

NINETY-THIRD ANNUAL REPORT

Year ending 31st December, 1941.

To be presented to the Shareholders at the Annual General Meeting to be held at 142, Holborn Bars, London, on Thursday, the 2nd day of April, 1942, at 12 noon.

President: SIR JOSEPH BURN, K.B.E., F.I.A., F.S.I.

Directors:

Chairman: SIR GEORGE LEWIS BARSTOW, K.C.B.

Deputy-Chairmen: { GUY PHILIP HARBEN, O.B.E.
ERNEST DEWEY.

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

SIR NIGEL GEORGE DAVIDSON, C.B.E.

SIR LAURENCE NUNNS GUILLEMARD, G.C.M.G., K.C.B.

JOHN ROY LANCASTER.

HERBERT HARVEY MOSELEY, B.C.L.

LT.-COL. PERCY LESTER REID, O.B.E.

SIR GEORGE STUART ROBERTSON, K.C.

ERNEST FRANK SPURGEON, F.I.A.

Joint Secretaries: P. C. CRUMP, O.B.E., F.I.A. C. W. A. RAY, A.L.A.A.

Assistant Secretaries: L. BROWN, F.I.A. A. J. MILLER, M.C.

Joint Actuaries: C. C. H. DRAKE, F.I.A. W. J. FULFORD, F.I.A.

Assistant Actuaries: W. F. GARDNER, F.I.A. W. E. HUSTWITT, F.I.A. C. G. MARSHALL, F.I.A.

Assistant Managers: C. G. IZARD. F. W. MORTON, M.C., F.I.A.

Deputy General Managers: E. J. W. BORRAJO, M.B.E., A.I.A. F. H. GARRAWAY, O.B.E., M.C. H. S. LANE, M.C.

General Manager: F. W. MORGAN, M.C.

THE DIRECTORS have the honour to submit their Report and Accounts for 1941.

The Assets of the Company amount to £375,413,502 as compared with £364,854,580 at 31st December, 1940.

The Income from all sources during 1941 was £56,643,498 as compared with £56,048,786 in 1940.

ORDINARY BRANCH.

The number of life assurance policies issued during the year was 81,057, assuring the sum of £24,803,928, and producing an annual premium income of £1,395,908.

The number of life assurance policies in force on 31st December, 1941, was 1,013,431, assuring with bonus £293,113,469 and producing an annual premium income of £13,171,242.

The immediate annuities payable were 14,105 in number, and amounted to £1,031,736 per annum. In addition there were 134,897 deferred and contingent annuities, securing £2,807,601 per annum and producing an annual premium income of £,347,830.

The total of the revenue premiums and consideration for annuities granted was £14,791,605. The total claims for the year amounted to £12,512,481. There were death claims for sums assured, including bonuses, of £3,241,100 and matured endowment assurances for sums assured, including bonuses, of £9,271,381.

The surplus is £2,205,438, including the sum of £634,358 brought forward from last year, and has been allocated as follows:—

To Investment reserve fund	250,000
To bonus to participating policyholders	200,000
To dividend to holders of A shares	22,222
To Ordinary branch contingency fund	1,025,000
To be carried forward	708,216

The sum of £250,000 has been taken from the Investment reserve fund and applied to writing down investments in this branch; the sum transferred to the Investment reserve fund from the surplus replaces this amount.

In view of prevailing world conditions the transfer of the sum of £1,025,000 has been made to the Ordinary branch contingency fund which now stands at £2,400,000.

The Directors have declared that, as regards each participating policy issued out of the Ordinary branch (including participating policies issued by Overseas branches other than the Canadian branch) which was in force on 31st December, 1941, which becomes a claim by death or maturity of endowment during the year 1942 there shall be paid or transferred as part of the claim a bonus for each 31st December on which the policy was in force subsequent to the 31st December, 1939, calculated on the original participating sum assured at the rate:—

(a) where such sum is cash of £1 cash per £100, and

(b) where such sum is Stock of £1 Stock per £100.

As regards Canadian policies, the bonus is the same but different dates apply.

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INDUSTRIAL BRANCH.

The number of policies issued during the year was **1,649,446** assuring a sum of **£57,156,797**.

The number of policies becoming free policies during the year was **350,998**. The number of free policies which became claims was **191,194**.

The total number of policies in force at the end of the year including **5,066,876** free policies was **28,917,294**, under which the maximum sum assured together with declared bonus was **£641,449,455**, producing an annual premium income of **£26,019,899**. The average duration of the whole life premium paying policies in force exceeds **19** years.

The revenue premiums for the year were **£24,858,403**, being a decrease of **£319,904** compared with those for 1940. In 1940 there were **53** weekly and **14** monthly (i.e. four-weekly) collections of premiums. If due allowance were made for this the revenue premiums for 1941 would show an increase of nearly **£800,000**. The sum of **£16,273,919**, which includes **£2,866,111** by way of bonus, became payable during the year under **877,097** policies in respect of death claims, matured endowments and surrenders. The number of endowment assurance policies which matured was **183,807**.

After providing for the balance of the cost of the change in the valuation basis from a rate of interest of $2\frac{1}{2}$ per cent. to $2\frac{1}{4}$ per cent. the surplus is **£4,049,418**, including the sum of **£822,140** brought forward from last year, and has been allocated as follows:—

	£
To Investment reserve fund	500,000
To bonus to participating policyholders	265,000
To dividend to holders of A shares	390,330
To bonus to members of outdoor staff	58,003
To Industrial branch contingency fund	2,500,000
To be carried forward	336,085

The sum of **£500,000** has been taken from the Investment reserve fund and applied to writing down investments in the branch; the sum transferred to the Investment reserve fund from the surplus replaces this amount.

In view of prevailing world conditions the transfer of the sum of **£2,500,000** has been made to the Industrial branch contingency fund which now stands at **£5,600,000**.

Having regard to the amount of dividend which will be provided by the **£390,330** allocated out of the surplus to dividend to holders of A shares, **£564,338** is required to be raised out of the Special contingency fund in accordance with Article 135 of the Company's Articles of Association of which **£282,169** goes towards providing the dividend to holders of A shares. The balance **£282,169** has been augmented to meet inequalities arising from the incidence of income tax and the augmented amount **£539,607** goes towards providing the bonus to members of the outdoor staff.

Since the initiation of the profit sharing scheme, the total cash amount which has been allotted for provision of bonuses to the Industrial branch policyholders is **£59,439,550**.

The expenses in this branch amount to **25.38** per cent. of the premiums.

The Directors have declared that in respect of all participating policies issued by the Prudential out of the Industrial branch before 1st January, 1942 which become claims by death or maturity of endowment during the year 1942 and which are premium paying policies in Great Britain or Northern Ireland at the date of the event giving rise to the claim and on which not less than one year's premiums shall then have been paid there shall be paid or transferred as part of the claim a bonus for each 31st December on which the policy was in force subsequent to 31st December, 1939, calculated on the original participating sum assured at the rate:—

- (a) where such sum is cash of **16s.** cash per £100 and
 (b) where such sum is Stock of **16s.** Stock per £100.

This bonus is in addition to any amount of reversionary bonus already added to the sum assured but is not in addition to any bonus previously declared which was not a reversionary bonus.

The declaration also provides that in the case of whole life assurance and endowment assurance policies issued by the British Widows' Assurance Company Limited out of its Industrial branch which terminate on becoming claims by death or maturity of endowment during the year 1942, and which are premium paying policies in Great Britain or Northern Ireland at the date of the event giving rise to the claim there shall be paid as part of the claim a bonus on the sum otherwise payable as follows:—

Premiums paid for	Amount of claim increased by
Less than 10 years	£ s. d. 5 0 0 per cent.
10 years and less than 15 years	7 10 0 " "
15 years and upwards	10 0 0 " "

GENERAL BRANCH.

The revenue premiums for the year, after deduction of the reinsurances, were **£2,620,651**, being an increase of **£198,177** in comparison with those for 1940. These figures do not include the fire insurance business written by the Company's American subsidiary, The Prudential Insurance Company of Great Britain located in New York.

The capital sum insured under sinking fund policies is **£8,104,485** as compared with **£8,208,647** in 1940, *i.e.*, a decrease of **£104,162**.

The Company undertakes 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 exceeded **£99,000,000**.

The surplus is **£454,301**, including the sum of **£226,137** brought forward from last year, and has been allocated as follows:—

	£
To Investment reserve fund	40,000
To Additional reserve fund	20,000
To Profit and loss account for income tax and National defence contribution	60,000
To dividends to holders of A shares and B shares	133,333
To be carried forward	200,968

The sum of **£40,000** has been taken from the Investment reserve fund and applied to writing down investments in this branch; the sum transferred to the Investment reserve fund from the surplus replaces this amount.

The valuation of the contracts in all branches has been made by Mr. C. C. H. Drake, F.I.A., and Mr. W. J. Fulford, F.I.A., upon the bases stated in their valuation report.

The Directors have declared in respect of the year 1941 a final dividend on the A shares at the rate of **9s. 1·79d.** per share. This dividend, together with the interim dividend of **2s. 6d.** per share paid in September, 1941, makes a total of **11s. 7·79d.** per A share for the year. The shareholders' profits from the Ordinary and Industrial branches provide **6s. 7·21d.** of this dividend (of which **2s. 6d.** has already been paid); **4s. 6·18d.** is provided from the Special contingency fund in accordance with Article 135 of the Articles of Association and the remaining **6·40d.** is from the General branch profits. The Directors have also declared a dividend on the B shares out of the General branch profits at the rate of **2s. 0d.** per share. The dividends now declared on both the A and the B shares are payable free of income tax to the shareholders who are on the register on 2nd April, 1942.

The Directors deplore the death of two of their colleagues. Their Chairman, SIR EDGAR HORNE, Bart., died on the 26th September, 1941. He had served as a Director of the Company since 1904, being appointed Deputy Chairman in 1917 and Chairman in 1928. MR. ARTHUR RHYS BARRAND, F.I.A., who resigned his Directorship shortly after the last Annual Meeting, died in the following August. He retired from the position of a Deputy General Manager in 1923 and became a Director in 1932.

The Board has elected SIR GEORGE LEWIS BARSTOW, K.C.B., as Chairman and MR. ERNEST DEWEY as a Deputy Chairman. The two vacancies in the Directorate have been filled by the appointment of SIR JOSEPH BURN, K.B.E., F.I.A., F.S.I., who was subsequently appointed President at an Extraordinary General Meeting in November, 1941, and MR. ERNEST FRANK SPURGEON, F.I.A., who now offer themselves for election.

Group Captain WILLIAM GUY HORNE resigned his seat on the Board in January last after having served as a Director since 1930, and the Directors recommend the shareholders to elect MR. EDWARD JOSEPH WILLIAM BORRAJO, M.B.E., A.I.A., who will be retiring from his position of a Deputy General Manager at the end of March.

The retiring Directors are SIR GEORGE LEWIS BARSTOW, K.C.B., SIR LAURENCE NUNNS GUILLEMARD, G.C.M.G., K.C.B., and SIR NIGEL GEORGE DAVIDSON, C.B.E., who offer themselves for re-election.

MR. FRANK WILLIAM MORGAN, M.C., has been appointed General Manager.

MAJOR LAWRENCE WILFRED BIRD, D.S.O., O.B.E., and SIR JOHN SEROCOLD PAGET MELLOR, Bart., M.P., offer themselves for re-appointment as Auditors.

Messrs. DELOITTE, PLENDER, GRIFFITHS & Co. have examined the securities, and their certificate is appended to the balance sheet.

GEORGE L. BARSTOW,

Chairman.

HOLBORN BARS,
10th March, 1942.

LIABILITIES

Table of Liabilities with columns: Ordinary Branch, Industrial Branch, General Branch, Common Contingency Fund, Special Contingency Fund, Share Premium Account, Total. Rows include: Authorized capital, Issued capital, Investment reserve funds, Contingency reserve funds, Special contingent fund, Life assurance, Fire insurance, Motor vehicle insurance, etc.

A shares—This capital is liable in respect of contracts in all branches of the Company's business, but is included in the Industrial branch accounts pursuant to sec. 3 of The Prudential Assurance Company Act, 1875. Common contingency fund—in accordance with clause 132 (b) of the Articles of Association of the Company, but is included in the Industrial branch accounts pursuant to the Directors.

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 explanation given to us is as shown by the books of the Company. We have investigated the methods of calculation and the accuracy of the figures and are satisfied that the accounts show a fair and equitable apportionment of the expenses between the Industrial and other branches of the Company's business.

10th March, 1942. JOHN S. P. MELLOR, Auditors.

ASSETS

Table of Assets 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, Mortgages on property out of the United Kingdom, Loans on specific security within the United Kingdom, Loans without specific security within the United Kingdom, etc.

Life, casualty and sinking fund revenue transactions in Dominion or foreign currencies have been brought in at the rates of exchange ruling on the 31st December, 1941, with the exception of interest received at or paid by the Company's chief office which has been brought in at the rates ruling on the dates of the respective transactions; the adjustment in exchange item appearing in certain revenue accounts is the difference between the sterling equivalents at the beginning and the end of the year of the insurance fund brought forward at the beginning of the year. Fire and marine revenue account transactions in Dominion or foreign currencies have been brought in at rates of exchange approximating to those current at the dates of the respective transactions. Future variations in the rates of exchange are covered by (a) currency assets maintained so far as practicable to the extent of the corresponding liabilities and (b) reserve and contingency funds.

We have examined the receipts and payments at Chief Office relating to the Mortgages and Loans and to the purchase and sale of Investments for the year ended 31st December, 1941. We have also examined the Deeds, Stock and Share Certificates and Bonds in possession of the Company at Chief Office and with the exceptions noted below have verified as at the 31st December, 1941, by Certificates of Bankers or other Depositories the securities in their custody or in the hands of their Agents and by Cash held for account of Chief Office and District Offices by Certificates from Bankers or with audited accounts from Divisional Offices. We have been unable to obtain confirmations in respect of Mortgages, Loans, investments and Cash lodged in enemy territory, or in territories occupied by the enemy. Subject thereto, the Mortgages, Deposits and Cash so examined or confirmed by us, together with those appearing in the Balance Sheet as at 31st December, 1941, received from our Agents, represent the last available Balance Sheet as at that date. The last available Balance Sheet is dated 31st October, 1941, representing the Mortgages, Loans, Investments, Deposits and Cash set out in the above Balance Sheet.

10th March, 1942. GEORGE L. BARSTOW, Chairman.

G. P. HARBEN, E. DEWEY, E. F. SPURGEON, Directors. P. C. CRUMP, C. W. A. RAY, Joint Secretaries. C. C. H. DRAKE, W. J. FULFORD, Joint Actuaries. F. W. MORGAN, General Manager. L. W. BIRD, Auditors.

REVENUE ACCOUNT OF THE ORDINARY BRANCH

for the Year ending 31st December, 1941, in respect of
Life Assurance Business

	£	s.	d.		£	s.	d.
Amount of life assurance fund at the beginning of the year	123,771,246	3	5	Claims under policies paid and outstanding :—			
Premiums	14,598,390	15	0	By death	£3,241,099	12	11
Consideration for annuities granted	193,213	15	4	By maturity... ..	9,271,381	6	5
Interest, dividends and rents ... £5,320,822 0 6							
Less income tax 1,249,705 6 5				Surrenders	12,512,480	19	4
	4,071,116	14	1	Bonuses surrendered for cash	634,283	8	8
				Annuities	1,036,307	5	11
				Life business :—			
				Commission	823,598	2	10
				Expenses of management	1,129,611	14	5
				Annuity business :—			
				Commission	4,128	11	3
				Expenses of management	17,114	11	6
				National defence contribution	11,551	17	6
				War damage contributions	17,436	5	4
				Transfer to Investment reserve fund	250,000	0	0
				Transfer to Ordinary branch Contingency fund	1,025,000	0	0
				Transfer to Profit and loss account	22,222	0	0
				Amount of life assurance fund at the end of the year	125,079,219	10	9
	<u>£142,633,987</u>	<u>7</u>	<u>10</u>		<u>£142,633,987</u>	<u>7</u>	<u>10</u>

NOTE.—During the year 81,057 policies were issued for a sum assured of £24,803,927 18s. 1d. The amount received by way of single premiums was £113,041 13s. 9d. The yearly renewal premium income was £1,395,908 2s. 0d.

REVENUE ACCOUNT OF THE INDUSTRIAL BRANCH

for the Year ending 31st December, 1941, in respect of
Industrial Assurance Business

	£	s.	d.		£	s.	d.
Amount of Industrial assurance fund at the beginning of the year	208,681,444	7	10	Claims under policies paid and outstanding :—			
Premiums	24,858,403	4	0	By death	£8,552,813	18	0
Interest, dividends and rents ... £8,447,035 5 8				By maturity... ..	6,988,031	1	10
Less income tax 1,477,719 1 8							
	6,969,316	4	0	Surrenders	15,540,844	19	10
Transfer from Special contingency fund 564,338 16 2				Expenses of management	733,073	13	4
Adjustment for income tax 257,437 8 6				National defence contribution	6,308,651	4	8
	821,776	4	8	War damage contributions	65,825	19	0
				Bonus allocation to members of Company's outdoor staff	109,814	8	0
				Transfer to Investment reserve fund	597,609	11	4
				Transfer to Industrial branch Contingency fund	500,000	0	0
				Transfer to Profit and loss account	2,500,000	0	0
				Amount of Industrial assurance fund at the end of the year	672,500	0	0
	<u>£241,330,940</u>	<u>0</u>	<u>6</u>		<u>214,302,620</u>	<u>4</u>	<u>4</u>

NOTE.—During the year 1,649,446 policies were issued, for a maximum sum assured of £57,156,797.

REVENUE ACCOUNTS OF THE GENERAL BRANCH

for the Year ending 31st December, 1941, in respect of
Fire Insurance Business

	£	s.	d.		£	s.	d.
Amount of fire insurance fund at the beginning of the year :—				Claims under policies paid and outstanding	469,393	19	2
Reserve for unexpired risks 440,902 0 0				Commission	195,841	19	7
Premiums 1,077,202 14 9				Expenses of management	296,624	16	0
Interest and dividends £26,134 4 2				Contributions to fire brigades	2,999	16	7
Less income tax 9,543 11 9				Loss on exchange	1,390	8	9
	16,590	12	5	Transfer to Profit and loss account	73,157	7	1
				Amount of fire insurance fund at the end of the year :—			
				Reserve for unexpired risks, being 40 per cent. of the premium income for the year	£430,881	0	0
				Further reserve for unexpired risks	64,406	0	0
					495,287	0	0
	<u>£1,534,695</u>	<u>7</u>	<u>2</u>		<u>£1,534,695</u>	<u>7</u>	<u>2</u>

REVENUE ACCOUNTS OF THE GENERAL BRANCH—continued.

Sickness and Accident Insurance Business

		£	s.	d.			£	s.	d.			
Amount of sickness and accident insurance fund at the beginning of the year :—					Payments under policies, including medical and legal expenses in connection therewith :—							
Reserve for unexpired accident risks	£79,881	0	0		Accident	92,034	0	5				
Further reserve for renewable accident risks	192,865	0	0		Permanent sickness	7,615	12	11				
Reserve for permanent sickness risks	59,622	0	0		Commission	18,690	5	10				
Total estimated liability in respect of outstanding accident claims	25,737	0	0		Expenses of management	64,593	10	4				
Outstanding payments due under permanent sickness contracts	2,193	0	0		Expenses of Approved Societies	809,000	0	0				
					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	£84,196	0	0				
Accident	210,489	13	9		Further reserve for renewable accident risks	232,471	0	0				
Permanent sickness	11,950	15	4		Reserve for permanent sickness risks	62,049	0	0				
					Total estimated liability in respect of outstanding accident claims	29,012	0	0				
Interest and dividends	13,876	12	10		Outstanding payments due under permanent sickness contracts	886	0	0				
Less income tax	5,067	12	5						408,614	0	0	
Transfer from Approved Societies for expenses...				8,809	0	5						
				809,000	0	0						
				<u>£1,400,547</u>	<u>9</u>	<u>6</u>				<u>£1,400,547</u>	<u>9</u>	<u>6</u>

Employers' Liability Insurance Business transacted within the United Kingdom

		£	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	£42,492	0	0		Commission	55,928	6	4				
Total estimated liability in respect of outstanding claims	67,235	0	0		Expenses of management	11,702	2	9				
				109,727	0	0						
Premiums				131,487	19	9						
Interest and dividends	4,522	9	4		Transfer to Profit and loss account	7,697	1	3				
Less income tax	1,651	12	1		Amount of employers' liability insurance fund at the end of the year :—							
				2,870	17	3						
					Reserve for unexpired risks, being 40 per cent. of the premium income for the year	£52,595	0	0				
					Total estimated liability in respect of outstanding claims	80,578	0	0				
				<u>£244,085</u>						133,173	0	0
										<u>£244,085</u>	<u>17</u>	<u>0</u>

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	£234,770	0	0		Commission	316,155	17	2				
Deduct adjustment in exchange	1	0	0		Expenses of management	93,609	8	2				
					Transfer to Profit and loss account	179,002	3	5				
Reserve for Motor vehicles laid up	234,769	0	0		Amount of motor vehicle insurance fund at the end of the year :—							
	13,796	0	0		Reserve for unexpired risks, being 40 per cent. of the premium income for the year	£239,993	0	0				
Premiums				248,565	0	0						
Interest and dividends	£20,066	0	5	599,981	0	11						
Less income tax	7,327	15	5		Reserve for Motor vehicles laid up	17,275	0	0				
				12,738	5	0				257,268	0	0
				<u>£861,284</u>	<u>5</u>	<u>11</u>				<u>£861,284</u>	<u>5</u>	<u>11</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	£121,197	0	0		Commission	105,523	13	0				
Add adjustment in exchange	3	0	0		Expenses of management	56,068	6	1				
				121,200	0	0						
Premiums				312,855	6	9						
Trustee and executor fees				23,466	18	1						
Interest and dividends	£8,993	14	3		Transfer to Profit and loss account	74,299	7	5				
Less income tax	3,284	7	1		Amount of miscellaneous insurance fund at the end of the year :—							
				5,709	7	2						
					Reserve for unexpired risks, being 40 per cent. of the premium income for the year	£125,142	0	0				
					Further reserve for unexpired risks	154	0	0				
				<u>£463,231</u>						125,296	0	0
										<u>£463,231</u>	<u>12</u>	<u>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							
Premiums				3,668,778	0	0						
Interest and dividends	£132,953	12	6	75,927	2	3						
Less income tax	48,552	8	3		Commission	123,504	0	0				
				84,401	4	3						
Transfer from Profit and loss account				18,043	11	5						
				<u>£3,847,149</u>	<u>17</u>	<u>11</u>				9,581	7	0
										1,518	10	11
					Amount of sinking fund insurance fund at the end of the year							
										3,712,546	0	0
										<u>£3,847,149</u>	<u>17</u>	<u>11</u>

REVENUE ACCOUNTS OF THE GENERAL BRANCH—continued.

Marine Insurance Business

		£	s.	d.			£	s.	d.
Amount of marine insurance fund at the beginning of the year	...	348,869	18	0	Claims under policies paid and outstanding	...	128,875	18	1
Premiums, after deduction of reinsurances, commission, discounts, brokerages and returns	...	200,755	19	11	Enemy debts—Balances written off	...	15,231	18	4
Interest and dividends	...	£13,429	10	5	Expenses of management	...	14,792	16	2
Less income tax	...	4,904	4	7	Transfer to Profit and loss account	...	30,000	0	0
					Amount of marine insurance fund at the end of the year	...	367,250	11	2
			8,525	5	10				
							£556,161	3	9

COMMON CONTINGENCY FUND ACCOUNT

for the Year ending 31st December, 1941

		£	s.	d.			£	s.	d.
Amount of Common contingency fund at the beginning of the year	...	2,924,854	3	4	Amount of Common contingency fund at the end of the year	...	2,980,514	2	6
Interest and dividends	...	£104,252	7	4					
Less income tax	...	48,592	8	2					
			55,659	19	2				
							£2,980,514	2	6

SPECIAL CONTINGENCY FUND ACCOUNT

for the Year ending 31st December, 1941

		£	s.	d.			£	s.	d.
Amount of Special contingency fund at the beginning of the year	...	4,700,449	10	11	National defence contribution	...	7,259	17	6
Interest and dividends	...	£173,383	7	8	Transfer to Industrial branch Revenue account	...	564,338	16	2
Less income tax	...	53,225	19	2	Amount of Special contingency fund at the end of the year	...	4,249,008	5	9
			120,157	8	6				
							£4,820,606	19	5

SHARE PREMIUM ACCOUNT

for the Year ending 31st December, 1941

		£	s.	d.			£	s.	d.
Balance of Premium brought forward at the beginning of the year	...	257,000	7	8	Payments relating to extension of business abroad	...	35,075	0	0
Interest and dividends	...	£11,748	1	6	Balance of Premium at the end of the year	...	227,477	0	5
Less income tax	...	6,196	8	9					
			5,551	12	9				
							£262,552	0	5

PROFIT AND LOSS ACCOUNT

for the Year ending 31st December, 1941.

		£	s.	d.			£	s.	d.
Balance from last year's account :—					Final dividend to holders of A shares in respect of 1940	...	580,218	6	8
Ordinary branch	...	6,381	2	1	Dividend to holders of B shares in respect of 1940	...	100,000	0	0
Industrial branch	...	520,503	17	11	Interim dividend to holders of A shares in respect of 1941	...	158,250	0	0
General branch	...	359,469	10	6	Income tax (General branch)	...	45,000	0	0
Transfer from Ordinary branch Revenue account	...	22,222	0	0	National defence contribution (General branch)	...	15,000	0	0
Transfer from Industrial branch Revenue account	...	672,500	0	0	Transfer to General branch Revenue accounts :—				
Transfer from General branch Revenue accounts :—					Sinking fund insurance	...	18,043	11	5
Fire insurance	...	73,157	7	1	Transfer to Investment reserve fund (General branch)	...	40,000	0	0
Employers' liability insurance	...	7,697	1	3	Transfer to Additional reserve fund (General branch)	...	20,000	0	0
Motor vehicle insurance	...	15,248	17	2	Balances carried to :—				
Miscellaneous insurance	...	74,299	7	5	(a) Ordinary branch Balance sheet	£13,805	13	0	
Marine insurance	...	30,000	0	0	Industrial branch Balance sheet	524,666	7	0	
Interest of the General branch not carried to other accounts	...	£72,155	7	1					
Less income tax	...	26,349	18	4					
			45,805	8	9				
							538,472	0	0
					being final dividend to holders of A shares in respect of 1941.				
					(b) General branch Balance sheet, being allocation of profits for 1941 :—				
					to holders of A shares	...	£33,333	6	8
					to holders of B shares	...	100,000	0	0
							133,333	6	8
					and amount carried forward	...	200,967	7	5
					after transferring—				
					£750,000 to Investment reserve funds and				
					£3,525,000 to Contingency funds,				
					Ordinary and Industrial branches,				
					allocating—				
					£597,609 11s. 4d. to or on behalf of members of				
					the Company's outdoor staff,				
					and reserving for bonus—				
					£200,000 in respect of Ordinary branch policies and				
					£265,000 in respect of Industrial branch policies.				
							£1,827,284	12	2