,208	3	2				
Add from 1929 surplus ..	29,676	16	10				
					671,770	0	0
					<u>£1,525,922</u>	<u>6</u>	<u>0</u>

REVENUE ACCOUNTS OF THE GENERAL BRANCH—continued.

Sickness and Accident Insurance Business.

			£	s.	d.				£	s.	d.	
Amount of sickness and accident insurance fund at the beginning of the year :—						Payments under policies, including medical and legal expenses in connection therewith :—						
Reserve for unexpired accident risks ..	£49,588	6	4			Accident	37,982	12	7			
Reserve for sickness risks	33,320	0	0			Permanent Sickness	5,456	19	11			
Total estimated liability in respect of outstanding claims	9,556	6	0			Commission	17,788	17	8			
Additional reserve for accident risks :—						Expenses of management	33,308	3	9			
Renewable	31,285	0	0			Amount transferred to Industrial Branch for Approved Societies' expenses ..	715,781	14	2			
Annual	30,035	0	4			Transfer to Profit and Loss account ..	44,211	2	3			
				153,784	12	8	Amount of sickness and accident insurance fund at the end of the year :—					
Premiums :—						Reserve for unexpired risks, being 40 per cent. of the premium income for the year for accident risks ..	£50,360	0	0			
Accident	£125,902	4	6			Reserve for permanent sickness risks ..	34,862	0	0			
Permanent sickness	7,330	10	8			Total estimated liability in respect of outstanding accident claims ..	12,832	10	0			
Interest and dividends ..	£12,750	5	3			Additional reserve for accident risks :—						
Less Income Tax	1,805	18	1			Renewable	28,800	0	0			
				10,944	7	2	Annual, brought forward	30,035	0	4		
Amount received from Approved Societies for expenses				715,781	14	2	Add from 1929 Surplus	2,324	8	6		
							159,213 18 10					
				£1,013,743	9	2	£1,013,743 9 2					

Employers' Liability Insurance Business transacted within the United Kingdom, excluding 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	£31,857	11	7			Commission	8,163	10	6			
Total estimated liability in respect of outstanding claims	38,000	0	0			Expenses of management	26,488	15	0			
Additional reserve	34,181	5	11			Transfer to Profit and Loss account ..	5,277	12	1			
				104,038	17	6	Amount of employers' liability insurance fund at the end of the year :—					
Premiums						Reserve for unexpired risks, being 40 per cent. of the premium income for the year	£37,534	0	0			
Interest and dividends ..	£8,305	0	1			Total estimated liability in respect of outstanding claims	46,925	0	0			
Less income tax	1,176	5	10			Additional reserve brought forward ..	34,181	5	11			
				7,128	14	3	Add from 1929 surplus	3,624	14	1		
							122,265 0 0					
				£205,001	4	5	£205,001 4 5					

REVENUE ACCOUNTS OF THE GENERAL BRANCH—continued.

Employers' Liability Insurance Business transacted within 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	756 15 5
Reserve for unexpired risks	£305 9 9	Commission	59 0 8
Total estimated liability in respect of outstanding claims	695 0 0	Expenses of management	191 10 9
	1,000 9 9	Transfer to Profit and Loss account ..	408 0 4
Premiums	678 10 2	Amount of employers' liability insurance fund at the end of the year :—	
Interest and dividends	£1,000 0 0	Reserve for unexpired risks, being 40 per cent. of the premium income for the year	£272 0 0
Less income tax	141 12 9	Total estimated liability in respect of outstanding claims	850 0 0
	858 7 3		1,122 0 0
	£2,537 7 2		£2,537 7 2

Miscellaneous Insurance Business.

£ s. d.		£ s. d.	
Amount of miscellaneous insurance fund at the beginning of the year :—		Claims under policies paid and outstanding	200,347 9 5
Reserve for unexpired risks	£132,467 17 7	Commission	86,687 19 0
Additional reserve	132,467 17 7	Expenses of management	101,318 10 3
	264,935 15 2	Amount of miscellaneous insurance fund at the end of the year :—	
Premiums	454,342 14 3	Reserve for unexpired risks, being 40 per cent. of the premium income for the year	£181,737 0 0
Fees	4,490 17 11	Additional reserve brought forward	132,467 17 7
Interest and dividends	£31,113 11 6	Add from 1929 surplus	49,269 2 5
Less Income Tax	4,406 16 4		363,474 0 0
	26,706 15 2		£751,827 18 8
Transfer from Profit and Loss account ..	1,351 16 2		
	£751,827 18 8		

Sinking Fund Insurance Business.

£ s. d.		£ s. d.	
Amount of sinking fund insurance fund at the beginning of the year	375,510 0 0	Claims under policies paid and outstanding	1,100 0 0
Premiums	89,655 4 3	Surrenders	2,446 2 0
Interest and dividends	£34,612 5 6	Commission	2,624 3 4
Less Income tax	4,902 7 2	Expenses of management	1,793 2 1
	29,709 18 4	Transfer to Profit and Loss account ..	12,741 15 2
	£494,875 2 7	Amount of sinking fund insurance fund at the end of the year	474,170 0 0
			£494,875 2 7

Marine Insurance Business.

£ s. d.		£ s. d.	
Amount of marine insurance fund at the beginning of the year	697,088 5 0	Claims under policies paid and outstanding	417,091 1 0
Premiums, after deduction of reinsurances, commission, discounts, brokerages and returns	234,054 7 7	Expenses of management	15,962 9 9
Interest and dividends	£34,619 8 6	Income tax on untaxed interest, etc. ..	3,135 8 0
Less Income Tax	3,979 10 1	Amount of marine insurance fund at the end of the year	601,059 3 9
	30,639 18 5		
Profit on realisation of investments	75,465 11 6		
	£1,037,248 2 6		£1,037,248 2 6

REVENUE ACCOUNT OF THE COMMON CONTINGENCY FUND

For the Year ending 31st December, 1929.

		£	s.	d.			£	s.	d.	
Amount of Common contingency fund at the beginning of the year ..	..	1,546,141	11	8	Amount of Common contingency fund at the end of the year ..	..	1,857,477	11	4
Interest and dividends ..	£76,780	9	3							
Less Income Tax ..	15,444	9	7							
		61,335		19	8					
Transfer from Industrial Branch Revenue Account ..	..	250,000	0	0					
		£1,857,477		11	4		£1,857,477		11	4

REVENUE ACCOUNT OF THE SPECIAL CONTINGENCY FUND

For the Year ending 31st December, 1929.

		£	s.	d.			£	s.	d.	
Amount of Special contingency fund at the beginning of the year ..	..	1,361,971	10	2	Amount of Special contingency fund at the end of the year ..	..	1,898,140	15	3
Interest and dividends ..	£66,358	10	8							
Less Income Tax ..	13,522	12	3							
		52,835		18	5					
Transfer from Industrial Branch Revenue Account ..	..	483,333	6	8					
		£1,898,140		15	3		£1,898,140		15	3

PROFIT AND LOSS ACCOUNT

For the Year ending 31st December, 1929.

		£	s.	d.			£	s.	d.			
Balance from last year's account:—					Dividend to holders of "A" shares in respect of the year 1928 ..	..	941,666	13	4			
Industrial Branch ..	..	925,000	0	0	Dividend to holders of "B" shares in respect of the year 1928 ..	..	50,000	0	0			
General Branch ..	..	152,784	17	4	Income Tax (General Branch) ..	..	37,000	0	0			
Transfer from Ordinary Branch Revenue account ..	..	273,471	0	0	Transfer to General Branch Revenue account:—							
Transfer from Industrial Branch Revenue account ..	..	651,529	0	0	Miscellaneous insurance ..	..	1,351	16	2			
Transfer from General Branch Revenue accounts (after allocating £84,895 ls. 10d. to additional reserves) being balance of profit:—					Balances carried to:—							
Fire insurance ..	..	37,208	6	0	(a) Industrial Branch Balance Sheet, being allocation of profits for 1929 to holders of "A" shares ..	..	925,000	0	0			
Sickness and accident insurance ..	..	44,211	2	3	(b) General Branch Balance Sheet, being allocation of profits for 1929:—							
Employers' liability insurance (British) ..	..	5,277	12	1	to holders of "A" shares ..	£16,666	13	4				
Employers' liability insurance (Irish Free State) ..	..	408	0	4	to holders of "B" shares ..	50,000	0	0				
Sinking fund insurance ..	..	12,741	15	2		66,666		13	4			
								80,946	10	4		
										147,613	3	8
					<i>after transferring—</i>							
					£1,000,000 0 0 to Investments reserve funds,							
					£250,000 0 0 to Common contingency fund,							
					£483,333 6 8 to Special contingency fund,							
					<i>allocating—</i>							
					£528,497 8 2 to or on behalf of members of the Company's outdoor staff,							
					<i>and reserving for bonus—</i>							
					£2,477,808 0 0 to policyholders, Ordinary Branch, and							
					£3,316,062 3 2 to policyholders, Industrial Branch.							
										£2,102,631	13	2
										£2,102,631	13	2

NOTE:—Directors' remuneration for the year (including fees, £204 17s. 4d. received from Subsidiary Companies) amounted to £88,204 17s. 4d.

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BALANCE SHEET

LIABILITIES.	Ordinary Branch.		Industrial Branch.		General Branch.		Common Contingency Fund.		Special Contingency Fund.		Share Premium Account.		Total.	
	£	s. d.	£	s. d.	£	s. d.	£	s. d.	£	s. d.	£	s. d.	£	s. d.
Authorised capital:—														
1,250,000 "A" shares of £1 each	£1,250,000													
1,000,000 "B" shares of £1 each			1,000,000											
					200,000									
	£2,250,000													
Issued capital:—														
1,000,000 "A" shares of £1 each, fully paid			1,000,000											
245,523 "A" shares of £1 each, 4s. paid			49,104	12 0										
1,000,000 "B" shares of £1 each, 4s. paid					200,000									
Calls received in advance, "A" shares			6,622	8 0										
Premium received on "A" shares issued in 1929														
Add Interest earned														
	£223,103	0 10												
Less Expenses relating to Issue to date														
			8,570	14 0										
Life assurance fund Ordinary Branch	90,103	385 4 10									219,532	6 10		
Industrial assurance fund			117,480	898 18 11									90,103	385 4 10
Fire insurance fund					671,770	0 0							117,480	898 18 11
Sickness and accident insurance fund					150,213	18 10								
Employers' Liability insurance fund (British)					122,265	0 0								
Employers' Liability insurance fund (Irish Free State)					1,122	0 0								
Miscellaneous insurance fund					363,474	0 0								
Sinking fund insurance fund					474,170	0 0								
Marine insurance fund					601,069	8 9								
General Branch insurance funds													2,393,074	2 7
Investments reserve funds	5,500,000	0 0	4,750,000	0 0									10,250,000	0 0
Common contingency fund							1,867,477	11 4					1,867,477	11 4
Contingency fund					350,000	0 0							350,000	0 0
Special contingency fund									1,898,140	15 3			1,898,140	15 3
Claims admitted or intimated but not paid:—														
Life assurance	871,092	6 4	9,684	8 4									881,376	0 8
Fire insurance					147,011	10 11							147,011	10 11
Miscellaneous insurance					84,423	18 4							84,423	18 4
Annuities due and unpaid			3,473	18 8									3,473	18 8
Outstanding commission and expenses due to other Companies on re-insurance account:—			100,000	0 0	15,000	0 0							215,000	0 0
Fire insurance					122,195	19 1								
Sickness and accident insurance					163	12 6								
Miscellaneous insurance					1,043	4 11								
Marine insurance					31,651	0 0								
General Branch													155,957	0 3
Reserve for Income tax					40,692	12 7	15,268	11 6	13,435	0 2			69,446	4 3
Sundry creditors			1,744	10 9	5,190	10 2							6,935	15 11
Deposit by Subsidiary Company			100	0 0									100	0 0
Loans on Policies within their surrender values, due to re-insuring Companies	105,150	0 0											105,150	0 0
Bonus allocation to members of Company's outdoor staff													528,497	8 2
Deduct payments made in advance													10,084	4 10
Balance standing to credit of Profit and Loss account			517,813	3 4	147,613	3 8							517,813	3 4
			925,000	0 0									1,072,613	3 8
	£96,185,701	9 10	£124,840,968	5 4	£3,538,903	10 0	£1,872,746	2 10	£1,911,025	15 5	£219,532	6 10	£228,569,537	10 9

NOTE:—

- (a) Instalments not due until after 31st December, 1929, on investments held, £5,093,521 12s. 6d.
(b) Uncalled capital on investments held, £1,320,344 0s. 0d.
(c) Contingent liability on Shares, £344,259 0s. 0d.

"A" Shares—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.

Common Contingency Fund—In accordance with Clause 130 (b) of the Articles of Association this fund may be applied to any one or more branches, as determined by the Directors.

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, 1929, and we certify that in our belief the Assets set forth in the Balance Sheet are, in the aggregate, in excess of the value stated therein.

Part of the Assets (Investments and Cash) of the General Branch has been deposited under local laws in places out of the United Kingdom on account of 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.

The profits or losses shown in the annual accounts of Subsidiary Companies made up to a date within the year ended 31st December, 1929, or in the last previous annual accounts which became available within that year have been dealt with as follows:—

Profits are included in this Company's Revenue Accounts to the extent of the dividends declared. Losses of two Companies amounting in the aggregate to £1,057 1s. 11d. have been dealt with by writing £1,143 15s. 9d. off the Reserve of one Company and by carrying £513 0s. 2d. forward in respect of the second Company.

J. BURN, *General Manager.*

F. P. SYMMONS, *Actuary.*

G. E. MAY, *Secretary.*

EDGAR HORNE, *Chairman.*

F. SCHOOLING,

GEORGE L. BARSTOW,

} *Directors.*

on the 31st December, 1929.

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ASSETS.	Ordinary Branch.	Industrial Branch.	General Branch.	Common Contingency Fund.	Special Contingency Fund.	Share Premium Account.	Total.
Mortgages on property within the United Kingdom excluding the Irish Free State	£ 7,074,008 9 11	£ 3,295,007 19 2	—	—	—	—	10,370,006 9 1
Mortgages on property within the Irish Free State	4,504 1 6	—	—	—	—	—	4,504 1 6
Mortgages on property out of the United Kingdom	2,596,349 4 4	3,857,629 16 9	2,575 18 2	—	—	—	0,429,461 14 3
Loans outside the United Kingdom	64,890 5 11	82,712 14 0	—	—	—	—	147,602 0 5
Loans on freehold and other public rates	2,299,160 6 8	8,114,728 3 10	—	—	—	—	10,413,913 10 6
Loans on Life interests	49,180 0 0	—	—	—	—	—	49,180 0 0
Loans on Stocks and Shares	984,250 19 5	3,987,158 19 7	170,000 0 0	—	—	—	4,141,408 18 8
Loans on Government securities within their tender value	7,314,981 18 7	—	—	—	—	—	7,314,981 18 7
Loans on Personal security Institutions	10,807 12 0	78 18 2	—	—	—	—	10,885 10 8
Loans to Educational Institutions	—	34,099 5 8	—	—	—	—	34,099 5 8
Loans to Subsidiary Companies	—	—	—	—	—	—	—
Investments.—							
Deposits with the High Court.—	16,080 10 1	20,000 0 0	—	—	—	—	36,080 10 1
£1,122 16 2 1/2 War Loan 1923-1947	—	—	—	—	—	—	20,000 0 0
£20,000 5/8 War Loan 1923-1947	—	—	—	—	—	—	20,000 0 0
£21,100 5/8 Treasury Bonds	—	—	19,981 5 0	—	—	—	19,981 5 0
£1,883/85	—	—	—	—	—	—	—
Deposits with the Supreme Court of Judicature in Irish Free State.—	20,000 0 0	—	20,000 0 0	—	—	—	20,000 0 0
£20,000 5/8 War Loan 1923-1947	—	—	—	—	—	—	20,000 0 0
£21,100 5/8 Treasury Bonds	—	—	19,981 5 0	—	—	—	19,981 5 0
Deposits with the Irish Free State.—	20,000 0 0	—	20,000 0 0	—	—	—	20,000 0 0
£20,000 5/8 War Loan 1923-1947	—	—	—	—	—	—	20,000 0 0
£21,100 5/8 Treasury Bonds	—	—	19,981 5 0	—	—	—	19,981 5 0
Deposits guaranteed by British Government under Trade Facilities Acts	2,212,181 17 8	4,732,716 8 8	29,687 1 4	31,856 0 0	14,504 0 0	—	7,017,646 2 8
Deposits guaranteed by British Government under Trade Facilities Acts, in Subsidiary Companies (£400,000 at cost)	153,814 0 0	888,000 0 0	—	—	—	—	888,000 0 0
Bank of England stock securities, United Kingdom	2,137,770 0 9	4,183,384 19 6	31,500 2 6	—	—	—	193,814 0 0
Indian and Colonial Government securities	4,159,402 2 9	4,800,339 5 3	67,632 17 3	25,028 0 0	—	—	6,382,656 2 9
Indian and Colonial provincial securities	272,744 6 10	68,086 15 0	—	—	—	—	0,053,832 5 3
Indian and Colonial municipal securities	1,772,799 4 11	838,808 11 2	468,293 19 5	—	—	—	2,669,497 16 1
Foreign Government securities	5,135,824 2 7	6,398,916 3 0	90,244 18 8	—	—	—	11,005,034 5 0
Foreign provincial securities	760,025 1 6	1,059,676 0 11	88,395 9 0	—	—	—	1,888,096 1 1
Foreign municipal securities	1,370,381 11 11	1,937,597 13 4	—	—	—	—	3,070,522 10 1
Depository stocks and gold and sterling bonds—Home and Foreign Debentures and debenture stocks in Standard Companies (£262,000 at cost, less amounts written off)	14,132,125 8 6	10,178,760 18 0	608,853 4 8	—	—	—	33,819,739 11 1
Depository stocks and debenture stocks in Standard Companies (£262,000 at cost, less amounts written off)	189,785 0 0	73,000 0 0	—	—	—	—	285,785 0 0
Railway and other ordinary stocks and debenture stocks and shares	7,589,046 1 3	9,779,765 12 10	160,022 2 11	—	—	—	17,527,839 17 0
Railway and other ordinary stocks and shares in Subsidiary Companies (at cost, less amounts written off)	12,664,019 6 4	13,501,591 8 11	109,866 7 4	—	—	—	26,885,476 2 7
Ordinary shares in Subsidiary Companies (at cost, less amounts written off)	190,867 15 9	888,734 1 2	439,829 1 9	—	—	—	939,190 18 4
Realty charges	102,747 17 0	—	—	—	—	—	102,747 17 0
Freehold ground rents and Scotch feu duties	—	4,838,373 17 3	—	—	—	—	4,838,373 17 3
Loans on freehold and other public rates written off	—	4,411 1 10	—	—	—	—	4,411 1 10
Home property	38,429 4 1	3,357,345 19 8	—	—	—	—	3,357,345 19 8
Life interests	281,024 0 0	3,764,258 11 1	—	—	—	—	3,764,258 11 1
Agency business	599,501 9 8	762,295 11 7	115,106 9 8	—	—	—	1,476,906 0 0
Outstanding premiums, dividends and rents	225,447 0 6	78,000 11 8	670 7 7	—	—	—	1,492,864 10 10
Interest, dividends and rents accrued	531,406 0 0	515,492 18 3	1,270 0 0	—	—	—	804,117 19 8
Due from other Companies on re-insurance Accounts	—	—	—	—	—	—	1,046,078 12 3
Sundry debtors	—	22,592 14 11	834,371 18 8	—	—	—	834,371 18 8
Bills receivable	—	373,292 18 2	14,778 6 1	—	—	—	689,002 18 2
Loans on Stocks and Shares	—	—	807 11 10	—	—	—	807 11 10
Cash	—	—	—	—	—	—	—
On deposit.—							
In the United Kingdom	—	160,000 0 0	92,266 4 2	—	—	—	169,990 0 0
Abroad and in current account	893,554 18 8	130,431 4 1	92,234 8 1	11,757 15 8	9,643 3 11	219,532 0 10	949,586 4 2
In the United Kingdom	34,853 17 3	50,508 12 5	4,307 1 5	—	—	—	797,228 15 3
Abroad	—	—	—	—	—	—	89,734 11 1
	£296,138,701 9 10	£134,640,968 5 4	£23,588,938 10 6	£1,972,746 2 10	£1,911,692 15 5	£219,832 6 10	£226,669,537 10 0

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 complete, and the foregoing statements of property and assets 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.

B. F. ROLLO,
H. R. GRAY, } Auditors.

We have examined the Cash transactions (Receipts and Payments) affecting the accounts of the Mortgages, Loans and Investments for the year ended 31st December, 1929, and we find the same in good order and properly vouched. We have also examined the Debt, Stock and Share Certificates and Debit in possession of the Company, and have verified by Certificates of Bankers or other Depositors the Securities and Cash in their custody, which together represent the Mortgages, Loans, Investments and Cash set out in the above Balance Sheet as on the 31st December, 1929.

DELOITTE, PENNELL, GRIFITHS & CO., Chartered Accountants.

18th February, 1930.

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The
Prudential
Assurance Company
LIMITED
HOLBORN BARS, LONDON,
ENGLAND



DIRECTORS' REPORT
AND
STATEMENT OF ACCOUNTS
at 31st December, 1929

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, 1930, at 2 o'clock

W. & S. Ltd. (5948) 17-2/30.

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