

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.

L. W. BIRD,  
JOHN S. P. MELLOR,  
Auditors.

7th March, 1944.

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, 1943. 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, 1943, by Certificates of Bankers or other Depositories the securities in their custody or in the hands of their Agents and by Certificates of Brokers the securities purchased but not delivered and we have confirmed Deposits by Certificates from Bankers Institutions with whom they are lodged and Cash held for account of Chief Office and District Offices by Certificates from Bankers or with audited accounts from Divisional Centres. 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, Loans, Investments, Deposits and Cash so examined or confirmed by us, together with those appearing in the called Balance Sheets as at 31st December, 1943, received from Overseas Branches, represent the Mortgages, Loans, Investments, Deposits and Cash set out in the above Balance Sheet.

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

5, London Wall Buildings, London, E.C.2.

7th March, 1944.

## ANNUAL REPORT and NOTICE OF MEETING.

IF NOT DELIVERED, PLEASE RETURN TO  
**Prudential Assurance Co.**  
HOLBORN BARS, LONDON, E.C.1.

## The Prudential Assurance Co. Ltd.

### NOTICE OF MEETING.

NOTICE IS HEREBY GIVEN that the ANNUAL GENERAL MEETING of the Shareholders of this Company will be held at 142, HOLBORN BARS, LONDON, E.C.1, on THURSDAY, the 30th day of March, 1944, at Two o'clock in the afternoon precisely, for receiving the Report of the Directors and Statement of Accounts for the year ended 31st December, 1943, for re-appointing the President, 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,

C. W. A. RAY,  
L. BROWN,

Joint Secretaries.

14th March, 1944.

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.

W. & S. Ltd. (125960) 16,700. 2/44.

# THE PRUDENTIAL ASSURANCE COMPANY LIMITED.

(INCORPORATED IN ENGLAND.)

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

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.

EDWARD JOSEPH WILLIAM BORRAJO,  
M.B.E., A.I.A.

SIR NIGEL GEORGE DAVIDSON, C.B.E.  
SIR LAURENCE NUNNS GUILLEMARD,  
C.C.M.C., K.C.B.

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.

SIR JOSEPH BURN, K.B.E., F.I.A., F.S.I.  
PERCY CHARLES CHUMP, O.B.E., F.I.A.

JOHN ROY LANCASTER.

Joint Secretaries: C. W. A. RAY, A.L.A. L. BROWN, F.I.A.

Assistant Secretary: A. J. MILLER, M.C.

Joint Actuaries: W. J. FULFORD, F.I.A. W. F. GARDNER, F.I.A.

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

Assistant Managers: W. E. G. BURGE. H. C. HARVEY. C. C. IZARD. F. W. MORTON, M.C., F.I.A. R. S. THORP.

Deputy General Managers: F. H. GARRAWAY, O.B.E., M.C. H. S. LANE, M.C.

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

## NINETY-FIFTH ANNUAL REPORT FOR THE YEAR ENDING 31st DECEMBER, 1943.

THE DIRECTORS have the honour to submit their Report and Accounts for 1943.

To conform with the need for restricting the use of paper, the form of the annual report and accounts has been altered for the year 1943 and the revenue accounts for the Common and Special Contingency funds and the Share Premium account have had to be omitted. A sum of £35,000 has been charged against the Share Premium account for payments relating to extension of business abroad.

The Assets of the Company amount to £404,691,378 as compared with £338,869,542 at 31st December, 1942.

The Income from all sources during 1943 was £81,434,004 as compared with £53,780,503 in 1942.

### ORDINARY BRANCH.

The number of life assurance policies issued during the year was 67,528, assuring the sum of £27,282,919, and producing an annual premium income of £1,494,018.

The total of the revenue premiums and consideration for annuities granted was £16,006,827. The claims for the year amounted to £12,038,344. There were death claims for sums assured, including bonuses, of £2,791,161 and matured endowment assurances for sums assured, including bonuses, of £9,247,083.

The surplus is £2,584,133, including the sum of £280,885 brought forward from last year, and has been allocated as follows:—

To Investment reserve fund	£ 250,000
To bonus to participating policyholders	369,000
To dividend to holders of A shares	41,000
To Ordinary branch contingency fund	1,800,000
To be carried forward	324,133

A 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 Investment reserve fund from the surplus replaces this amount. In view of

prevailing world conditions the transfer of the sum of £1,600,000 has been made to the Ordinary branch contingency fund which now stands at £5,025,000.

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, 1943, and which becomes a claim by death or maturity of endowment during the year 1944 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.

### INDUSTRIAL BRANCH.

The number of policies issued during the year, excluding policies not taken up, was 1,386,629 assuring a sum of £51,216,410. The number of policies becoming free policies during the year was 250,548. The number of free policies which became claims was 175,718.

The revenue premiums for the year were £27,737,864. The sum of £17,001,610, which includes £2,919,043 by way of bonus, became payable during the year under 824,025 policies in respect of death claims, matured endowments and surrenders. The number of endowment assurance policies which matured was 200,363.

The surplus is £4,960,485 including the sum of £340,940 brought forward from last year, and has been allocated as follows:—

To Investment reserve fund	£ 500,000
To bonus to participating policyholders	500,000
To dividend to holders of A shares	418,268
To bonus to members of outdoor staff	108,401
To Industrial branch contingency fund	3,000,000
To be carried forward	432,818

P00021358

A sum of £250,000 has been taken from the Investment reserve fund and applied to writing down investments in this branch; the Investment reserve fund has therefore been increased by a net amount of £250,000 to £4,750,000. In view of prevailing world conditions the transfer of the sum of £3,000,000 has been made to the Industrial branch contingency fund which now stands at £11,100,000.

Having regard to the amount of dividend which will be provided by the £418,286 allocated out of the surplus to dividend to holders of A shares, £508,469 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 one half goes towards providing the dividend to holders of A shares. The remaining one half has been augmented to meet inequalities arising from the incidence of income tax and the augmented amount of £472,994 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 £60,339,550.

The expenses in this branch amount to 24·91 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, 1944, which become claims by death or maturity of endowment during the year 1944 and which are prem um 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 calculated on the original participating sum assured at the following rates:—

If policy issued in the year 1943	... ..	16s.
If policy issued in the year 1942	... ..	£1 12s.
If policy issued in the year 1941	... ..	£2 8s.
If policy issued in the year 1940 or earlier	... ..	£3 4s.
		per £100 original participating sum assured.

Where the original participating sum assured is Stock the bonus will be in Stock at the same rate per £100 Stock.

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 valuation of the contracts in all branches has been made by Mr. W. J. Fulford, F.I.A., and Mr. W. F. Gardner, F.I.A., upon the bases stated in their valuation report which is printed below.

The Directors have declared in respect of the year 1943 a final dividend on the A shares at the rate of 9s. 3·792d. per share. This dividend, together with the interim dividend of 2s. 6d. per share paid in September, 1943, makes a total of 11s. 9·792d. per A share for the year. The shareholders' profits from the Ordinary and Industrial branches provide 7s. 4·179d. of this dividend (of which 2s. 6d. has already been paid); 4s. 0·813d. is provided from the Special contingency fund in accordance with Article 135 of the Articles of Association and the remaining 4·8d. 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 1s. 6d. per share. The dividends now declared on both the A and B shares are payable free of income tax to the shareholders who are on the register on 30th March, 1944.

The retiring Directors are SIR GEORGE LEWIS BARSTOW, K.C.B., MR. GUY PHILIP HARBEN, O.B.E., MR. JOHN ROY LANCASTER, and SIR NIGEL GEORGE DAVIDSON, C.B.E., who offer themselves for re-election.

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.

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

HOLBORN BARS,  
7th March, 1944.

GEORGE L. BARSTOW,  
Chairman.

VALUATION REPORT.

To the Directors of The Prudential Assurance Company Limited.

Gentlemen,

We have the honour to submit our report on the valuation as at 31st December, 1943, of the life assurances and annuities and other insurance contracts of the Company. In accordance with your instructions the valuations have been made on the bases stated below.

ORDINARY BRANCH.

The assurances have been valued by the A.1924-29 Ultimate table of mortality with the exception that for business issued at non-European rates of premium the OM table of mortality has been retained. The rate of interest assumed was 2½ per cent. for assurances issued in the United Kingdom and Eire and 3 per cent. for assurances issued overseas. The whole of the difference between the office premiums and net premiums has been reserved for future expenses and profit and an additional reserve of loading has been made in respect of assurances issued in the United Kingdom.

The immediate and contingent annuities have been valued by the a(f) and a(m) Ultimate tables of mortality. The deferred annuities have been valued by the A.1924-29 Ultimate table of mortality for the period of deferment and by the a(f) and a(m) Ultimate tables of mortality for the period after deferment; the premiums valued were 95 per cent. of the future office premiums. The rate of interest assumed was 3 per cent. or, for immediate annuities, the rate of interest employed in the calculation of the purchase money if less than 3 per cent.

The interest actually earned, after deduction of income tax, represents a rate of £3 11s. 9d. per cent. on the life assurance fund.

The number of life policies in force was 1,023,535 assuring with bonus £312,113,835 and producing an annual premium income of £14,311,246. The immediate annuities payable were 13,867 in number, and amounted to £996,203 per annum. In addition there were 160,092 deferred and contingent annuities, securing £3,511,031 per annum and producing an annual premium income of £1,752,442.

The sterling equivalents of liabilities in Dominion or Foreign currencies have been arrived at by conversion at the rates of exchange ruling on 31st December, 1943.

The result of the valuation is as follows:—

Life assurance fund on 31st December, 1943	... ..	£132,348,753
Reserve for life assurance policies	... ..	£108,398,059
Reserve for annuities	... ..	21,366,561
Net liability	... ..	129,764,620

Surplus, including £280,885 brought forward from last year

£2,584,133

INDUSTRIAL BRANCH.

The English Life Table No. 10, Males, has been used for the valuation of all assurances. Every policy has been treated as a liability. The whole of the difference between the office premiums and net premiums has been reserved in all cases and an additional reserve of loading has been made.

The rate of interest assumed in the valuation was 2½ per cent. The interest actually earned, after deduction of income tax, represents a rate of £3 12s. 11d. per cent. on the Industrial assurance fund.

The number of policies in force, including 5,204,222 free or paid-up policies, was 29,764,568, under which the maximum sum assured, together with declared bonus, was £888,272,624. The premiums receivable in respect of these policies amount to £28,800,227 per annum, or £553,851 per week. The average duration of the whole life premium paying policies in force exceeds 19 years.

The result of the valuation is as follows:—

Industrial assurance fund on 31st December, 1943	... ..	£233,136,640
Net liability	... ..	228,176,155

Surplus, including £340,940 brought forward from last year

£4,960,485

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 1944, 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:—Less than 10 years, amount of claim increased by 15 per cent.; 10 years and less than 15 years, £7 10s. per cent.; 15 years and upwards £10 per cent.

GENERAL BRANCH.

The revenue premiums for the year, after deduction of the reinsurances, were £2,879,726. These figures do not include the re-insurance business written by the Company's American subsidiary, The Prudential Insurance Company of Great Britain located in New York.

Overseas taxes, which are higher than normal this year, have been shown as separate items instead of being included with "Expenses of Management."

During 1943 additional assessments to United Kingdom tax of the profits of our American subsidiary have been raised in respect of the years 1937-1940 and a further sum of £40,706 has been provided in the present accounts in respect of this liability.

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 £97,000,000.

The surplus is £315,186, including the sum of £185,971 brought forward from last year, and has been allocated as follows:—

	£
To investment reserve fund	25,000
To dividends to holders of A shares and B shares	100,000
To be carried forward	190,186

GENERAL BRANCH.

In respect of fire, sickness and accident (excluding permanent sickness), employers' liability, motor vehicle and miscellaneous insurance contracts, the reserve for unexpired risks is 40 per cent. of the premium income for the year, together with a further reserve which we consider essential under fire and miscellaneous contracts.

The permanent sickness policies have been valued, as to sickness rates, by the Manchester Unity (Whole Society) Experience, 1893-97, and as to mortality by the table published by the Insurance Commissioners (Cd. 6292) with interest at 3 per cent. In view of the uncertainty of sickness rates we have considered it necessary to increase by 60 per cent. the reserve brought out on these bases.

To many of the life assurance policies is attached an additional benefit on death from accident, the liability for which is borne by the General branch. These accident insurances carry the right of renewal and in our opinion a further reserve of £351,141 is essential in addition to the 40 per cent. of the premium income for the year.

In respect of marine insurance, after adding to the fund the premiums and interest received and deducting losses, taxes and expenses, a sum of £30,000 has been released; the fund remaining, in our opinion, is sufficient as a reserve for the liabilities still pending under the accounts.

The sinking fund policies have been valued by a gross premium method with an allowance for expenses. The rate of interest assumed was 3 per cent. or the rate of interest employed in the calculation of the premiums, if less than 3 per cent. The policies in force provide for the payment of capital sums amounting to £7,479,224 at the end of fixed terms of years, and produce an annual premium income of £69,983.

The sterling equivalents of reserves in Dominion and Foreign currencies have been arrived at by conversion, in the case of casualty and sinking fund contracts at the rates of exchange ruling on 31st December, 1943, and in the case of fire contracts at the approximate average rates of exchange ruling during the year 1943:—

The result of the valuation is as follows:—

Insurance fund on 31st December, 1943	... ..	£7,100,723
Reserves for fire, sickness and accident, employers' liability, motor vehicle and miscellaneous insurances	... ..	£1,638,676
Reserve for marine insurance	... ..	457,824
Reserve for sinking fund insurance	... ..	3,429,037
Additional reserve fund	... ..	1,260,000
		6,785,537

Surplus, including £185,971 brought forward from last year

£315,186

We are, Gentlemen,

Your obedient Servants,

W. J. FULFORD, } Joint Actuaries.  
W. F. GARDNER, }

2nd March, 1944.

**ORDINARY BRANCH REVENUE ACCOUNT**  
for the Year ending 31st December, 1943.

LIFE ASSURANCE BUSINESS.			
£		£	
Fund at beginning of year ...	127,839,769	Claims paid and outstanding—	
Premiums ...	15,861,761	By death ...	2,791,161
Consideration for annuities granted ...	145,066	By maturity ...	9,247,983
Interest, dividends and rents ...	5,388,547		
Less Income tax ...	844,184		
	<u>4,544,363</u>		
		Surrenders ...	12,038,244
		Bonuses surrendered ...	393,868
		Commission ...	19,932
		Expenses of management ...	1,011,508
		War damage contributions ...	857,408
		Transfers to—	
		Investment reserve fund ...	250,000
		Ordinary branch Contingency fund ...	1,800,000
		Profit and loss account ...	41,000
		Fund at end of year ...	130,457,753
	<u>£147,890,959</u>		<u>£147,890,959</u>

During the year 67,528 policies were issued for a sum assured of £27,282,919 with yearly renewal premium income of £1,434,013. The amount received in single premiums was £21,239.

**INDUSTRIAL BRANCH REVENUE ACCOUNT**  
for the Year ending 31st December, 1943.

INDUSTRIAL ASSURANCE BUSINESS.			
£		£	
Fund at beginning of year ...	221,362,691	Claims paid and outstanding—	
Premiums ...	27,737,864	By death ...	8,453,549
Interest, dividends and rents ...	£8,882,480	By maturity ...	8,019,639
Less Income tax ...	818,208		
	<u>8,064,272</u>		
		Surrenders ...	16,473,188
		Expenses of management ...	528,422
		War damage contributions ...	6,909,700
		Bonus allocation to Company's outdoor staff ...	116,877
		Transfers to—	
		Investment reserve fund ...	581,395
		Industrial branch Contingency fund ...	500,000
		Profit and loss account ...	8,000,000
		Fund at end of year ...	872,500
	<u>£257,892,056</u>		<u>£257,892,056</u>

The number of policies issued during the year, excluding policies not taken up, was 1,386,629 assuring a sum of £51,216,410.

**GENERAL BRANCH REVENUE ACCOUNTS for the Year ending 31st December, 1943.**

FIRE INSURANCE BUSINESS.			
£		£	
Fund at beginning of year—		Claims paid and outstanding ...	484,044
Reserve for unexpired risks ...	£498,213	Commission ...	268,137
Further reserve ...	80,146	Expenses of management ...	355,467
	<u>578,359</u>	Contributions to fire brigades ...	9,917
Premiums ...	1,380,535	Loss on exchange ...	42
Interest and dividends ...	34,624	Overseas taxes ...	54,981
		Income tax and N.D.C. ...	125,424
		Transfer to Profit and loss a/c ...	55,610
		Fund at end of year :—	
		Reserve for unexpired risks ...	£552,214
		Further reserve ...	82,682
	<u>£1,988,518</u>		<u>£1,988,518</u>

MOTOR VEHICLE INSURANCE BUSINESS.			
£		£	
Fund at beginning of year—		Claims paid and outstanding ...	147,505
Reserve for unexpired risks ...	£177,958	Commission ...	61,711
Further reserve ...	23,474	Expenses of management ...	113,101
	<u>201,432</u>	Overseas taxes ...	10,304
Premiums ...	365,804	Income tax and N.D.C. ...	49,861
Interest and dividends ...	14,011	Transfer to Profit and loss a/c ...	27,371
		Fund at end of year :—	
		Reserve for unexpired risks ...	£146,322
		Reserve for motor vehicles laid up ...	25,072
	<u>£581,247</u>		<u>£581,247</u>

SICKNESS AND ACCIDENT INSURANCE BUSINESS.			
£		£	
Fund at beginning of year—		Payments under policies (inclgd. legal & medical expenses—)	
Reserve for unexpired accident risks ...	£90,612	Accident ...	71,080
Further reserve for renewable accident risks ...	297,714	Permanent sickness ...	7,487
Reserve for permanent sickness risks ...	63,523	Commission ...	19,959
Estimated liability, outstanding accident claims ...	20,300	Expenses of management ...	79,720
Outstanding permanent sickness payments ...	984	Expenses of Approved Societies ...	860,000
	<u>473,193</u>	Income tax and N.D.C. ...	17,172
Premiums :—		Transfer to Profit and loss a/c ...	11,771
Accident ...	£240,744	Fund at end of year :—	
Permanent sickness ...	11,458	Reserve for unexpired accident risks ...	£96,297
	<u>252,202</u>	Further reserve for renewable accident risks ...	351,141
Interest and dividends ...	16,479	Reserve for permanent sickness risks ...	66,482
Transfer from Approved Societies for expenses ...	860,000	Estimated liability, outstanding accident claims ...	19,554
	<u>£1,601,874</u>	Outstanding permanent sickness payments ...	1,211
			<u>534,685</u>

MISCELLANEOUS INSURANCE BUSINESS.			
£		£	
Fund at beginning of year—		Claims paid and outstanding ...	117,718
Reserve for unexpired risks ...	£134,909	Commission ...	71,800
Further reserve ...	1,285	Expenses of management ...	137,303
	<u>136,194</u>	Overseas taxes ...	21,560
Premiums ...	388,805	Income tax and N.D.C. ...	39,602
Trustee and executor fees ...	22,572	Transfer to Profit and loss a/c ...	11,348
Interest and dividends ...	8,704	Fund at end of year :—	
	<u>£556,275</u>	Reserve for unexpired risks ...	£155,522
		Further reserve ...	1,362
			<u>£556,275</u>

SINKING FUND INSURANCE BUSINESS.			
£		£	
Fund at beginning of year ...	3,866,315	Claims paid and outstanding ...	396,694
Premiums ...	67,632	Surrenders ...	4,930
Interest and dividends ...	113,105	Expenses of management ...	1,352
	<u>£3,847,052</u>	Income tax and N.D.C. ...	9,143
		Transfer to Profit and loss a/c ...	5,896
		Fund at end of year ...	3,429,037
			<u>£3,847,052</u>

EMPLOYERS' LIABILITY INSURANCE BUSINESS (transacted within the United Kingdom).			
£		£	
Fund at beginning of year—		Payments under policies (inclgd. legal & medical expenses ...)	63,065
Reserve for unexpired risks ...	£51,256	Commission ...	9,411
Estimated liability, outstgd. claims ...	83,906	Expenses of management ...	29,577
	<u>135,162</u>	Income tax and N.D.C. ...	2,880
Premiums ...	108,098	Transfer to Profit and loss a/c ...	1,973
Interest and dividends ...	4,463	Fund at end of year :—	
		Reserve for unexpired risks ...	£43,239
		Estimated liability, outstgd. claims ...	97,578
	<u>£247,723</u>		<u>£247,723</u>

MARINE INSURANCE BUSINESS.			
£		£	
Fund at beginning of year ...	399,971	Claims paid and outstanding ...	184,365
Premiums (less reinsurances, commission, discounts, etc.) ...	310,650	Enemy debts—written off ...	735
Interest and dividends ...	14,654	Expenses of management ...	22,611
	<u>£731,275</u>	Overseas taxes ...	1,522
		Income tax and N.D.C. ...	34,218
		Transfer to Profit and loss a/c ...	30,000
		Fund at end of year ...	457,824
			<u>£731,275</u>

**PROFIT & LOSS ACCOUNT at 31st December, 1943.**

	Ordinary and Industrial Branches.		General Branch.	
	£	£	£	£
Balance brought forward from previous year				
Transfers from Revenue accounts :—				
Ordinary branch	41,000		285,971	
Industrial branch	672,500			
General branch :—				
Fire	£55,610			
Sickness and accident	11,771			
Employers' liability	1,973			
Motor vehicle	27,371			
Miscellaneous	11,348			
Sinking fund	5,896			
Marine	30,000			
Interest and dividends not carried to other accounts	63,664			
			207,633	
	<u>£1,257,750</u>		<u>£493,604</u>	
Final dividend, A shares—year 1942				544,250
Dividend, B shares—year 1942				25,000
Taxation not charged elsewhere—year 1943				75,000
Further provision for taxation—past years				37,712
Transfer to Investment reserve fund				40,706
Interim dividend, A shares—year 1943				25,000
Balance carried to Balance Sheet :—				
Ordinary branch				156,250
Industrial branch				
General branch				
being final dividend, A shares—year 1943				27,051
Dividend, A shares—year 1943				530,199
Dividend, B shares—year 1943				
Amount carried forward				
				225,000
				75,000
				190,186
				290,186
	<u>£1,257,750</u>		<u>£493,604</u>	

The Prudential Assurance Company Limited

BALANCE SHEET.

31st December, 1943.

LIABILITIES.	Ordinary Branch.	Industrial Branch.	General Branch.	Common Contingency Fund.	Special Contingency Fund.	Share Premium Account.	Total.	ASSETS.							Total.			
	£	£	£	£	£	£	£	Ordinary Branch.	Industrial Branch.	General Branch.	Common Contingency Fund.	Special Contingency Fund.	Share Premium Account.	£				
Authorised capital—																		
1,250,000 A shares of £1 each.																		9,097,117
1,000,000 B shares of £1 each.																		4,930
Issued capital—							1,250,000											1,233,164
1,250,000 A shares of £1 each, fully paid		1,250,000					200,000											2,055,227
1,000,000 B shares of £1 each, 4s. paid																		9,178,164
Share premium account						165,307												52,325
Life assurance fund—Ordinary branch	130,457,753																	6,017,307
Industrial assurance fund		229,109,974																2,793,637
General branch insurance funds—																		1,031,252
Fire insurance			634,896															
Sickness and accident insurance			534,685															
Employers' liability insurance			140,817															
Motor vehicles insurance			171,394															
Miscellaneous insurance			156,884															
Sinking fund insurance			3,429,037															
Marine insurance			467,824															
Additional reserve fund			1,280,000															
Investment reserve funds	3,500,000	4,750,000	350,000				8,600,000											
Contingency funds	5,025,000	11,100,000		3,059,848	3,372,301		22,557,149											
Claims admitted or intimated but not paid (less amounts recoverable under reinsurances).	1,535,891	483,038					1,998,927											
Life			380,266															
Motor vehicle			200,114															
Miscellaneous			92,701				693,032											
Sinking fund			3,840															
Marine			36,111															
Annuities due and unpaid	49,249						49,249											
Outstanding commission and expenses	106,368	146,000	601				252,969											
Premiums received in advance	47,876		48				47,924											
Fire			174,753															
Sickness & accident			168															
Employers' liability			948															
Miscellaneous			14,433															
Marine			8,812															
Amounts due to subsidiary companies		100	15,706				15,806											
Sundry creditors	102,485	93,942	19,233				215,660											
Reserve for taxes	141,908	20,488	405,966	20,050	36,634	2,785	627,809											
Reserve for war damage contribution	4,500	30,000					34,500											
Loans on policies within their surrender values due to reinsuring companies		1,350					1,350											
Bonus allocation to members of Company's outdoor staff	£581,395																	
Add balance brought forward	70	581,465					581,465											
Unclaimed dividends		365	114				419											
Balance to credit of Profit and loss account	27,051	530,199	290,188				847,438											

NOTES.

Investments bought for settlement after 31st December, 1943

December, 1943	£ 215,000
Uncalled capital on investments held	1,050,000
Contingent liability on shares, etc.	2,365,000

A contingent liability exists under a guarantee given by the Company in respect of certain benefits for the Staff and their relatives and dependants provided by means of a company formed for this purpose.

Amounts of Life assets compulsorily deposited abroad—Investments (at or under market value, if quoted), mortgages, property and cash—

Australia	£47,500	Palestine	£1,000
Canada	1,638,500	Poland	82,500
Egypt	182,000	South Africa	10,500
India	14,000	Southern Rhodesia	5,000
New Zealand	50,000		

\*Part of which is at the disposal of His Majesty's Government—Financial Powers (U.S.A. Securities) Act, 1941.

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 this fund may be applied to any one or more branches, as determined by the Directors.

The values of the Stock Exchange securities are determined, under the Articles of Association of the Company, by the Directors; these values have been compared with the middle market prices as at the 31st December, 1943, and on the basis of such prices 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.

The gross amount of the Directors' remuneration for the year (including fees from a subsidiary company) was £61,079.

Specific deposits of life assurance assets of the Ordinary branch have been made with various Dominion, Colonial and Foreign Governments under local laws as security to holders of policies issued as set out above, 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, casualty and marine insurance business.

No part of any fund has been applied directly or indirectly for any purposes other than those of the class of business to which the fund is applicable.

Life, annuity and sinking fund reserve account transactions in Dominion or foreign currencies have been brought in at

the rates of exchange ruling on the 31st December, 1943, 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. 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.

The profits shown in the accounts of subsidiary companies made up to a date within the year ended 31st December, 1943, or in the last previous accounts which became available within that year, have been included in this Company's revenue accounts to the extent of the dividends received. No accounts have been received from subsidiary companies in enemy or enemy-occupied territories.

F. W. MORGAN, General Manager.

W. J. FULFORD, Joint Actuaries.

W. F. GARDNER, Joint Actuaries.

C. W. A. RAY, Joint Secretaries.

L. BROWN, Joint Secretaries.

GEORGE L. BARSTOW, Chairman.

E. DEWEY, Directors.

J. ROY LANCASTER, Directors.

P. C. CRUMP, Directors.

0894-004

P00021361