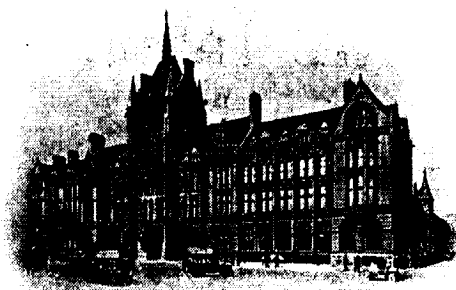


The
Prudential Assurance Company
LIMITED

EIGHTY-SECOND
ANNUAL REPORT

For the Year ending 31st December, 1930



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. MAJOR WILLIAM GUY HORNE
SIR LAURENCE NUNNS GUILLEMARD, JOHN ROY LANCASTER
G.C.M.G., K.C.B. SIR JOHN HENRY LUSCOMBE
GUY PHILIP HARBEN, O.B.E. LT.-COL. PERCY LESTER REID,
FRANK HAYCRAFT O.B.E.

Secretary :

SIR GEORGE MAY, BART., 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 Actuary :

C. S. KELHAM, 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.

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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.
25 & 27, Oxford Street, W.1.
8, New Broadway, Ealing, W.5.
46, High Road, Chiswick, W.4.
178, Finchley Road, N.W.3.

Aberdare	Consett	Lancaster	Salisbury
Aberdeen	Cork	Leamington	Scarborough
Abertillery	Coventry	Leeds	Seaham Harbour
Accrington	Crewe	Leicester	Selby
Altrincham	Croydon	Leigh, Lancs	Sheffield
Ammanford	Darlington	Lewes	Shipley
Arbroath	Derby	Lichfield	Shrewsbury
Ashton-under-Lyne	Dewsbury	Lincoln	Sittingbourne
Ayr	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	Stirlingport
Bedford	Durham	Maidstone	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	Grimsby	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
Colchester	Kilmarnock	Ryde	
Colwyn Bay	Kirkcaldy	St. Helens	

THE PRUDENTIAL ASSURANCE COMPANY LIMITED

EIGHTY-SECOND ANNUAL REPORT

For the Year ending 31st December, 1930

THE DIRECTORS have much pleasure in presenting their Report and Accounts for the year 1930.

The Assets of the Company now amount to £240,950,367, as compared with £228,569,538 a year ago, i.e., an increase of £12,380,829.

The Income from all sources during 1930 was £44,558,983, as compared with £42,963,760 in 1929, i.e., an increase of £1,595,223.

The Surplus arising from the Life Business, including the sum of £492,483 brought forward is £10,004,982.

Of this surplus the Directors have considered it prudent to apply £1,000,000 directly to writing down the book values of investments thus increasing the margin of the aggregate market value over the book values by a similar amount. The balance of the surplus amounting to £9,004,982 has been allocated as follows:—

	£
Cost of bonuses to the Ordinary and Industrial Branch participating policyholders	6,279,605
Transferred to Profit and Loss account for dividend and bonus to the holders of "A" shares	1,125,000
Bonus to members of outdoor staff	642,209
To the Special contingency fund	458,333
To be carried forward	499,835

Ordinary Branch.—The number of policies issued during the year was 77,581, assuring the sum of £17,728,892, and producing a new annual premium income of £1,101,276. In addition new Sums Assured amounting to £1,085,822 producing a new annual premium income of £49,360 have been written in connection with the Company's foreign re-assurance arrangements. The total premiums received were £11,561,834.

The number of life policies in force at the end of the year was 1,039,840, assuring with bonus £192,330,858 and producing a premium income of £10,876,788 per annum. In addition sums assured amounting to £3,478,385 producing an annual income of £159,837 have been guaranteed by the Company under re-assurance arrangements entered into with the Lebensversicherungs Gesellschaft Phönix of Vienna and the Towarzystwo Ubezpieczen Przewoznosć of Warsaw.

The immediate annuities payable were 3,883 in number, and amounted to £175,594 per annum. In addition there were 1,910 deferred and contingent annuities, securing £51,783 per annum by an annual premium income of £18,509.

The total claims for the year including £49,837 in respect of foreign re-assurances amounted to £8,832,084. In respect of direct business there were 10,747 death claims for sums assured, including bonuses of £2,266,086 and 52,824 matured endowment assurances for sums assured, including bonuses of £6,516,161.

Industrial Branch.—The premiums received during the year were £18,121,855, being an increase of £736,680 over those for the year 1929.

Under a concession made last year policies in this Branch automatically become free policies on cessation of premiums providing these have been paid for at least one year.

The number of policies becoming free policies during the year was 879,423, the number in force being 3,443,063. The number of free policies which became claims was 155,229.

The total number of policies in force in this Branch at the end of the year was 26,067,964, under which the maximum sum assured together with declared bonus was £488,217,702 producing an annual premium income of £18,998,057. The average duration of the whole life premium paying policies in force exceeds 18 years.

The claims for the year by death or maturity amounted to £8,728,815. The total number of policies becoming claims by death, maturity or surrender was 1,149,871, of which 154,161 were matured endowment assurances.

General Branch.—The premiums received during the year, after deduction of the re-insurances, were £1,960,189, being an increase of £226,909 in sections other than Marine and a decrease of £112,229 in the Marine, thus giving a net increase of £114,680 over those for the year 1929.

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	841,869	442,802	337,032	673,494
Sickness and Accident ..	141,311	50,772	52,050	168,864
Employers' Liability ..	97,815	44,778	35,151	125,042
Miscellaneous	603,472	299,915	249,383	482,778
Marine	121,825	296,663	16,145†	474,372
	£1,806,292	£1,134,930	£689,761	£1,924,550

* 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 £153,897. The capital sum insured under these policies is £8,478,346.

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The **Staff Provident Fund**, which was founded in 1898 for the benefit of the outdoor staff, amounts to £381,592. 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 the **Ordinary Branch**, with the exception noted hereunder, the assurances have been valued by the British Offices' O^M Table of Mortality for life risks. In respect of business written under re-assurance arrangements with the Lebensversicherungs Gesellschaft Phönix of Vienna and the Towarzystwo Ubezpieczen Przewornosc of Warsaw the full net premium reserves according to the Austro-Hungarian Males (1876-1900) aggregate table have been retained. In view of the fixed rate of interest guaranteed in connection with the business, a rate of interest of 4 per cent. has been assumed in the calculations. 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).

With the exception referred to above, the rate of interest assumed in both branches was 3 per cent. ; net premiums only have been valued.

In the **General Branch** the surplus shown is £280,237, including the sum of £80,946 brought forward from last year. This surplus has been allocated as follows:—

	£
To the strengthening of reserves	63,559
Transferred to Profit and Loss account for Income Tax	27,000
Transferred to Profit and Loss account for dividends to holders of "A" shares and "B" shares	66,667
To be carried forward	123,011

In the **Ordinary Branch** the surplus shown is £3,561,707, including the sum of £205,913 brought forward from last year.

Of this surplus the Directors have considered it prudent to apply £500,000 directly to writing down the book values of investments, thus increasing the margin of the aggregate market value over the book values by a similar amount. The balance of the surplus amounting to £3,061,707 has been allocated as follows:—

	£
Cost of bonus to participating policyholders	2,567,217
Transferred to Profit and Loss account for dividend and bonus to holders of "A" shares	283,578
To be carried forward	210,912

The above stated amount of £2,567,217 is sufficient to provide a reversionary bonus of £2 6s. per cent. on the original sums assured under Endowment Assurance policies and £2 12s. per cent. on the original sums assured under Whole Life Assurance policies. The rate of Bonus for Whole Life Assurances represents an increase of 2s. per cent. over that declared for each of the years 1928 and 1929. Bonuses at these rates will be allocated to participating policies which were in force on the 31st December, 1930.

In the **Industrial Branch** the surplus shown is £6,443,275, including the sum of £286,570 brought forward from last year.

Of this surplus the Directors have considered it prudent to apply £500,000 directly to writing down the book values of investments, thus increasing the margin of the aggregate market value over the book values by a similar amount. The balance of the surplus amounting to £5,943,275 has been allocated as follows:—

	£
Cost of bonus to participating policyholders	3,712,388
Transferred to Profit and Loss account for dividend and bonus to holders of "A" shares	841,422
Bonus to members of outdoor staff	642,209
To the Special contingency fund	458,333
To be carried forward	288,923

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, 1930.

All policies issued before 1st January, 1923, which are in force and on which premiums were being paid on 5th March, 1931 (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 6th March, 1931, and 6th March, 1947, both dates inclusive, will receive a bonus addition as follows:—

Premiums paid for.		Amount of claim increased by.	
		£	s.
Less than 25 years		12	10 per cent.
25 years and " " 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, 1930, and are guaranteed for a period of sixteen years to 6th March, 1947.

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 6th March, 1931, and 3rd March, 1932, 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 £27,915,579, 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
March, 1931	642,209	3,712,388	4,354,597
	<u>£4,521,468</u>	<u>£23,394,111</u>	<u>£27,915,579</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 1930 it was reduced to 24·69 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, 1931, plus a bonus of 8s. and a dividend from the General Branch of 3½d. per "A" share payable in March, 1931, only. This total amount of 18s. 3½d. is payable free of Income Tax. 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, 1931.

The Directors deeply regret to report the loss by death during the year of one of their colleagues, MR. JAMES MOON, J.P. They also deplore the death at the early age of 46 of one of their Assistant Actuaries, MR. RUFH LEVEY.

The vacancy in the Directorate has been filled by the appointment of MAJOR WILLIAM GUY HORNE, who now offers himself for election.

The retiring Directors are SIR GEORGE LEWIS BARSTOW, K.C.B., SIR LAURENCE NUNNS GUILLEMARD, G.C.M.G., K.C.B., and LT.-COL. PERCY LESTER REID, O.B.E., who offer themselves for re-election.

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,
19th February, 1931.

REVENUE ACCOUNT OF THE ORDINARY BRANCH

For the Year ending 31st December, 1930, in respect of Life Assurance Business.

	£	s.	d.		£	s.	d.
Amount of life assurance fund at the beginning of the year	90,105,385	4	10	Claims under policies paid and outstanding:—			
Premiums	11,561,833	14	8	By death .. £2,304,947	4	6	
Consideration for annuities granted ..	370,352	0	6	By maturity .. 6,527,136	15	1	
Interest and dividends £5,299,781	14	11			8,832,083	19	7
Less income tax .. 818,234	8	3		Surrenders	1,602,212	9	5
	4,481,547	6	8	Bonuses surrendered for cash ..	159,831	17	11
Consideration for Re-assurance business acquired	325,137	14	4	Annuities	154,700	5	3
	£106,844,256	1	0	Commission	701,187	13	11
				Expenses of management	683,128	6	1
				Amount written off Investments ..	500,000	0	0
				Transfer to Profit and loss account ..	283,578	0	0
				Amount of life assurance fund at the end of the year	93,927,533	8	10
					£106,844,256	1	0

NOTE.—During the year 77,581 policies were issued for a sum assured of £17,728,892 0s. 2d. The amount received by way of single premiums was £424,728 3s. 11d. The yearly renewal premium income was £1,101,276 7s. 11d. In addition new sums assured amounting to £1,085,822 and producing an annual premium of £49,360 0s. 2d. have been written in connection with the Company's foreign reinsurance arrangements.

REVENUE ACCOUNT OF THE INDUSTRIAL BRANCH

For the Year ending 31st December, 1930, in respect of Industrial Assurance Business.

	£	s.	d.		£	s.	d.
Amount of Industrial assurance fund at the beginning of the year ..	117,480,898	18	11	Claims under policies paid and outstanding:—			
Premiums	18,121,854	12	1	By death .. £5,046,997	0	1	
Interest, dividends and rents .. £6,877,505	0	7		By maturity .. 3,681,818	7	9	
Less income tax .. 421,751	6	1			8,728,815	7	10
	6,455,753	14	6	Surrenders	2,356,710	9	9
	£142,058,507	5	6	Commission	2,681,445	0	0
				Expenses of management .. £2,506,336	16	0	
				Less amount received from General branch for Approved Societies' expenses .. 713,361	19	1	
					1,792,974	16	11
				Amount written off Investments ..	500,000	0	0
				Bonus allocation to members of Company's outdoor staff	642,209	4	0
				Transfer to Profit and loss account ..	841,422	0	0
				Transfer to Special contingency fund	458,333	6	8
				Amount of Industrial assurance fund at the end of the year	124,056,597	0	4
					£142,058,507	5	6

NOTE.—During the year 2,525,089 policies were issued, for a maximum sum assured of £66,104,404.

REVENUE ACCOUNTS OF THE GENERAL BRANCH

For the Year ending 31st December, 1930.

Fire Insurance Business.

	£	s.	d.		£	s.	d.
Amount of fire insurance fund at the beginning of the year:—				Claims under policies paid and outstanding	442,801	19	9
Reserve for unexpired risks £335,885	0	0		Commission	176,280	13	2
Additional reserve .. 335,885	0	0		Expenses of management	160,751	12	5
	671,770	0	0	Contributions to fire brigades ..	1,404	13	11
Premiums	841,868	13	7	Transfer to Profit and loss account ..	102,906	6	0
Interest and dividends .. 52,302	16	11		Amount of fire insurance fund at the end of the year:—			
Less income tax .. 8,302	5	3		Reserve for unexpired risks being 40 per cent. of the premium income for the year £336,747	0	0	
	44,000	11	8	Additional reserve brought forward .. 335,885	0	0	
				Add from 1930 surplus .. 862	0	0	
					673,494	0	0
	£1,557,639	5	3		£1,557,639	5	3

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 ..	£50,360	0	0	Accident	45,899	2	9
Reserve for permanent sickness risks ..	34,862	0	0	Permanent Sickness	4,872	10	5
Total estimated liability in respect of outstanding accident claims ..	12,832	10	0	Commission	19,548	4	7
Additional reserve for accident risks :—				Expenses of management	32,501	12	8
Renewable	28,800	0	0	Amount transferred to Industrial Branch for Approved Societies' expenses ..	713,361	19	1
Annual	32,359	8	10	Transfer to Profit and loss account ..	38,911	15	5
	159,213	18	10	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 ..	£53,754	0	0
Accident	£134,383	14	5	Reserve for permanent sickness risks ..	36,629	0	0
Permanent sickness	6,927	14	5	Total estimated liability in respect of outstanding accident claims ..	12,925	4	0
	141,311	8	10	Additional reserve for accident risks :—			
Interest and dividends ..	£11,972	11	4	Renewable	31,471	0	0
Less income tax	1,900	9	2	Annual, brought forward	32,359	8	10
	10,072	2	2	Add from 1930 surplus	1,725	11	2
Amount received from Approved Societies for expenses	713,361	19	1		168,864	4	0
	£1,023,959	8	11		£1,023,959	8	11

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	44,066	11	1
Reserve for unexpired risks	£37,534	0	0	Commission	8,932	14	4
Total estimated liability in respect of outstanding claims	46,925	0	0	Expenses of management	26,001	19	9
Additional reserve	37,806	0	0	Transfer to Profit and loss account ..	23,262	13	5
	122,265	0	0	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 ..	£38,885	0	0
Interest and dividends ..	£8,073	15	2	Total estimated liability in respect of outstanding claims	45,995	0	0
Less income tax	1,281	11	8	Additional reserve brought forward ..	37,806	0	0
	6,792	3	6	Add from 1930 surplus	1,320	0	0
					124,006	0	0
	£226,269	18	7		£226,269	18	7

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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		711	4	5		
Reserve for unexpired risks	£272	0	0		Commission		55	6	4		
Total estimated liability in respect of outstanding claims		850	0	0	Expenses of management		161	0	5		
				1,122	0	0	601	14	3		
Premiums				602	0	1	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	£241	0	0			
Less income tax		158	14	8	Total estimated liability in respect of outstanding claims		795	0	0		
				841	5	4			1,036	0	0
									£2,565	5	5

Miscellaneous Insurance Business.

		£	s.	d.			£	s.	d.		
Amount of miscellaneous insurance fund at the beginning of the year :—					Claims under policies paid and outstanding		299,915	3	10		
Reserve for unexpired risks	£181,737	0	0		Commission		122,943	5	2		
Additional reserve		181,737	0	0	Expenses of management		126,439	11	2		
				363,474	0	0	Amount of miscellaneous insurance fund at the end of the year :—				
Premiums				603,472	8	6	Reserve for unexpired risks, being 40 per cent. of the premium income for the year	£241,389	0	0	
Fees				6,077	16	6	Additional reserve brought forward ..	181,737	0	0	
Interest and dividends ..	£38,574	2	11		Add from 1930 surplus		59,652	0	0		
Less income tax		6,123	0	10					482,778	0	0
				32,451	2	1			£1,032,076	0	2
Transfer from Profit and loss account ..				26,600	13	1					

Sinking Fund Insurance Business.

		£	s.	d.			£	s.	d.		
Amount of sinking fund insurance fund at the beginning of the year		474,170	0	0	Claims under policies paid and outstanding		425	0	0		
Premiums		153,896	11	4	Surrenders		20,058	0	0		
Interest and dividends ..	£40,656	17	8		Commission		5,334	1	10		
Less income tax		6,453	12	11	Expenses of management		3,077	18	8		
				34,203	4	9	Amount of sinking fund insurance fund at the end of the year				
Transfer from Profit and loss account ..				3,350	4	5			636,725	0	0
									£665,620	0	6

Marine Insurance Business.

		£	s.	d.			£	s.	d.		
Amount of marine insurance fund at the beginning of the year		601,059	3	9	Claims under policies paid and outstanding		296,662	15	9		
Premiums, after deduction of reinsurances, commission, discounts, brokerages and returns		121,825	2	9	Expenses of management		16,145	6	1		
Interest and dividends ..	£30,694	3	11		Amount of marine insurance fund at the end of the year			474,372	4	3	
Less income tax		4,374	4	4							
				26,319	19	7					
Income tax				37,976	0	0			£787,180	6	1

REVENUE ACCOUNT OF THE COMMON CONTINGENCY FUND

For the Year ending 31st December, 1930.

	£	s.	d.		£	s.	d.
Amount of Common contingency fund at the beginning of the year ..	1,857,477	11	4	Amount of Common contingency fund at the end of the year ..	1,914,178	13	11
Interest and dividends ..	£73,576	3	1				
Less income tax ..	16,875	0	6				
	56,701	2	7				
	<u>£1,914,178</u>	<u>13</u>	<u>11</u>		<u>£1,914,178</u>	<u>13</u>	<u>11</u>

REVENUE ACCOUNT OF THE SPECIAL CONTINGENCY FUND

For the Year ending 31st December, 1930.

	£	s.	d.		£	s.	d.
Amount of Special contingency fund at the beginning of the year ..	1,898,140	15	3	Amount of Special contingency fund at the end of the year ..	2,414,698	12	11
Interest and dividends ..	£72,849	10	10				
Less income tax ..	14,624	19	10				
	58,224	11	0				
Transfer from Industrial branch Revenue account ..	458,333	6	8				
	<u>£2,414,698</u>	<u>12</u>	<u>11</u>		<u>£2,414,698</u>	<u>12</u>	<u>11</u>

PROFIT AND LOSS ACCOUNT

For the Year ending 31st December, 1930.

	£	s.	d.		£	s.	d.
Balance from last year's account :—				Dividend to holders of "A" shares in respect of the year 1929 ..	941,666	13	4
Industrial branch ..	925,000	0	0	Dividend to holders of "B" shares in respect of the year 1929 ..	50,000	0	0
General branch ..	147,613	3	8	Income tax (General branch) ..	27,000	0	0
Transfer from Ordinary branch Revenue account ..	283,578	0	0	Transfer to General branch Revenue accounts :—			
Transfer from Industrial branch Revenue account ..	841,422	0	0	Miscellaneous insurance ..	26,600	13	1
Transfer from General branch Revenue accounts :—				Sinking fund insurance ..	3,350	4	5
Fire insurance ..	102,906	6	0	Balances carried to :—			
Sickness and accident insurance ..	38,911	15	5	(a) Industrial branch Balance Sheet, being allocation of profits for 1930 to holders of "A" shares ..	1,125,000	0	0
Employers' liability insurance (British) ..	23,262	13	5	(b) General branch Balance Sheet, being allocation of profits for 1930 :—			
Employers' liability insurance (Irish Free State) ..	601	14	3	to holders of "A" shares ..	£16,666	13	4
				to holders of "B" shares ..	50,000	0	0
					66,666	13	4
				and amount carried forward ..	123,011	8	7
	<u>£2,363,295</u>	<u>12</u>	<u>9</u>		<u>189,678</u>	<u>1</u>	<u>11</u>
				after applying—			
				£1,000,000 0 0 in reduction of ledger values			
				transferring—			
				£458,333 6 8 to Special contingency fund,			
				allocating—			
				£642,209 4 0 to or on behalf of members of the Company's outdoor staff,			
				£63,559 11 2 to additional reserves, General branch,			
				and reserving for bonus—			
				£2,567,217 0 0 to policyholders, Ordinary branch, and			
				£3,712,387 14 8 to policyholders, Industrial branch.			
	<u>£2,363,295</u>	<u>12</u>	<u>9</u>		<u>£2,363,295</u>	<u>12</u>	<u>9</u>

NOTE:—Directors' remuneration for the year (including fees, £205 18s. 5d. received from subsidiary companies) amounted to £36,384 19s. 1d.

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on the 31st December, 1930.

ASSETS.	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.
Mortgages on property within the United Kingdom excluding the Irish Free State	7,276,214	8 10	3,980,827	0 8	11,850	0 0	—	—	—	—	—	—	11,268,991	9 0
Mortgages on property within the Irish Free State	5,046	8 10	—	—	—	—	—	—	—	—	—	—	5,046	8 10
Mortgages on property out of the United Kingdom	2,502,149	10 4	3,629,514	15 6	—	—	—	—	—	—	—	—	6,131,664	5 10
Loans outside the United Kingdom without specific security	107,399	6 11	82,712	14 6	—	—	—	—	—	—	—	—	190,112	0 5
Loans on parochial and other public rates	2,133,394	11 1	7,915,227	15 9	—	—	—	—	—	—	—	—	10,048,622	6 10
Loans on life interests	24,176	1 9	—	—	—	—	—	—	—	—	—	—	24,176	1 9
Loans on Reversions	1,454	14 8	—	—	—	—	—	—	—	—	—	—	1,454	14 8
Loans on Stocks and shares	2,280,182	8 0	5,212,184	19 7	20,000	0 0	—	—	—	—	100,000	0 0	7,612,317	2 7
Loans on Company's policies within their surrender values	7,297,958	16 2	—	—	—	—	—	—	—	—	—	—	7,297,958	16 2
Loans on Personal security	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Loans to Educational Institutions secured on income	8,878	1 5	52	4 6	—	—	—	—	—	—	—	—	8,878	5 11
Loans to subsidiary companies	51,210	11 4	100,007	18 11	—	—	—	—	—	—	—	—	151,218	10 3
Investments:—														
Deposits with the High Court:—														
£17,122 14s. 6d. 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
£22,000 3% Local Loans Stock	—	—	—	—	12,760	17 7	—	—	—	—	—	—	12,760	17 7
£21,100 5% Treasury Bonds 1928/29	—	—	—	—	19,981	5 0	—	—	—	—	—	—	19,981	5 0
Deposits with the Supreme Court of Judicature in Irish Free State:—														
£20,000 5% War Loan 1929-1947	20,000	0 0	—	—	—	—	—	—	—	—	—	—	20,000	0 0
£20,000 5% War Loan 1929-1947	—	—	—	—	20,000	0 0	—	—	—	—	—	—	20,000	0 0
British Government securities	20,170,924	6 2	25,782,520	0 2	576,490	12 7	1,802,186	1 5	2,844,483	12 5	733,047	2 4	51,358,351	15 1
Securities guaranteed by British Government under Trade Facilities Acts	2,154,429	9 10	4,636,538	17 8	30,225	0 0	81,556	0 0	14,504	0 0	—	—	6,867,248	7 6
Debentures guaranteed by British Government under Trade Facilities Acts, in subsidiary companies (£400,000 at cost)	—	—	388,000	0 0	—	—	—	—	—	—	—	—	388,000	0 0
Bank of England stock	234,103	6 2	—	—	—	—	—	—	—	—	—	—	234,103	6 2
Municipal and county securities, United Kingdom	1,956,058	8 2	2,868,908	0 8	46,044	10 0	—	—	—	—	10,624	7 9	5,882,635	6 7
Indian and Colonial Government securities	3,788,028	11 7	4,013,077	12 5	122,434	9 6	36,935	0 6	10,059	4 1	54,052	0 0	8,925,484	18 1
Indian and Colonial provincial securities	272,744	6 10	67,337	9 6	—	—	—	—	—	—	—	—	340,081	16 4
Indian and Colonial municipal securities	1,757,861	1 11	848,870	1 0	9,691	7 5	—	—	—	—	114	10 0	2,616,037	0 4
Foreign Government securities	5,372,801	16 7	5,778,937	6 11	527,101	8 5	—	—	—	—	—	—	11,678,840	11 11
Foreign provincial securities	607,400	4 9	901,979	3 7	48,721	11 2	—	—	—	—	—	—	1,558,100	19 6
Foreign municipal securities	1,848,002	6 4	1,619,056	1 8	78,716	8 8	—	—	—	—	—	—	3,040,774	15 10
Railway and other debentures and debenture stocks and gold and sterling bonds—Home and Foreign	15,291,969	8 6	21,240,464	8 8	552,680	4 11	25,000	0 0	25,000	0 0	41,125	0 0	37,176,239	2 1
Debentures and debenture stocks in subsidiary companies (£140,000 at cost, less amounts written off)	133,785	0 0	—	—	—	—	—	—	—	—	—	—	133,785	0 0
Railway and other preference and guaranteed stocks and shares	8,506,294	10 4	10,882,565	16 2	207,868	13 2	—	—	—	—	—	—	19,596,728	19 8
Preference shares in subsidiary companies (at cost)	33,200	0 0	—	—	—	—	—	—	—	—	—	—	33,200	0 0
Railway and other ordinary stocks and shares	13,762,265	16 10	14,796,204	18 0	132,155	13 9	—	—	—	—	—	—	28,680,628	2 7
Ordinary shares in subsidiary companies (at cost, less amounts written off)	199,865	7 4	402,931	11 8	438,829	1 9	—	—	—	—	—	—	1,041,626	0 9
Rent charges	150,885	13 7	—	—	—	—	—	—	—	—	—	—	150,885	13 7
Freehold ground rents and Scotch feu duties	—	—	4,786,610	8 9	—	—	—	—	—	—	—	—	4,786,610	8 9
Leasehold ground rents	—	—	4,312	11 4	—	—	—	—	—	—	—	—	4,312	11 4
Office premises at cost, less amounts written off	23,568	7 6	3,315,841	8 6	—	—	—	—	—	—	—	—	3,315,841	8 6
House property	—	—	4,461,599	6 2	—	—	—	—	—	—	—	—	4,461,599	6 2
House property in course of construction	—	—	405,966	17 5	—	—	—	—	—	—	—	—	405,966	17 5
Life interests	35,429	4 1	—	—	—	—	—	—	—	—	—	—	35,429	4 1
Reversions	237,000	17 8	—	—	—	—	—	—	—	—	—	—	237,000	17 8
Agents' balances	662,922	14 7	776,691	12 0	122,628	11 11	63,920	18 1	—	—	—	—	1,222,628	11 11
Outstanding premiums	240,047	8 0	112,928	6 10	333	6 2	—	—	—	—	—	—	353,309	1 0
Outstanding interest, dividends and rents	450,412	0 0	417,398	10 1	1,230	6 3	—	—	—	—	—	—	860,036	2 4
Interest, dividends and rents accrued but not payable	431,398	8 6	22,322	8 6	14,997	12 4	—	—	—	—	—	—	789,943	10 9
One from other companies on re-insurance Account	285,000	0 0	300,000	0 0	—	—	—	—	—	—	—	—	37,320	0 0
Sundry debtors	—	—	—	—	299	13 1	—	—	—	—	—	—	585,000	0 0
Bills receivable	—	—	—	—	—	—	—	—	—	—	—	—	299	13 1
Marine stamps	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Cash:—														
On deposit:—														
In the United Kingdom	80,000	0 0	20,000	0 0	—	—	—	—	—	—	—	—	100,000	0 0
Abroad	—	—	—	—	92,865	4 2	—	—	—	—	—	—	92,865	4 2
In hand and on current account:—														
In the United Kingdom	125,849	15 9	204,733	10 9	220,824	6 0	35,376	12 0	85,276	16 5	13,239	5 0	685,300	9 8
Abroad	35,146	14 7	49,810	19 11	4,445	14 8	—	—	—	—	—	—	89,403	9 2
	£100,055,422	0 0	£181,896,124	13 2	£3,665,340	4 5	£1,931,058	13 11	£2,429,823	12 11	£953,102	5 10	£240,950,366	10 3

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.

H. R. GRAY, }
B. F. ROLLO, } 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, 1930, and we find the same in good order and properly vouched. We have also examined the deeds, stock and 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 mortgages, loans, investments and cash set out in the above Balance Sheet as on the 31st December, 1930.

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

17th February, 1931.

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Outside of the United Kingdom
the Company has Branches or
Agencies in:—

AFRICA
ARGENTINE
AUSTRALIA
BELGIUM
CANADA
CEYLON
CHINA
COLOMBIA
CUBA
DENMARK
DUTCH EAST INDIES
EGYPT
FINLAND
FRANCE
GERMANY
GREECE
HOLLAND
INDIA
IRAQ & PERSIA
JAPAN
MALAY PENINSULA
NEW ZEALAND
NORWAY
PHILIPPINE ISLANDS
PORTUGAL
SWEDEN
TRINIDAD

THE
PRUDENTIAL
ASSURANCE COMPANY
LIMITED
HOLBORN BARS, LONDON,
ENGLAND.



Directors' Report
and
Statement of Accounts
at 31st December, 1930

NOTICE IS HEREBY GIVEN that the
ANNUAL GENERAL MEETING of the
Shareholders of this Company will be held
at 142, HOLBORN BARS, LONDON, on THURS-
DAY, the 5th day of March, 1931, at Two
o'clock in the afternoon precisely, for
receiving the Report of the Directors, for
electing Directors and Auditors for the
ensuing year, and for transacting such
other business as may be contemplated by
the Articles of Association of the Company.

By order of the Board of Directors,
G. E. MAY,
Secretary.

25th February, 1931.