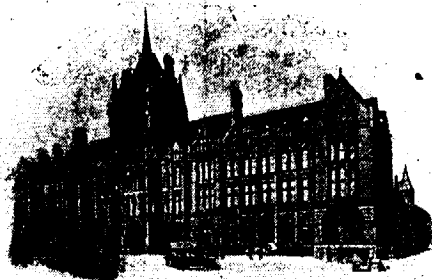


The  
Prudential Assurance Company  
LIMITED

EIGHTY - THIRD  
ANNUAL REPORT

For the Year ending 31st December, 1931



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.

*Joint Secretaries :*

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

*Chief Controller :*

G. GOODMAN, F.I.A.

*Actuary :*

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

*Assistant Actuaries :*

C. C. H. DRAKE, F.I.A. 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  
A. H. WINDSOR, G.M.G.

*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

P00002203

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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  
Aberdeen  
Abertillery  
Accrington  
Altrincham  
Ammanford  
Arbroath  
Ashton-under-Lyne  
Ayr  
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  
Derby  
Dewsbury  
Doncaster  
Douglas (I. of M.)  
Dover  
Dublin  
Dumbaron  
Dumfries  
Dundee  
Dunfermline  
Durham  
Eastbourne  
Edinburgh  
Ely  
Enfield  
Exeter  
Falkirk  
Folkestone  
Garston  
Gateshead  
Glasgow  
Gloucester  
Gorton  
Gravesend  
Grays  
Greenock  
Grimsby  
Guldford  
Halifax  
Hamilton  
Hanley  
Harrogate  
Hastings  
Haverfordwest  
Hawick  
Hereford  
Hertford  
High Wycombe  
Huddersfield  
Hull  
Inverness  
Ipswich  
Keighley  
Kendal  
Kettering  
Kilmarnock  
Kirkcaldy

Lancaster  
Leamington  
Leeds  
Leicester  
Leigh, Lancs.  
Lewes  
Lichfield  
Lincoln  
Liverpool  
Llanelli  
Long Eaton  
Loughborough  
Louth  
Lowestoft  
Luton  
Macclesfield  
Maldstone  
Manchester  
Mansfield  
Margate  
Melton Mowbray  
Merthyr Tydfil  
Middlesbrough  
Motherwell  
Neath  
Nelson  
Newbury  
Newcastle-on-Tyne  
Newport, Mon.  
Newton Abbot  
Northampton  
North Shields  
Norwich  
Nottingham  
Oldham  
Oswestry  
Oxford  
Paisley  
Perth  
Peterborough  
Plymouth  
Pontefract  
Pontypridd  
Portsmouth  
Preston  
Pudsey  
Reading  
Red Hill  
Rochdale  
Rotherham  
Rugby  
Ryde  
St. Helens

Salisbury  
Scarborough  
Seaham Harbour  
Seiby  
Sheffield  
Shipley  
Shrewsbury  
Sittingbourne  
Southampton  
Southend-on-Sea  
Southport  
South Shields  
Stafford  
Stirling  
Stockport  
Stockton-on-Tees  
Stoke-on-Trent  
Stroud  
Sunderland  
Sutton  
Swansea  
Swindon  
Tamworth  
Taunton  
Tonbridge  
Ton Pentre, Glam.  
Torquay  
Truro  
Tunbridge Wells  
Wakefield  
Wallasey  
Walsall  
Warrington  
Waterford  
Watford  
Wednesbury  
West Bromwich  
West Hartlepool  
Weston-super-Mare  
Weymouth  
Wigan  
Winchester  
Wolverhampton  
Wolverton  
Worcester  
Workington  
Worksop  
Wrexham  
Yarmouth  
York

# THE PRUDENTIAL ASSURANCE COMPANY LIMITED

## EIGHTY-THIRD ANNUAL REPORT

For the Year ending 31st December, 1931

THE DIRECTORS have the honour to submit their Report and Accounts for the year 1931.

The Assets of the Company now amount to £255,793,860, as compared with £240,950,367 a year ago, i.e., an increase of £14,843,493.

The Income from all sources during 1931 was £46,531,415, as compared with £44,558,983 in 1930, i.e., an increase of £1,972,432.

The Surplus arising from the Life Business, including the sum of £499,835 brought forward, is £10,058,071.

Of this surplus the Directors have considered it prudent to set aside as Contingency funds £2,700,000, and the balance of the surplus amounting to £7,358,071 has been allocated as follows:—

	£
To the Investments reserve funds .. .. .	1,000,000
For bonuses to the Ordinary and Industrial Branch participating policyholders	4,274,355
Transferred to Profit and Loss account for dividend and bonus to the holders of "A" shares .. .. .	1,031,250
Bonus to members of outdoor staff .. .. .	538,198
To the Special contingency fund .. .. .	125,000
To be carried forward .. .. .	389,268

**Ordinary Branch.**—The number of policies issued during the year was 76,719, assuring the sum of £18,006,386, and producing a new annual premium income of £1,126,040. In addition new sums assured amounting to £2,262,752 and producing an annual premium income of £105,851 have been written in connection with the Company's foreign re-assurance arrangements. Included in these new sums assured is £2,067,797 ceded by the Lebensversicherungs-Gesellschaft Phönix of Vienna. The total premiums received were £12,170,289.

The number of life policies in force at the end of the year was 1,028,613, assuring with bonus £197,370,838 and producing a premium income of £11,089,049 per annum. In addition, sums assured amounting to £15,514,887 producing an annual premium income of £717,651 have been guaranteed by the Company under foreign re-assurance arrangements. Included in these sums assured is £14,237,288 ceded by the Lebensversicherungs-Gesellschaft Phönix of Vienna.

The immediate annuities payable were 4,433 in number, and amounted to £223,802 per annum. In addition there were 2,136 deferred and contingent annuities, securing £86,264 per annum by an annual premium income of £21,247.

The total claims for the year, including £135,226 in respect of foreign re-assurances, amounted to £8,223,820. In respect of direct business there were 10,953 death claims for sums assured, including bonuses, of £2,301,191 and 45,592 matured endowment assurances for sums assured, including bonuses, of £5,787,403.

**Industrial Branch.**—The premiums received during the year were £18,804,288, being an increase of £682,433 over those for the year 1930.

Policies in this Branch automatically become free policies on cessation of premiums providing these have been paid for not less than one year.

The number of policies becoming free policies during the year was 649,193, the number in force being 3,906,431. The number of free policies which became claims was 185,825.

The total number of policies in force in this Branch at the end of the year was 26,525,369, under which the maximum sum assured together with declared bonus was £499,737,013 producing an annual premium income of £19,579,424. The average duration of the whole life premium paying policies in force exceeds 18 years.

The sum of £11,187,160 under 1,218,726 policies was paid during the year on claims by death or maturity or in respect of surrenders. The number of endowment assurance policies which matured was 119,752.

**General Branch.**—The premiums received during the year, after deduction of the re-insurances, were £2,070,765, being an increase of £122,030 in sections other than Marine and a decrease of £11,454 in the Marine, thus giving a net increase of £110,576 over those for the year 1930.

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 .. .. .	836,167	424,261	360,974	686,926
Sickness and Accident .. .. .	148,389	55,512	48,684	177,048
Employers' Liability .. .. .	92,796	44,750	32,833	126,591
Motor .. .. .	381,391	180,123	151,639	305,112
Miscellaneous .. .. .	315,020	220,128	133,979	252,016
Marine .. .. .	110,371	166,448	14,616†	424,819
	£1,884,134	£1,091,222	£742,725	£1,972,512

\* 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 £186,631. The capital sum insured under these policies is £8,653,266.

In the General Branch the Company undertake duties as Trustees in respect of issues of Debentures and Debenture Stocks, and as Trustees and Executors of estates. The total amount of such Debentures, Debenture Stocks and Estates at the end of the year was approximately £25,000,000.

The Staff Provident Fund, which was founded in 1898 for the benefit of the outdoor staff, amounts to £351,121. This Fund was closed to new members as from 31st December, 1927, and a new Deferred Annuity Fund was set up to enable the outdoor staff to supplement their pensions. The title of this Fund is now The Prudential Staff Deferred Annuity Fund Trust and the Trustees assure the benefits with The Prudential Staff Deferred Annuity Fund Limited, a Mutual Assurance Company incorporated for the purpose in July last. At the 31st December, 1931, the amount of this Fund was £326,987.

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

In the Ordinary Branch, with the exceptions noted hereunder, the assurances have been valued by the British Offices' OM Table of Mortality with interest at 3 per cent. In respect of business written under our re-assurance treaty with the Lebensversicherungs-Gesellschaft Phönix of Vienna the full net premium reserves according to the Austro-Hungarian Males (1876-1900) aggregate table have been retained. During the year this treaty was extended and this has involved setting up an additional reserve of £214,491 over and above the reserves held abroad. The same basis has been adopted in the valuation of the business re-assured under similar arrangements with the Towarzystwo Ubezpieczeń Przeworność of Warsaw. 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, with interest at 3 per cent., 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 interest at 3 per cent.

In both branches net premiums only have been valued.

In the General Branch the surplus shown is £310,111, including the sum of £123,011 brought forward from last year. This surplus has been allocated as follows:—

	£
To the strengthening of reserves .. .. .	54,052
Transferred to Profit and Loss account for Income Tax .. .. .	13,600
Transferred to Profit and Loss account for dividends to holders of "A" shares and "B" shares .. .. .	83,333
To be carried forward .. .. .	159,126

In the Ordinary Branch the surplus shown is £3,585,000, including the sum of £210,912 brought forward from last year.

The Directors have set aside as an Ordinary Branch Contingency fund the sum of £950,000 which is more than the equivalent in value of the reduction in the reversionary bonus. If and when, in the opinion of the Directors, the general situation has sufficiently improved this sum will be dealt with in accordance with the Articles of Association and the reduction in bonus suffered this year will be made good to policyholders. The balance of the Surplus amounting to £2,635,000 has been allocated as follows:—

	£
To the Investments reserve fund .. .. .	500,000
For bonus to participating policyholders .. .. .	1,798,537
Transferred to Profit and Loss account for dividend and bonus to holders of "A" shares .. .. .	198,081
To be carried forward .. .. .	138,382

The above stated amount of £1,798,537 is sufficient to provide in respect of participating policies which were in force on the 31st December, 1931, a reversionary bonus of £1 10s. per cent. on the original participating sums assured under Endowment Assurance policies and £1 16s. per cent. on the original participating sums assured under Whole Life Assurance policies, and in addition an interim bonus of 16s. per £100 original participating sum assured in respect of both types of policies payable on claims by death or maturity of endowment during 1932.

In the Industrial Branch the surplus shown is £6,473,071, including the sum of £288,923 brought forward from last year.

The Directors have set aside as an Industrial Branch Contingency fund the sum of £1,750,000. If and when, in the opinion of the Directors, the general situation has sufficiently improved this sum will be available for distribution as surplus in accordance with the Articles of Association.

The balance of the surplus, amounting to £4,723,071, has been allocated as follows:—

	£
To the Investments reserve fund .. .. .	500,000
For bonus to participating policyholders .. .. .	2,475,818
Transferred to Profit and Loss Account for dividend and bonus to holders of "A" shares .. .. .	833,169
Bonus to members of outdoor staff .. .. .	538,198
To the Special contingency fund .. .. .	125,000
To be carried forward .. .. .	250,886

In the case of all participating policies issued in the Industrial Branch on and after 1st January, 1923, on which premiums were being paid on 31st December, 1931, there shall be added to the original sums assured at death or maturity of endowment a reversionary bonus of £1 2s. per cent. such addition to be made as follows:—

(a) Where the policy was issued before 1931 as on and from 1st January, 1932

(b) Where the policy was issued in 1931 upon completion of payment of one year's premiums

Further in respect of all policies on which a claim by death arises during 1932 and which are or become entitled to the additions aforesaid to the original sums assured an additional interim bonus of 12s. per £100 provided all premiums thereon have been paid to the time of death.

All policies issued before 1st January, 1923, which are in force and on which premiums were being paid on 3rd March, 1932 (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 4th March, 1932, and 4th March, 1948, both dates inclusive, will receive a bonus addition as follows:—

Premiums paid for.							Amount of claim increased by.	
							£	s.
	Less than 25	years	..	..	..	..	14	5 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, 1931, and are guaranteed for a period of sixteen years to 4th March, 1948.

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 4th March, 1932, and 2nd March, 1933, 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 £30,929,595.

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. Since 1920 the ratio has fallen each year and in 1931 was reduced to 24.45 per cent.

The Directors have declared 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, 1932, plus a bonus of 6s. 6d. and a dividend from the General Branch of 4d. per "A" share payable in March, 1932, only. This total amount of 16s. 10d. is payable free of Income Tax. The Directors also have declared a dividend at the rate of 1s. 3d. (free of Income Tax) per "B" share payable on the first Thursday in March, 1932.

The retiring Directors are SIR EDGAR HORNE, BART., SIR JOHN HENRY LUSCOMBE and MR. GUY PHILIP HARBEN, 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 sheet.

EDGAR HORNE,  
Chairman.

HOLBORN BARS,  
18th February, 1932.

## REVENUE ACCOUNT OF THE ORDINARY BRANCH

For the Year ending 31st December, 1931, in respect of Life Assurance Business.

	£	s.	d.		£	s.	d.
Amount of life assurance fund at the beginning of the year ..	93,927,533	8	10	Claims under policies paid and outstanding:—			
Life assurance fund transferred as from 1st January in respect of reassurances ceded by Phoenix of Vienna ..	1,183,945	0	11	By death ..	£2,422,793	8	3
Premiums ..	12,170,288	10	5	By maturity ..	5,801,026	18	10
Consideration for annuities granted ..	675,185	16	0	Surrenders ..	8,223,820	7	1
Interest and dividends ..	£8,409,928	6	6	Bonuses surrendered for cash ..	1,684,910	13	2
Less income tax ..	825,706	0	4	Annuities ..	184,975	14	9
	4,584,222	6	2	Life business:—			
				Commission ..	778,084	12	8
				Expenses of management ..	795,827	1	2
				Annuity business:—			
				Commission ..	9,598	7	3
				Expenses of management ..	9,740	18	11
				Transfer to Investments reserve fund ..	500,000	0	0
				Transfer to Ordinary branch Contingency fund ..	950,000	0	0
				Transfer to Profit and loss account ..	198,081	0	0
				Amount of life assurance fund at the end of the year ..	99,018,073	15	11
					£112,541,175	9	1
	£112,541,175	9	1				

NOTE.—During the year 76,719 policies were issued for a sum assured of £18,006,386. The amount received by way of single premiums was £300,844 6s. 9d. The yearly renewal premium income was £1,126,040 3s. 2d. In addition new sums assured amounting to £2,282,752 and producing an annual premium income of £105,851 7s. 10d. have been written in connection with the Company's foreign reinsurance arrangements.

## REVENUE ACCOUNT OF THE INDUSTRIAL BRANCH

For the Year ending 31st December, 1931, in respect of Industrial Assurance Business.

	£	s.	d.		£	s.	d.
Amount of Industrial assurance fund at the beginning of the year ..	124,056,597	0	4	Claims under policies paid and outstanding:—			
Premiums ..	18,804,288	6	10	By death ..	£5,618,915	17	9
Interest, Dividends and rents ..	£6,997,913	6	9	By maturity ..	2,647,327	10	4
Less income tax ..	458,722	14	2	Surrenders ..	8,261,243	8	5
	6,539,190	12	7	Commission ..	2,925,916	5	8
				Expenses of management ..	£2,591,442	14	8
				Less amount received from General branch for Approved Societies' expenses ..	715,004	11	6
				Transfer to Investments reserve fund ..	1,878,438	3	8
				Transfer to Industrial branch Contingency fund ..	500,000	0	0
				Bonus allocation to members of Company's outdoor staff ..	1,750,000	0	0
				Transfer to Profit and loss account ..	538,198	5	8
				Special contingency fund ..	833,169	0	0
				Amount of Industrial assurance fund at the end of the year ..	129,868,359	17	9
					£149,400,075	19	9
	£149,400,075	19	9				

NOTE.—During the year 2,567,815 policies were issued, for a maximum sum assured of £67,853,255.

## REVENUE ACCOUNTS OF THE GENERAL BRANCH

For the Year ending 31st December, 1931.

### Fire Insurance Business.

	£	s.	d.		£	s.	d.
Amount of fire insurance fund at the beginning of the year:—				Claims under policies paid and outstanding ..	424,300		
Reserve for unexpired risks ..	£336,747	0	0	Commission ..	169,839		
Additional reserve ..	336,747	0	0	Expenses of management ..	191,144		
				Contributions to fire brigades ..	1,592		
Premiums ..	673,494	0	0	Transfer to Profit and loss account ..	67,819		
Interest and dividends ..	836,107	14	3	Amount of fire insurance fund at the end of the year:—			
Less income tax ..	£37,788	14	7	Reserve for unexpired risks, being 40 per cent. of the premium income for the year ..	£334,467	0	0
	6,357	17	10	Additional reserve brought forward ..	336,747	0	0
				Add from 1931 surplus ..	15,712	0	0
					686,926		
					£1,541,073	11	0
	£1,541,073	11	0				

## 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 .. ..	£53,764	0	0		Accident .. .. .	50,532	4	0			
Reserve for permanent sickness risks .. ..	36,629	0	0		Permanent sickness .. .. .	4,979	18	0			
Total estimated liability in respect of outstanding accident claims .. ..	12,925	4	0		Commission .. .. .	20,463	12	10			
Additional reserve for accident risks :—					Expenses of management .. .. .	28,220	12	8			
Renewable .. .. .	31,471	0	0		Amount transferred to Industrial Branch for Approved Societies' expenses .. .. .	713,004	11	6			
Annual .. .. .	34,085	0	0		Transfer to Profit and loss account .. .. .	43,510	11	10			
				168,864	4	0					
Premiums :—					Amount of sickness and accident insurance fund at the end of the year :—						
Accident .. .. .	£141,190	8	10		Reserve for unexpired risks, being 40 per cent. of the premium income for the year for accident risks .. .. .	£56,477	0	0			
Permanent sickness .. .. .	7,108	5	5	148,388	14	3					
Interest and dividends .. .. .	£9,020	8	7		Reserve for permanent sickness risks .. .. .	37,739	0	0			
Less income tax .. .. .	1,518	9	6		Total estimated liability in respect of outstanding accident claims .. .. .	13,620	0	0			
				7,501	19	1					
Amount received from Approved Societies for expenses .. .. .	713,004	11	6		Additional reserve for accident risks :—						
					Renewable .. .. .	33,962	0	0			
					Annual, brought forward .. .. .	34,085	0	0			
					Add from 1931 surplus .. .. .	1,165	0	0			
									177,048	0	0
									£1,037,759	8	10

## 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 .. .. .	£38,885	0	0		Commission .. .. .	7,883	9	2			
Total estimated liability in respect of outstanding claims .. .. .	45,995	0	0		Expenses of management .. .. .	24,757	10	10			
Additional reserve .. .. .	39,126	0	0		Transfer to Profit and loss account .. .. .	18,449	6	10			
				124,006	0	0					
Premiums .. .. .				92,268	9	3					
Interest and dividends .. .. .	£5,561	17	11		Amount of employers' liability insurance fund at the end of the year :—						
Less income tax .. .. .	936	5	6		Reserve for unexpired risks, being 40 per cent. of the premium income for the year .. .. .	£36,907	0	0			
				4,625	12	5					
					Total estimated liability in respect of outstanding claims .. .. .	49,772	0	0			
					Additional reserve brought forward .. .. .	39,126	0	0			
									125,805	0	0
									£220,900	1	8

## 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 .. .. .						
Reserve for unexpired risks .. .. .	£241	0	0		Commission .. .. .	745	17	0			
Total estimated liability in respect of outstanding claims .. .. .	795	0	0		Expenses of management .. .. .	145	4	8			
				1,036	0	0					
Premiums .. .. .				527	0	10					
Interest and dividends .. .. .	£1,000	0	0		Transfer to Profit and loss account .. .. .	672	3	0			
Less income tax .. .. .	168	6	9		Amount of employers' liability insurance fund at the end of the year :—						
				831	13	3					
					Reserve for unexpired risks, being 40 per cent. of the premium income for the year .. .. .	£211	0	0			
					Total estimated liability in respect of outstanding claims .. .. .	575	0	0			
									786	0	0
									£2,395	3	1

## REVENUE ACCOUNTS OF THE GENERAL BRANCH—continued.

## Motor Vehicle Insurance Business.

		£	s.	d.			£	s.	d.		
Amount of motor vehicle insurance fund at the beginning of the year transferred from miscellaneous insurance fund:—					Claims under policies paid and outstanding ..						
Reserve for unexpired risks .. .. .	£120,534	0	0		180,123 15 8						
Additional reserve ..	120,534	0	0		Commission .. .. .						
				241,068	0	0	56,340 17 10				
Premiums .. .. .				381,390	17	9	Expenses of management .. .. .				
Interest and dividends ..	£18,341	2	5				95,298 6 11				
Less income tax ..	3,087	9	11				Transfer to Profit and loss account .. ..				
				15,253	12	6	838 9 10				
					Amount of motor vehicle insurance fund at the end of the year:—						
					Reserve for unexpired risks, being 40 per cent. of the premium income for the year .. .. .						
					£152,556 0 0						
					Additional reserve brought forward						
					£120,534 0 0						
					Add from 1931 surplus .. .. .						
					32,022 0 0						
					152,556 0 0						
					305,112 0 0						
					£637,712 10 3						
					£637,712 10 3						

## 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 .. .. .	£241,389	0	0		220,127 17 0						
Additional reserve ..	241,389	0	0		Commission .. .. .						
				482,778	0	0	74,740 3 0				
Less amount transferred to motor vehicle insurance fund at the beginning of the year ..	241,068	0	0				59,238 13 0				
				241,710	0	0	Amount of miscellaneous insurance fund at the end of the year:—				
Premiums .. .. .				315,019	17	9	Reserve for unexpired risks, being 40 per cent. of the premium income for the year .. .. .				
Fees .. .. .				0,760	3	10	£126,008 0 0				
Interest and dividends ..	£16,746	6	7				Additional reserve brought forward				
Less income tax ..	2,819	0	9				£120,855 0 0				
				13,927	5	10	Add from 1931 surplus .. .. .				
				28,705	7	6	5,153 0 0				
Transfer from Profit and loss account ..							126,008 0 0				
							252,015 0 0				
							£606,122 14 11				
							£606,122 14 11				

## 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 .. .. .				636,725	0	0	Surrenders .. .. .				
Interest and dividends ..	£38,345	10	2				Commission .. .. .				
Less income tax ..	6,454	19	8				186,631 1 8				
				31,890	10	6	Expenses of management .. .. .				
Transfer from Profit and loss account ..				830	15	11	Amount of sinking fund insurance fund at the end of the year .. .. .				
							830 15 11				
							£866,077 8 1				
							£866,077 8 1				

## Marine Insurance Business.

		£	s.	d.			£	s.	d.		
Amount of marine insurance fund at the beginning of the year .. .. .					Claims under policies paid and outstanding ..						
Premiums, after deduction of reinsurances, commission, discounts, brokerages and returns .. .. .	110,371	3	2		Expenses of management .. .. .						
Interest and dividends ..	£25,418	3	9		Amount of marine insurance fund at the end of the year .. .. .						
Less income tax ..	4,278	13	11		21,139 9 10						
							£606,882 17 3				
							£606,882 17 3				



**COMMON CONTINGENCY FUND ACCOUNT**

For the Year ending 31st December, 1931.

	£	s.	d.		£	s.	d.
Amount of Common contingency fund at the beginning of the year .. .. .	1,914,178	13	11	Amount of Common contingency fund at the end of the year .. .. .	1,993,278	16	11
Interest and dividends .. .. .	£91,582	0	9				
Less income tax .. .. .	12,461	17	9				
		79,100	3				
	£1,993,278	16	11		£1,993,278	16	11

**SPECIAL CONTINGENCY FUND ACCOUNT**

For the Year ending 31st December, 1931.

	£	s.	d.		£	s.	d.
Amount of Special contingency fund at the beginning of the year .. .. .	2,414,698	12	11	Amount of Special contingency fund at the end of the year .. .. .	2,601,304	19	1
Interest and dividends .. .. .	£78,305	18	2				
Less income tax .. .. .	16,999	10	0				
		61,606	6				
Transfer from Industrial branch Revenue account .. .. .	125,000	0	0				
	£2,601,304	19	1		£2,601,304	19	1

**SHARE PREMIUM ACCOUNT**

For the Year ending 31st December, 1931.

	£	s.	d.		£	s.	d.
Premium on "A" Shares issued in 1929 as at 1st January, 1931 .. .. .	945,574	7	10	Expenses relating to extension of business abroad .. .. .	197,878	19	10
Interest and dividends .. .. .	£35,985	17	5	Balance of Premium at the end of the year .. .. .	774,757	18	10
Less income tax .. .. .	9,123	6	7				
		26,862	10				
	£972,436	18	8		£972,436	18	8

**PROFIT AND LOSS ACCOUNT**

For the Year ending 31st December, 1931.

	£	s.	d.		£	s.	d.
Balance from last year's account:—				Dividend to holders of "A" shares in respect of the year 1930 .. .. .	1,141,666	13	4
Industrial branch .. .. .	1,125,000	0	0	Dividend to holders of "B" shares in respect of the year 1930 .. .. .	50,000	0	0
General branch .. .. .	189,678	1	11	Income tax (General branch) .. .. .	13,600	0	0
Transfer from Ordinary branch Revenue account .. .. .	198,081	0	0	Transfer to General branch Revenue accounts:—			
Transfer from Industrial branch Revenue account .. .. .	833,160	0	0	Miscellaneous insurance .. .. .	28,705	7	6
Transfer from General branch Revenue accounts:—				Sinking fund insurance .. .. .	830	15	11
Fire insurance .. .. .	67,319	7	1	Balances carried to:—			
Sickness and accident insurance .. .. .	43,610	11	10	(a) Industrial branch Balance Sheet, being allocation of profits for 1931 to holders of "A" shares .. .. .	1,031,250	0	0
Employers' liability insurance (British) .. .. .	18,440	6	10	(b) General branch Balance Sheet, being allocation of profits for 1931:—			
Employers' liability insurance (Irish Free State) .. .. .	672	3	9	to holders of "A" shares .. .. .	£20,833	6	8
Motor vehicle insurance .. .. .	838	9	10	to holders of "B" shares .. .. .	62,500	0	0
Interest of the General branch not carried to other accounts .. .. .	£38,228	13	7				
Less income tax .. .. .	6,436	6	3				
		31,793	7				
				and amount carried forward .. .. .	159,125	5	2
	£2,508,511	8	7		242,458	11	10
				after transferring:—			
				£1,000,000 0 0 to Investments reserve funds,			
				£125,000 0 0 to Special contingency fund,			
				£950,000 0 0 to Ordinary branch Contingency fund,			
				£1,750,000 0 0 to Industrial branch Contingency fund,			
				allocating:—			
				£538,198 5 6 to or on behalf of members of the Company's outdoor staff,			
				£54,052 0 0 to additional reserves, General branch,			
				and reserving for bonus:—			
				£1,798,537 0 0 to policyholders, Ordinary branch and			
				£2,475,817 18 0 to policyholders, Industrial branch.			
	£2,508,511	8	7				
					£2,508,511	8	7

NOTE.—The gross amount of the Directors' remuneration for the year (including fees, £294 19s. 8d., received from subsidiary companies) is £35,881 6s. 2d.

LIABILITIES.	Ordinary Branch.		Industrial Branch.		General Branch.		Common Contingency Fund.		Special Contingency Fund.		Share Premium Account.	
	£	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											
	<u>2,250,000</u>											
Issued capital:—												
1,250,000 "A" shares of £1 each, fully paid			1,250,000	0 0								
1,000,000 "B" shares of £1 each, do.	200,000	0 0			200,000	0 0					774,757	18 10
Share premium account	99,018,078	15 11	129,868,359	17 0								
Life assurance fund Ordinary branch					688,928	0 0						
Industrial assurance fund					177,048	0 0						
General branch insurance funds:—												
Fire insurance fund					128,805	0 0						
Sickness and accident insurance fund					786	0 0						
Employers' liability insurance fund (Irish Free State)					305,118	0 0						
Motor vehicle insurance fund					252,018	0 0						
Miscellaneous insurance fund					333,784	0 0						
Sinking fund insurance fund					424,818	18 7						
Marine insurance fund												
Total	6,000,000	0 0	5,260,000	0 0			1,998,278	18 11				
Investments reserve funds	950,000	0 0	1,750,000	0 0	350,000	0 0			2,601,804	19 1		
Common contingency fund												
Contingency funds												
Special contingency fund												
Claims admitted or intimated but not paid:—												
Life assurance	406,183	12 9	9,867	4 0	95,323	19 8						
Fire insurance					97,570	0 0						
Motor insurance					90,914	0 0						
Miscellaneous insurance	4,164	5 4										
Annuitants due and unpaid	102,794	18 10	100,000	0 0	15,000	0 0						
Outstanding commission and expenses due to other companies on re-insurance account	1,141	6 1										
Life assurance:—												
General branch:—					60,728	13 10						
Fire insurance					218	16 1						
Sickness and accident insurance					3	17 4						
Employers' liability insurance					64	7 2						
Motor vehicle insurance					1,498	8 0						
Miscellaneous insurance					7,859	10 0						
Marine insurance												
Total												
Deposit as security for return of investments, less liability	5,520	8 7	12,500	0 0	15,151	18 9	10,000	0 0	7,500	0 0	5,654	0 0
Reserve for income tax	595	9 5	5,154	3 4	1,069	14 8						
Sundry creditors			11,460	4 7								
Bills payable			100	0 0								
Deposit by subsidiary company												
Loans on policies within their surrender value, due to re-insuring companies	105,160	0 0										
Bonus allocation to members of Company's outdoor staff	1,882,198	5 6										
Defunct payments made in advance			5,859	18 0								
Unclaimed dividends			581,538	7 6								
Balance standing to credit of Profit and loss account			749	11 5	12	10 0						
			1,081,250	0 0	242,458	11 10						
	<u>£106,598,628</u>	<u>11 11</u>	<u>£139,830,970</u>	<u>8 4</u>	<u>£3,986,798</u>	<u>15 8</u>	<u>£2,003,278</u>	<u>16 11</u>	<u>£2,608,804</u>	<u>19 1</u>	<u>£780,254</u>	<u>0 0</u>

NOTE:—  
 (a) Instalments not due until after 31st December, 1931, on investments held, £89,690 Os. 0d.  
 (b) Uncalled capital on investments held, £1,569,558 Os. 9d.  
 (c) Contingent liability on Shares, £478,648 Ss. 10d.

"A" Shares.—This capital is liable in respect of contracts in all branches of the Company's business, but is included in the balance sheet pursuant to Sec. 3 of The Prudential Assurance Company Act, 1875.  
 Common contingency fund.—In accordance with Clause 120 (b) of the Articles of Association this fund may be applied to any one or more of the following purposes:—  
 by the Directors.  
 The values of the Stock Exchange securities are determined, under the Articles of Association of the Company, by the Directors, and compared with the middle market prices as at 31st December, 1931, and we certify that in our belief the Assets set forth in the Balance Sheet account Investments reserve and Contingency funds, are, in the aggregate, in excess of the value stated therein.  
 Specific deposits of Life Assurance assets, Ordinary branch, have been made with the following Governments under local laws as security:—  
 Canada .. £40,000 8½% Conversion Loan.  
 South Africa .. £11,000 Cape of Good Hope 4½% Consolidated Stock 1916/26.  
 and part of the assets (investments and cash) of the General branch has been deposited under local laws in places out of the United Kingdom, fire, accident and marine insurance business.  
 Certain stocks have been deposited with the Company as security for return of investments lent.  
 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 applied.  
 The profits or losses shown in the annual accounts of subsidiary companies made up to a date within the year ended 31st December, 1931, or 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. The loss of one company amounting to £1,000 for the year, has been carried forward.

J. BURN, General Manager.  
 F. P. SYMMONS, Actuary.  
 P. C. CRUMP,  
 E. H. LEVER, } Joint Secretaries.



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

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

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



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Directors' Report  
and  
Statement of Accounts

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at 31st December, 1931

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To be presented to the Shareholders at  
the Ordinary General Meeting to be held  
at Staple Inn Hall, Holborn, London, on  
Thursday, the 3rd day of March, 1932, at  
2 o'clock.