

t, 1912,
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Limited,

The
Prudential Assurance Company

LIMITED

(INCORPORATED IN ENGLAND.)

Value.

s. d.

33 0 0

18 0 0

45 0 0

65 0 0

85 0 0

70 0 0

58 0 0

88 0 0

52 0 0

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EIGHTY-FIFTH
ANNUAL REPORT

For the Year ending 31st December, 1933



Directors :

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

F. D. McMILLAN H. H. REDMAN
A. H. SABIN A. H. WINDSOR, C.M.G.

Deputy General Managers :

E. J. W. BORRAJO, M.B.E., A.I.A. E. DEWEY.
E. F. SPURGEON, F.I.A.

General Manager :

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



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

P00021728

HOME DISTRICT OFFICES
WHERE ALL CLASSES OF INSURANCE MAY BE EFFECTED:

LONDON;

334 & 336, Holloway Road, N.7.
178, Finchley Road, N.W.3.
271 & 273, Whitechapel Road, E.1.
Central Park Rd., Barking Rd., E.6.
415, High Street, Stratford, E.15.
189, Hoc St., Walthamstow, E.17.
High Street, Lewisham, S.E.13.

29 & 30, Green's End, Woolwich, S.E.18.
362-6, North End Road, Fulham, S.W.6.
12 & 13, South Side, Clapham Common, S.W.4.
4 & 5, Station Parade, Balham, S.W.12.
25 & 27, Oxford Street, W.1.
28, New Broadway, Ealing, W.5.
46, High Road, Chiswick, W.4.
101-9, Ladbroke Grove, W.11.

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-on-Tyne
Blyth
Bolton
Bournemouth
Bradford
Brighouse
Brighton
Bristol
Bromley, Kent
Burnley
Bury
Bury St. Edmunds
Caernarvon
Caerphilly
Camborne
Cambridge
Canterbury
Cardiff
Carlisle
Castleford
Chatham
Chelmsford
Cheltenham
Chester
Chesterfield
Clifton, Bristol
Coatbridge
Colchester
Colwyn Bay
Consett

Coventry
Crewe
Croydon
Darlington
Derby
Dewsbury
Doncaster
Douglas (I. of M.)
Dover
Dumbarton
Dumfries
Dundee
Dunfermline
Durham
Eastbourne
Edinburgh
Ely
Enfield
Exeter
Falkirk
Folkestone
Garston
Gateshead
Glasgow
Gloucester
Gorton
Gravesend
Grays
Great Yarmouth
Greenock
Grimsby
Guildford
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
Maidstone
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
Redhill
Rochdale
Rotherham
Rugby
Ryde
St. Helens

Salisbury
Scarborough
Seaham Harbour
Selby
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
Watford
Wednesbury
West Bromwich
West Hartlepool
Weston-super-Mare
Weymouth
Wigan
Winchester
Wolverhampton
Wolverton
Worcester
Workington
Worksop
Worthing
Wrexham
York

THE PRUDENTIAL ASSURANCE COMPANY LIMITED

EIGHTY-FIFTH ANNUAL REPORT

For the Year ending 31st December, 1933

THE DIRECTORS have the honour to submit their Report and Accounts for 1933.

The Assets of the Company now amount to £277,472,181, as compared with £263,694,842 a year ago, *i.e.*, an increase of £13,777,339.

The Income from all sources during 1933 was £50,191,265, as compared with £48,685,145 in 1932, *i.e.*, an increase of £1,506,120.

The Surplus arising from the Life Business, including the sum of £499,548 brought forward and £18,495 aggregated with the surplus for 1932, is £9,498,953, which has been allocated as follows:—

	£
For bonuses to the Ordinary Branch and Industrial Branch participating policyholders	6,189,885
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	656,455
To the Special contingency fund	458,333
To be carried forward	1,069,280

Ordinary Branch.—The number of policies issued during the year was 82,350, assuring the sum of £21,507,483, and producing a new annual premium income of £1,204,132. In addition new sums assured amounting to £2,028,166 and producing an annual premium income of £97,386 have been written in connection with the Company's foreign re-assurance arrangements. Included in these new sums assured is £1,950,000 ceded by the Lebensversicherungs-Gesellschaft Phönix of Vienna. The total premiums received were £13,183,053.

The number of life policies in force at the end of the year was 999,893, assuring with bonus £209,679,333 and producing a premium income of £11,357,461 per annum. In addition, sums assured amounting to £15,686,004 producing an annual premium income of £743,941 have been guaranteed by the Company under foreign re-assurance arrangements. Included in these sums assured is £15,001,000 ceded by the Lebensversicherungs-Gesellschaft Phönix of Vienna.

The immediate annuities payable were 7,534 in number, and amounted to £485,265 per annum. In addition there were 2,549 deferred and contingent annuities, securing £167,838 per annum by an annual premium income of £31,971.

The total claims for the year, including £236,054 in respect of foreign re-assurances, amounted to £10,075,049. In respect of direct business there were 11,010 death claims for sums assured, including bonuses, of £2,589,731 and 48,894 matured endowment assurances for sums assured, including bonuses, of £7,249,264.

Industrial Branch.—The premiums received during the year were £19,514,073, being an increase of £380,711 over those for 1932.

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

The number of policies becoming free policies during the year was 462,282, the number in force being 4,329,531. The number of free policies which became claims was 392,506.

The total number of policies in force in this Branch at the end of the year was 26,810,118, under which the maximum sum assured together with declared bonus was £520,023,087 producing an annual premium income of £20,219,082. The average duration of the whole life premium paying policies in force exceeds 18 years.

The sum of £12,440,451 under 1,421,943 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 131,117.

General Branch.—The premiums received during the year, after deduction of the re-insurances, were £2,720,719, being an increase of £583,164 in sections other than Marine and a decrease of £17,288 in the Marine, thus giving a net increase of £565,876 over those for 1932.

The capital sum insured under Sinking Fund policies is £9,599,072 as compared with £8,951,375 in 1932, *i.e.*, an increase of £647,697.

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 £35,000,000.

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' O^M Table of Mortality with interest at 3 per cent. In respect of business written under our re-assurance treaties with the Lebensversicherungs-Gesellschaft Phönix of Vienna and the Towarzystwo Ubezpieczeń Przejrzomość of Warsaw the full net premium reserves according to the Austro-Hungarian Males (1876-1900) aggregate table have been retained. A rate of interest of 4 per cent. has been assumed in the valuation, such rate being less than that guaranteed by the ceding companies in respect of the reserves held abroad under these treaties. 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 and interest 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 **£401,880**, including the sum of **£194,988** brought forward from last year. This surplus has been allocated as follows:—

	£
To the strengthening of reserves	66,522
Transferred to Profit and Loss account for Income Tax	26,500
Transferred to Profit and Loss account for dividends to holders of "A" shares and "B" shares	100,000
To be carried forward	208,858

In the **Ordinary Branch** the surplus shown is **£3,189,189**, including the sum of **£258,140** brought forward from last year.

This surplus has been allocated as follows:—

	£
For bonus to participating policyholders	2,375,306
Transferred to the Industrial Branch revenue account for allocation in accordance with the Articles of Association	262,556
To be carried forward	551,327

The above stated amount of **£2,375,306** is sufficient to provide in respect of participating policies which were in force on 31st December, 1933, a reversionary bonus of **£2** per cent. of the original participating sums assured under Endowment Assurance policies and **£2 6s.** per cent. of the original participating sums assured under Whole Life Assurance policies.

In the **Industrial Branch** the surplus shown is **£6,309,764**, including the sum of **£241,408** brought forward from last year and **£18,495** aggregated with the surplus for 1932. This surplus, together with the sum of **£262,556** transferred from the Ordinary Branch revenue account, has been allocated as follows:—

	£
For bonus to participating policyholders	3,814,579
Transferred to Profit and Loss account for dividend and bonus to holders of "A" shares	1,125,000
Bonus to members of outdoor staff	656,455
To the Special contingency fund	458,333
To be carried forward	517,953

The Directors have decided that the following allotments shall be made:—

(1) In the case of all participating policies issued out of the Industrial Branch on and after 1st January, 1903, on which premiums were being paid on 31st December, 1933 (except those in the Irish Free State) there shall be added to the original sums assured at death or maturity of endowment a Reversionary Bonus as follows:—

(a) Where the policy was issued before 1933 a Reversionary Bonus of **£1 10s.** per cent. as on the 1st January, 1934.

(b) Where the policy was issued in 1933 a Reversionary Bonus of **£1 10s.** per cent. on completion of payment of one year's premiums.

(2) In the case of policies issued out of the Industrial Branch during the years 1889 to 1902 inclusive, on which premiums are being paid on 8th March, 1934 (except those in the Irish Free State) and which are entitled to participate under the Bonus Distribution Scheme, there shall be added on 9th March, 1934, to the original sums assured at death or maturity of endowment a Reversionary Bonus as follows:—

Policies issued in year	Reversionary Bonus on the original sums assured.
1889—1893	£30 per cent.
1894—1898	£25 " "
1899—1902	£20 " "

The bonus on these policies is now made a Reversionary addition to the sum assured. This bonus is inclusive of and not in addition to that declared in March, 1933, in respect of such policies. In any case in which the bonus in which but for this declaration would have been payable is greater than the reversionary bonus now declared, or than such reversionary bonus with any subsequent additions thereto, the difference will also be payable. The Directors anticipate that in the near future they will be able to bring policies issued out of the Industrial Branch before 1st January, 1889 (except those in the Irish Free State), under the Reversionary Bonus method. In the meanwhile in the case of these policies issued before 1st January, 1889, on which premiums are being paid on the 8th March, 1934, and which claims by death or maturity of endowment between 9th March, 1934, and 10th March, 1949, both dates inclusive, there will continue to be paid as part of the claim a bonus addition to the sum otherwise payable as follows:—

Premiums paid for	Amount of claim increased by
45 years and less than 50 years	£35 per cent.
50 " " " " 55 "	£40 " "
55 " " " " 60 "	£50 " "
60 " " " " 65 "	£60 " "
65 " " " " 70 "	£65 " "
70 " " upwards	£70 " "

In the case of all participating policies in the Irish Free State issued out of the Industrial Branch on and after 1st January, 1923, on which premiums were being paid on 31st December, 1933, there shall be added to the original sums assured at death or maturity of endowment a Reversionary Bonus as follows:—

- (a) Where the policy was issued before 1933 a Reversionary Bonus of £1 10s. per cent. as on the 1st January, 1934.
- (b) Where the policy was issued in 1933 a Reversionary Bonus of £1 10s. per cent. on completion of payment of one year's premiums.

In the case of policies in the Irish Free State issued out of the Industrial Branch before 1st January, 1923, on which premiums are being paid on 8th March, 1934, and which are entitled to participate under the Bonus Distribution Scheme, becoming claims by death or maturity of endowment between 9th March, 1934, and 14th March, 1935, both dates inclusive, there will be paid as part of the claim a bonus addition to the sum otherwise payable as follows:—

Premiums paid for		Amount of claim increased by
Less than 30 years	£17 5 0 per cent.
30 years and less than 35 "	£20 0 0 .. "
35 " " " 40 "	£25 0 0 .. "
40 " " " 45 "	£30 0 0 .. "
45 " " " 50 "	£35 0 0 .. "
50 " " " 55 "	£40 0 0 .. "
55 " " " 60 "	£50 0 0 .. "
60 " " " 65 "	£60 0 0 .. "
65 " " " 70 "	£65 0 0 .. "
70 " " upwards	£70 0 0 .. "

In the Irish Free State the surplus is proportionately less: this necessitates the above variations in the rate of bonus for policies in the Irish Free State issued before 1st January, 1923.

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 £41,342,531.

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. Since then the ratio has fallen each year and in 1933 was reduced to 23.87 per cent.

The Directors have decided to declare from the profits of 1933 a dividend at the rate of 10s. per "A" share payable by four quarterly instalments of 2s. 6d. each on the second Thursday in March, and the first Thursday in June, September and December, 1934, plus a bonus of 8s. and a dividend from the General Branch of 4d. per "A" share payable in March, 1934. They have also declared a dividend at the rate of 1s. 6d. per "B" share payable on the second Thursday in March, 1934. All the above amounts are payable free of Income Tax.

Pursuant to the Special Resolution passed at the Extraordinary General Meeting held on 16th February, 1933, the Ordinary Branch and Industrial Branch contingency funds set aside in the accounts for 1931 were distributed during 1933. The distribution was set out in full in the Directors' Report for 1932, but the transactions appear in the accounts for 1933.

The Directors have decided that the time is now opportune to recoup the Common contingency fund for the £350,000 transferred therefrom in 1922, to form a General Branch contingency fund, and have accordingly transferred the sum of £350,000 from the General Branch to the Common contingency fund. The Contingency fund therefore disappears from the General Branch Balance Sheet.

With regard to the £500,000 transferred from the Common contingency fund in 1927 to strengthen the Marine insurance fund an investigation into the financial condition of that part of the Marine insurance fund relating to business underwritten prior to our agreement with the St. Helen's Trust shows that the sum of £150,000 can safely be released and in consequence the Marine insurance fund has been reduced to £294,765. Further the sum of £350,000 has been transferred from the Special contingency fund to the Marine insurance fund and this sum, together with the £150,000 referred to above, has been transferred to the Common contingency fund, thus returning to the Common contingency fund the £500,000 transferred in 1927.

No sums are now due to the Common contingency fund from any of the Branches.

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 sheet.

EDGAR HORNE,

Chairman.

10 BORN BARS,

22nd February, 1934.

REVENUE ACCOUNT OF THE ORDINARY BRANCH
For the Year ending 31st December, 1933, in respect of Life Assurance Business.

	£	s.	d.		£	s.	d.
Amount of life assurance fund at the beginning of the year	104,136,137	14	11	Claims under policies paid and outstanding:—			
Life Assurance Fund transferred in respect of reassurances ceded by Phoenix of Vienna	70,783	9	2	By death	£2,776,497	8	5
Premiums	13,183,052	11	1	By maturity	7,298,551	14	2
Consideration for annuities granted	2,140,499	11	5	Surrenders			10,075,049
Interest, dividends and rents	£5,378,770	7	4	Bonuses surrendered for cash			1,393,604
Less income tax	720,700	14	4	Annuities			208,994
Adjustment in exchange	4,658,069	13	0	Life business:—			356,938
Transfer from—	28,087	16	6	Commission			816,849
Ordinary branch contingency fund				Expenses of management			821,376
reserved in 1931	950,000	0	0	Annuity business:—			32,822
	£125,166,630	16	1	Commission			34,070
				Expenses of management			34,070
				Transfer to Industrial branch revenue account in respect of Ordinary branch contingency fund reserved in 1931			95,000
				Transfer to Industrial branch revenue account			262,556
				Amount of life assurance fund at the end of the year	111,069,369	1	10
					£125,166,630	16	1

NOTE.—During the year 82,350 policies were issued for a sum assured of £21,507,482 18s. 5d. The amount received by way of single premiums was £934,264 18s. 9d. The yearly renewal premium income was £1,204,132 4s. 3d. In addition new sums assured amounting to £2,028,165 15s. 6d. and producing an annual premium income of £97,386 6s. 3d. have been written in connection with the Company's foreign reinsurance arrangements.

REVENUE ACCOUNT OF THE INDUSTRIAL BRANCH
For the Year ending 31st December, 1933, in respect of Industrial Assurance Business.

	£	s.	d.		£	s.	d.
Amount of Industrial assurance fund at the beginning of the year	137,592,324	11	6	Claims under policies paid and outstanding:—			
Premiums	19,514,072	15	9	By death	£6,104,158	13	1
Interest, dividends and rents	£8,806,131	8	3	By maturity	2,896,436	15	5
Less income tax	371,573	12	6	Surrenders			9,000,595
Transfer from Industrial branch contingency fund reserved in 1931	6,434,557	15	9	Commission			3,439,855
Transfer from Ordinary branch revenue account in respect of Ordinary branch contingency fund reserved in 1931	1,750,000	0	0	Expenses of management	£2,577,349	14	2
Transfer from Ordinary branch revenue account	95,000	0	0	Less transfer from General branch for Approved Societies' expenses	729,072	8	6
Amount of Industrial assurance fund at the end of the year	262,556	0	0	Proportion of Contingency funds reserved in 1931—			1,848,277
	£165,648,511	3	0	(a) Allocated as bonus to members of Company's outdoor Staff			118,509
				(b) Transferred to Profit and loss account			89,583
				(c) Transferred to Special contingency fund			313,888
				Bonus allocation to members of Company's outdoor staff			656,455
				Transfer to Profit and loss account			1,125,000
				Transfer to Special contingency fund			458,333
				Amount of Industrial assurance fund at the end of the year	145,788,219	9	2
					£165,648,511	3	0

NOTE.—During the year 2,416,165 policies were issued, for a maximum sum assured of £62,228,739.

REVENUE ACCOUNTS OF THE GENERAL BRANCH
For the Year ending 31st December, 1933.

Fire Insurance Business.

	£	s.	d.		£	s.	d.
Amount of fire insurance fund at the beginning of the year:—				Claims under policies paid and outstanding	438,250	16	2
Reserve for unexpired risks	£327,778	0	0	Commission	182,211	16	1
Additional reserve	361,437	0	0	Expenses of management	201,984	19	9
Premiums	689,215	0	0	Contributions to fire brigades	1,511	14	2
Interest and dividends	908,044	5	9	Transfer to Profit and loss account	45,518	7	10
Less income tax	£39,578	5	0	Amount of fire insurance fund at the end of the year:—			
	32,313	8	3	Reserve for unexpired risks, being 40 per cent. of the premium income for the year	£363,218	0	0
				Additional reserve brought forward	£361,437	0	0
				Add from 1933 surplus	35,440	0	0
	£1,629,572	14	0		396,877	0	0
					760,095	0	0
					£1,629,572	14	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	£57,502	0	0		Accident	53,156	13	11			
Reserve for permanent sickness risks	38,717	0	0		Permanent sickness	5,422	8	4			
Total estimated liability in respect of outstanding accident claims	14,412	0	6		Commission	20,804	2	6			
Additional reserve for accident risks:—					Expenses of management	34,602	6	9			
Renewable	37,755	0	0		Transfer to Industrial branch for Approved Societies' expenses	729,072	8	6			
Annual	35,250	0	0		Transfer to Profit and loss account	40,230	7	7			
				183,636	0	6					
Premiums:—					Amount of sickness and accident insurance fund at the end of the year:—						
Accident	£145,769	2	8		Reserve for unexpired risks, being 40 per cent. of the premium income for the year for accident risks	£58,308	0	0			
Permanent sickness	7,123	9	5		Reserve for permanent sickness risks	39,563	0	0			
				152,892	12	1					
Interest and dividends	£10,147	4	0		Total estimated liability in respect of outstanding accident claims	15,762	5	10			
Less income tax	1,862	11	8		Additional reserve for accident risks:—						
				8,284	12	4					
Transfer from Approved Societies for expenses				729,072	8	6					
					Renewable	41,714	0	0			
					Annual	35,250	0	0			
									190,597	5	10
				£1,073,885	13	5			£1,073,885	13	5

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	£34,884	0	0		Commission	7,661	2	8			
Total estimated liability in respect of outstanding claims	51,008	0	0		Expenses of management	30,976	6	2			
Additional reserve	39,126	0	0		Transfer to Profit and loss account	477	0	1			
				125,018	0	0					
Premiums				86,180	9	2					
Interest and dividends	£5,614	17	8		Amount of employers' liability insurance fund at the end of the year:—						
Less income tax	1,030	13	0		Reserve for unexpired risks, being 40 per cent. of the premium income for the year	£34,472	0	0			
				4,584	4	8					
					Total estimated liability in respect of outstanding claims	57,978	5	9			
					Additional reserve brought forward	39,126	0	0			
									131,576	5	9
				£215,782	13	10			£215,782	13	10

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	£196	0	0		Commission	1,076	1	0			
Total estimated liability in respect of outstanding claims	830	0	0		Expenses of management	77	5	10			
				1,026	0	0					
Premiums				210	0	7					
Interest and dividends	£700	0	0		Amount of employers' liability insurance fund at the end of the year:—						
Less income tax	128	9	9		Reserve for unexpired risks, being 40 per cent. of the premium income for the year	£84	0	0			
				571	10	3					
Transfer from Profit and loss account				113	9	10					
					Total estimated liability in respect of outstanding claims	665	0	0			
									749	0	0
				£1,021	0	8					

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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 :—					Claims under policies paid and outstanding ..				
Reserve for unexpired risks					267,230 10 0				
Additional reserve					Commission				
£158,637 0 0					70,921 17 9				
317,274 0 0					Expenses of management				
Premiums					102,691 16 3				
474,297 11 11					Amount of motor vehicle insurance fund at the end of the year :—				
Interest and dividends					Reserve for unexpired risks, being 40 per cent. of the premium income for the year				
£24,465 16 0					£189,719 0 0				
Less income tax					Additional reserve brought forward £158,637 0 0				
4,490 17 1					Add from 1933 surplus				
19,974 18 11					31,082 0 0				
Transfer from Profit and loss account					189,719 0 0				
8,735 13 2					379,438 0 0				
<u>£820,282 4 0</u>					<u>£820,282 4 0</u>				

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					208,689 7 5				
Additional reserve					Commission				
£138,501 0 0					74,349 9 4				
277,002 0 0					Expenses of management				
Premiums					62,063 3 1				
345,941 19 0					Transfer to Profit and loss account				
Fees					23,064 0 2				
7,796 5 4					Amount of miscellaneous insurance fund at the end of the year :—				
Interest and dividends					Reserve for unexpired risks, being 40 per cent. of the premium income for the year				
£17,518 6 11					£138,376 0 0				
Less income tax					Additional reserve brought forward				
3,215 12 0					138,501 0 0				
14,302 14 11					276,877 0 0				
<u>£645,043 0 0</u>					<u>£645,043 0 0</u>				

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 ..				
1,077,014 0 0					3,383 0 0				
Premiums					Surrenders				
677,906 15 3					81,172 15 0				
Interest and dividends					Commission				
£68,183 12 5					12,585 6 6				
Less income tax					Expenses of management				
12,515 10 8					5,587 8 3				
55,668 1 9					Transfer to Profit and loss account				
1,810,588 17 0					9,539 7 3				
<u>£1,810,588 17 0</u>					Amount of sinking fund insurance fund at the end of the year				
					1,698,321 0 0				
					<u>£1,810,588 17 0</u>				

Marine Insurance Business.

		£	s.	d.			£	s.	d.
Amount of marine insurance fund at the beginning of the year					Claims under policies paid and outstanding ..				
430,701 17 11					63,085 14 1				
Premiums, after deduction of reinsurances, commission, discounts, brokerages and returns					Expenses of management				
75,245 1 8					15,595 10 3				
Interest and dividends					Transfer to Common contingency fund				
£21,433 15 7					500,000 0 0				
Less income tax					Amount of marine insurance fund at the end of the year				
3,934 6 1					294,765 4 9				
17,499 9 6									
Transfer from Special contingency fund									
350,000 0 0									
<u>£873,446 9 1</u>					<u>£873,446 9 1</u>				

COMMON CONTINGENCY FUND ACCOUNT

For the Year ending 31st December, 1933.

		£	s.	d.			£	s.	d.
Amount of Common contingency fund at the beginning of the year		2,066,496	9	9	Chief Office rebuilding and extension		549,685	11	5
Interest and dividends		£73,287	6	11	Amount of Common contingency fund at the end of the year		2,428,565	9	3
Less income tax		11,532	16	0					
		61,754	10	11					
Transfer from General branch Contingency fund		350,000	0	0					
Transfer from General branch Marine Revenue account		500,000	0	0					
		£2,978,251	0	8			£2,978,251	0	8

SPECIAL CONTINGENCY FUND ACCOUNT

For the Year ending 31st December, 1933.

		£	s.	d.			£	s.	d.
Amount of Special contingency fund at the beginning of the year		3,151,025	13	10	Transfer to General branch Marine Revenue account		350,000	0	0
Interest and dividends		£115,534	8	3	Amount of Special contingency fund at the end of the year		3,647,009	10	1
Less income tax		41,772	16	5					
		73,761	11	10					
Transfer from Industrial branch Revenue account in respect of contingency funds reserved in 1931		313,888	17	9					
Transfer from Industrial branch Revenue account		458,333	6	8					
		£3,997,009	10	1			£3,997,009	10	1

SHARE PREMIUM ACCOUNT

For the Year ending 31st December, 1933.

		£	s.	d.			£	s.	d.
Balance of Premium brought forward at the beginning of the year		703,270	6	10	Expenses relating to extension of business abroad		96,584	7	5
Interest and dividends		£26,537	4	8	Balance of Premium at the end of the year		626,472	9	1
Less income tax		6,750	15	0					
		19,786	9	8					
		£723,056	16	6			£723,056	16	6

PROFIT AND LOSS ACCOUNT

For the Year ending 31st December, 1933.

		£	s.	d.			£	s.	d.
Balance from last year's account :—					Dividend to holders of "A" shares in respect of the Contingency funds reserved in 1931 ..		89,583	6	8
Industrial branch		1,125,000	0	0	Dividend to holders of "A" shares in respect of 1932		1,150,000	0	0
General branch		294,988	5	6	Dividend to holders of "B" shares in respect of 1932		75,000	0	0
Transfer from Industrial branch Revenue account in respect of the Contingency funds reserved in 1931;		89,583	6	8	Income tax (General branch)		26,500	0	0
after transferring—					Transfer to General branch Revenue accounts :—				
£313,888 17 9 to Special contingency fund,					Motor vehicle insurance		8,735	13	2
allocating—					Employers' liability insurance (Irish Free State)		113	9	10
£118,509 10 9 to or on behalf of members of the Company's outdoor staff,					Balances carried to :—				
reserving for bonus—					(a) Industrial branch Balance Sheet, being allocation of profits for 1933 to holders of "A" shares		1,125,000	0	0
£855,000 0 0 to policyholders, Ordinary branch, and					(b) General branch Balance Sheet, being allocation of profits for 1933 :—				
£1,304,523 11 5 to policyholders, Industrial branch,					to holders of "A" shares		£25,000	0	0
and aggregating with Surplus for 1932—					to holders of "B" shares		75,000	0	0
£18,494 13 5							100,000	0	0
Transfer from Industrial branch Revenue account—		1,125,000	0	0	and amount carried forward		208,858	8	10
Transfer from General branch Revenue accounts :—					after transferring—				
Fire insurance		45,518	7	10	£458,333 6 8 to Special contingency fund,				
Sickness and accident insurance		40,230	7	7	allocating—				
Employers' liability insurance (British) ..		477	0	1	£658,455 2 11 to or on behalf of members of the Company's outdoor staff,				
Miscellaneous insurance		23,064	0	2	£66,522 0 0 to additional reserves, General branch,				
Sinking fund insurance		9,539	7	3	and reserving for bonus—				
Interest of the General branch not carried to other accounts		£37,222	12	5	£2,375,306 0 0 to policyholders, Ordinary branch and				
Less income tax		6,832	9	0	£3,814,578 18 7 to policyholders, Industrial branch.				
		30,390	3	5					
		£2,783,790	18	6			£2,783,790	18	6

NOTE.—Gross amount of the Directors' remuneration for the year, £36,169 17s. 6d.

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LIABILITIES. Table with columns: Ordinary Branch, Industrial Branch, General Branch, Common Contingency Fund, Special Contingency Fund, Share Premium Account, Total. Rows include: Authorised capital, Issued capital, Life assurance fund, General branch funds, Investments reserve funds, Claims admitted or intimated, Deposits as security for return of investments, Bonus allocation, Unclaimed dividends, Balance standing to credit of Profit and loss account.

ASSETS. Table with columns: Ordinary Branch, Industrial Branch, General Branch, Common Contingency Fund, Special Contingency Fund, Share Premium Account, Total. Rows include: Mortgages on property within the United Kingdom, Loans on property within the Irish Free State, Loans on property out of the United Kingdom, Loans without specific security, Loans on life interests, Loans on Reversions, Loans on Stocks and shares, Loans on Company's policies, Loans on Personal security, Loans to Educational Institutions, Loans to subsidiary companies, Investments with the High Court, Deposits with the Supreme Court of Judicature in Irish Free State, British Government securities, Securities guaranteed by British Government under Trade Facilities, Debentures guaranteed by British Government under Trade Facilities, Bank of England stock, Municipal and county securities, Indian and Colonial Government securities, Indian and Colonial provincial securities, Indian and Colonial municipal securities, Foreign Government securities, Foreign provincial securities, Foreign municipal securities, Railway and other debentures and sterling bonds, Debentures and debenture stocks in subsidiary companies, Railway and other preference and guaranteed stocks and shares, Preference shares in subsidiary companies, Railway and other ordinary stocks and shares, Ordinary shares in subsidiary companies, Rent charges, Freehold ground rents and Scotch feu duties, Leasehold ground rents, House property, Office premises, Properties within the United Kingdom, Properties out of the United Kingdom, Properties in course of construction, Life interests, Reversions, Agents' balances, Outstanding premiums, Outstanding interest, dividends and rents, Interest, dividends and rent accrued but not payable, Amounts retained abroad by ceding companies under life reinsurance treaties, Amounts retained at home and abroad by ceding companies under reinsurance treaties and sums due on reinsurance account, Sundry debtors, Bills receivable, Marine stamps, Cash, On deposit, In hand and on current account.

NOTE - (a) Instalments not due until after 31st December, 1933, on investments held, £814,813 0s. 0d. (b) Uncalled capital on investments held, £2,232,827 6s. 3d. (c) Contingent liability on Shares, £814,463 6s. 0d. The values of the assets are determined, under the Articles of Association of the Company, by the Directors. The Stock Exchange securities have been valued at the middle market prices as at 31st December, 1933, 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. Dominion and foreign currency transactions during the year have been brought into the accounts at rates of exchange approximating on the average, to those current at the dates of the respective transactions. Possible adverse effects of future variations in the rates of exchange are covered by (a) assets in dominion and foreign currencies and (b) reserve and contingency funds. Specific deposits of Life Assurance assets, Ordinary branch, have been made with the following Governments under local laws as security to holders of policies issued: - Canada .. £900,000 3 1/4 % Conversion Loan Poland .. Cash. Zloty 1,000,000 New Zealand .. £20,000 New Zealand 4 1/2 % Inscribed Stock 1948/58 South Africa .. £11,000 Cape of Good Hope 4 % Consolidated Stock 1916/38 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 on account of 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 applicable. The profits or losses shown in the annual accounts of subsidiary companies made up to a date within the year ended 31st December, 1933, 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 £14,872 1s. 4d. for the year, have been carried forward.

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. B. ROLLO, H. R. GRAY, Auditors. P00021737 We have examined the receipts and payments relating to the capital transactions in respect of the mortgages, loans and debentures, stock and share certificates and bonds 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, 1933.

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

ARGENTINA
AUSTRALIA
BELGIUM
BRAZIL
CANADA
CHINA
COLOMBIA
CUBA
DENMARK
DUTCH EAST INDIES
EAST AFRICA
EGYPT
FINLAND
FRANCE
GERMANY
GREECE
HOLLAND
INDIA
IRISH FREE STATE
MALAY PENINSULA
NEW ZEALAND
NORWAY
PALESTINE
PHILIPPINE ISLANDS
POLAND
PORTUGAL
SOUTH AFRICA
SWEDEN
TRINIDAD

THE
PRUDENTIAL
ASSURANCE COMPANY
LIMITED
(INCORPORATED IN ENGLAND.)
HOLBORN BARS, LONDON, E.C.1.



Directors' Report
and
Statement of Accounts
at 31st December, 1933

NOTICE IS HEREBY GIVEN that the ANNUAL GENERAL MEETING of the Shareholders of this Company will be held at 142, HOLBORN BARS, LONDON, on THURSDAY, the 8th day of March, 1934, 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,

P. C. CRUMP,
E. H. LEVER,

Joint Secretaries.

28th February, 1934.

N.B.—The attention of those Shareholders concerned is drawn to the following Extract from the Memorandum and Articles of Association of the Company:—

61. A holder of less than 250 B Shares shall not in respect of those shares be entitled to receive notice of or to attend or vote at any meeting of the Company.