THE PRUDENTIAL ASSURANCE COMPANY

LIMITED

(INCORPORATED IN ENGLAND.)

ONE HUNDRED AND SECOND ANNUAL REPORT

Year ending 31st December, 1950.



Directors:

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

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

PERCY CHARLES CRUMP, O.B.E., F.I.A.
SIR NIGEL GEORGE DAVIDSON, C.B.E.
RT. HON. SIR PERCY JAMES GRIGG,
K.C.B., K.C.S.I.

SIR FRANK WILLIAM MORGAN, M.C. COLONEL PERCY LESTER REID, C.B.E.

HUBERT SAMUEL LANE, M.C.
SIR JOHN SEROCOLD PAGET MELLOR,
BART., M.P.

SIR GEORGE STUART ROBERTSON, K.C. SIR WILLIAM PATRICK SPENS, K.B.E., K.C., M.P.

Joint Secretaries:

C. W. A. RAY.

L. BROWN, F.I.A.

Assistant Secretaries:

H. G. CLARKE, B.Sc., F.I.A.

A. F. MURRAY, M.A., F.I.A.

C. E. PUCKRIDGE, F.I.A.

Actuary:

F. M. REDINGTON, M.A., F.I.A.

Assistant Actuaries:

H. J. BRISCOE, F.I.A. J. EDEY, F.I.A.

W. E. H. HICKOX, F.I.A.

J. N. SHINE, F.I.A.

Assistant General Managers:

G. J. GOULD, A.C.I.I.

F. J. H. HILL, A.C.I.I.

H. C. HARVEY.

R. E. MONTGOMERY, A.C.I.I.

F. W. HICKINBOTTOM.

R. H. OWEN, F.I.A.

Deputy General Managers:

R. S. THORP.

K. A. USHERWOOD, M.A., F.I.A.

General Manager: W. F. GARDNER, F.I.A.

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

THE PRUDENTIAL ASSURANCE COMPANY LIMITED.

ONE HUNDRED AND SECOND ANNUAL REPORT

Year ending 31st December, 1950.

THE DIRECTORS have the honour to submit their Report and Accounts for 1950.

The Assets of the Company amount to £608,270,214 as compared with £570,831,449 at 31st December, 1949.

The Income from all sources during 1950 was £103,533,383 as compared with £97,795,449 in 1949.

ORDINARY BRANCH.

The number of life assurance policies issued during the year was 129,630 assuring the sum of £94,406,580 and producing an annual premium income of £3,736,584. These figures include, in respect of overseas business, 37,782 policies assuring the sum of £32,132,461 and producing an annual premium income of £1,099,642.

The number of life assurance policies in force on 31st December, 1950, was 1,339,645 assuring with bonus 2675,456,865 and producing an annual premium income of £27,651,644. The immediate annuities payable were 16,839 in number and amounted to £1,232,194 per annum. In addition there were 316,653 deferred and contingent annuities securing £10,163,413 per annum and producing an annual premium income of £5,461,495.

The revenue premiums for the year were £32,555,705 including over £7,100,000 in respect of overseas business. The consideration for immediate annuities granted was £173,621. The claims for the year amounted to £12,348,655. There were death claims for sums assured, including bonuses, of £3,545,576 and matured endowments for sums assured, including bonuses, of £8,803,079.

The surplus for the year is \$5,876,421 which, together with \$441,750 brought forward from last year, amounts to \$6,318,171. In addition \$2,000,000 has been released from the reserve (included in the valuation of liabilities) for revival and general contingencies, making a total of \$8,318,171, which has been allocated as follows:—

To Ordinary branch contingen	cy fun	d				3,000,000
To bonus to participating poli	cyhold	ers		•••	•••	4,334,135
To Profit and loss account						481,571
To be carried forward	•••	•••	•••			502,465

The Directors have declared, for current participating policies, reversionary bonuses in respect of the year 1950 at the following rates per £100 sum assured.

		P •								
(1)	For po									0
	Ringe	юш	•••	•••	•••	•••	•••	•	201	L OB.
(2)	For poli	icies of	over	seas cla	ases issi	ıed iı	n			
	(a)	Austra	lia a	nd Nev	w Zealan	d			£1	6s.
	(b)	Canad	a,	•••		•••			\$1	6s.
	(c)	South	Afri	ca, Ea	st Afric	a, th	e Rh	odesia	3.8	
		and N	yasal	and	•••	•••	•••		\$1	14s.
	(d)	other	overs	eas ter	ritories		•••		£1	L.

INDUSTRIAL BRANCH.

The number of policies issued during the year was 1,399,078 assuring the sum of £74,327,964, and producing an annual premium income of £4,844,164.

The number of policies in force on 31st December, 1950, including **6,018,138** free policies, was **31,546,094**, under which the maximum sum assured, together with declared bonus, was **£925,450,591**. These policies produce an annual premium income of **£41,411,867**.

The revenue premiums for the year were \$40,148,060. The claims for the year amounted to \$20,318,698. There were death claims for sums assured, including bonuses, of \$10,661,151 and matured endowments for sums assured, including bonuses, of \$9,657,547.

The surplus for the year is £10,747,942 which, together with £917,502 brought forward from last year, amounts to £11,665,444. In addition £2,000,000 has been released from the reserve (included in the valuation of liabilities) for revival and general contingencies, making a total of £13,665,444, which has been allocated as follows:—

400,000
325,795
939,865
054,299
945,485

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 £99,682,165.

The expenses in this branch were 24.23 per cent. of the premiums.

The Directors have declared, for current participating policies, a reversionary bonus in respect of the year 1950 at the rate of £1 4s. per £100 sum assured, provided that not less than one year's premiums have been paid.

GENERAL BRANCH.

The total revenue premiums for the year, after deduction of the reinsurances, were £8,326,039, including over £4,100,000 in respect of overseas business. These figures do not include the premiums of £1,045,525 written by the Company's American subsidiary, The Prudential Insurance Company of Great Britain located in New York, the accounts of which appear on page eleven.

The number of sinking fund policies in force on 31st December, 1950, was 154, insuring capital sums of £5,151,196 and producing an annual premium income of £58,929.

The amount of debentures, debenture stocks and estates for which the Company acts as trustee exceeded 272,000,000 at the end of the year.

The surplus for the year is £564,222 which, together with £203,559 brought forward from last year, amounts to £767,781, which has been allocated as follows:—

To Additional reserve fund			400,000
To General branch contingency fund		• • •	50,000
To dividends to holders of A shares and B shares			116,667
To be carried forward	• • •		201,114

The valuation of the contracts in all branches has been made by Mr. F. M. Redington, M.A., F.I.A., upon the bases stated in his valuation report.

The Directors have declared in respect of the year 1950 a dividend on the A shares of 17s. 0d. per share, of which 12s. 0d. is payable on 4th April, 1951, to the shareholders then on the register, and 5s. 0d. is payable on 20th September, 1951, to the shareholders then on the register. Of the total dividend on the A shares 53d. is derived from the profits of the General branch.

The Directors have also declared a dividend on the B shares out of the General branch profits of 1s. 9d. per share, payable on 4th April, 1951, to the shareholders then on the register.

The apportionments of the profits of the Life branches in accordance with the Articles of Association produce an amount available for shareholders in excess of the sum necessary to provide the above-mentioned dividend on the A shares. The excess, amounting to £388,103 has been carried to the Special dividend reserve fund for A shareholders of the Company.

On 16th November, 1950, the Directors declared a special dividend on the A shares of 3s. 6d. per share for payment on 5th January, 1951, out of the Special dividend reserve fund. It is their present intention to declare, before the end of the year, a further special dividend from the same fund of not less than 2s. 6d. per A share.

The dividends on both the A and B shares are payable free of income tax.

The Directors deeply regret the death of their colleague, Sir Joseph Burn, K.B.E., F.I.A., F.R.I.C.S., on the 12th October, 1950. Sir Joseph Burn joined the Staff in 1886, and rose to the position of general manager in 1920. In 1941 he joined the Board of Directors and was elected President of the Company, an office which he held until his death.

The Directors retiring by rotation are Mr. Edward Joseph William Borrajo, M.B.E., A.I.A., Sir John Serocold Paget Mellor, Bart., M.P., and Colonel Percy Lester Reid, C.B.E., who offer themselves for re-election.

Messrs. Deloitte, Plender, Griffiths & Co., the present Auditors of the Company, have signified their willingness to continue in office.

GEORGE L. BARSTOW,

Chairman.

HOLBORN BARS,

3rd April, 1951.

ORDINARY BRANCH REVENUE ACCOUNT

for the year ending 31st December, 1950.

LIFE ASSURANCE BUSINESS.

19 4 9 £		£	1949 £		£
191,505,397 1,868,495	Amount of life assurance fund at the beginning of the year £209,060,516 Add adjustment in exchange 291,083		3,574,206 8,650,139	D	d- 3,545,576 8,803,079
193,373,892 30,460,675	Premiums	209,351,599 32,555,705	12.224,345 1,997,504	Surrenders	12,348,655 2,401,426
30,400,073	Consideration for annuities	32,000,700	69.173		77 540
272,004	granted	173,621	1,177,161	A 141	1,223,116
212,002	Interest, dividends and net	110,021	1,661,278		1,721,128
	rents (less amount written		2,801,451		2,940,144
7,592,293	off terminable securities) £8,513,211		140,000		280,000
1 1	Deduct Income tax (less		_	Transfer to Investment reserve account	310,000
1 1	estimated rebate in respect		1,500,000		3,000,000
649,413	of 1950) 928,173		418,023		481,571
6.942.880		7,585,038		Amount of life assurance fund at the e	
, ,			209,060,516	of the year	224,882,377
£231,049,451		£249,665,963	£231,049,451		£249,665,963

The charge for Profits tax for the year includes £120,000 in respect of transfers in 1948, 1949 and 1950 to the Special dividend reserve fund.

The number of policies issued during the year was 129,630, assuring a sum of £94,406,580 with a yearly renewal premium income of £3,736,584. The amount received in single premiums was £93,128.

The assurance funds include surpluses undivided between policyholders and shareholders, amounting to £441,750 at the beginning of the year and £502,465 at the end of the year.

INDUSTRIAL BRANCH REVENUE ACCOUNT

for the year ending 31st December, 1950.

INDUSTRIAL ASSURANCE BUSINESS.

19 49 £	Amount of Industrial **seur-		£	1949 £	Oleima maden melicies meid and enterter d	£
	ance fund at the beginning				Claims under policies paid and outstand- ing.—	
3 10,715,895 3 9,011,652	of the year Premiums		323,335,482 40,148,060	10,405,909 9,735,876	By death By maturity	10,661,151 9,657,547
12,537,597	Interest, dividends and net rents (less amount written off terminable securities)	£13.097.918		20,141,785 3,502,992	Surrenders	20,318,698 4,313,852
	Deduct Income tax (less esti- mated rebate in respect of	,		9,301,273 325,000	Expenses of management Profits tax	9,728,567 520,000
807,304 11,730,293	1950)	748,736	12,349,182	_	Transfer to Investment reserve account Bonus allocation to members of Company's	450,000
11,700,000			12,010,102	962,070	outdoor staff	1,054,299
				3,000,000		4,400,000
				889,138	Transfer to Profit and loss account Amount of Industrial assurance fund at the	939,865
				323,335,482	end of the year	334,107,443
£361,457,740			£375,832,724	£361,457,740	£	375,832,724

The charge for Profits tax for the year includes £175,000 in respect of transfers in 1948, 1949 and 1950 to the Special dividend reserve fund. The number of policies issued during the year was 1,399,078, assuring a sum of £74,327,964.

The assurance funds include surpluses undivided between policyholders, shareholders and outdoor staff amounting to £917,502 at the beginning of the year and £945,485 at the end of the year.

REVENUE ACCOUNTS OF THE GENERAL BRANCH

for the year ending 31st December, 1950.

FIRE INSURANCE BUSINESS.

1949 £ 1,239,179 3,503,552 171,864	Amount of fire insurance fund at the beginning of the year— Provision for unexpired risks Premiums Exchange appreciation on currency assets held against currency liabilities	£ 1,662,660 3,742,217 1,149	1949 £ 1,788,494 770,112 587,888 15,967 89,474	Claims under policies paid and outstanding Commission	£ 1,735,357 822,440 666,787 19,756 428,847
			1,662,660	amounts to 46.3 per cent. (47.5 per cent. for 1949) of the premium income for the current year	1,732,839
£4,914,595		£5,406,026	£4,914,595		£5,406,026

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REVENUE ACCOUNTS OF THE GENERAL BRANCH—continued.

SICKNESS AND ACCIDENT INSURANCE BUSINESS.

19 49 £			1	10/0		
			£	1949 £		£
r-	Amount of sickness and acci- dent insurance fund at the			:	Payments under policies, including medical and legal expenses in connection there-	
	beginning of the year-			162,874	with	206,202
200,515	Provision for unexpired acci- dent and disability risks	£218,812		126,058	Commission	75,931 148,207
	Further provision for renew- able accident and disability			148,138	Transfer to Profit and loss account Amount of sickness and acci	105,966
413,943	risks	426,937			dent insurance fund at the	
17,640	Provision for permanent sickness risks	17,693			end of the year— Provision for unexpired seci-	
2,,020	Total estimated liability in	11,000			dent and disability risks,	
	respect of outstanding accident and disability				which amounts to 40 per cent. of the premium in-	
66,023	claims	92,006	•	218,812	come for the current year £244,529	
698,121		755,448			Further provision for renew- able accident and disability	
11,020	Add adjustment in exchange	2,332		426,937	risks 464,228 Provision for permanent	
709,141	Description		757,780	17,693	sickness risks 17,978	
547,029	Premiums Accident and disability	£611,321	į		Total estimated liability in respect of outstanding	
2,839	Permanent sickness	3,165	014 405	92,006	accident and disability claims 109,824	
549,868	Interest on permanent sickness		614,486	755,448	105,021	836,55
1,005	provision		599	,		
		,				
1,260,014			£1,372,865	£1,260,014		£1,372,86
			······································			
	M	OTOR VE	HICLE INS	SURANCE E	BUSINESS.	
1949			_	1949		
£	Amount of motor vehicle in-	•	£	£ 976,999	Claims under policies paid and outstanding	£ 1,006,87
	surance fund at the be-			201,819	Commission	247,23
515,427	ginning of the year— Provision for unexpired risks	£642,588		341,651 5,45 9	Expenses of management Transfer to Profit and loss account	411,55 125,50
40,676	Provision for motor vehicles	-		-,	Amount of motor vehicle in- surance fund at the end of	•
<u>_</u>	ыстр	26,287			the year—	
556,103 32,231	Add adjustment in exchange	668,875 4,714			Provision for unexpired risks, which amounts to	
		z ,/1 z	0PA 200		40 per cent. of the pre-	
588,33 <u>4</u> 1,606,469	Premiums		673,589 1,911,478	642,588	mium income for the current year £764,591	
			-		Provision for motor vehicles	
			,		l laid up 90 212	
				26,287	laid up 29,313	500.00
				668,875	laid up 29,313	793,90
2,194,803			£2,585,067		laid up 29,313	
2,194,803		MISCELLA		668,875 £2,194,803	<u> </u>	
1949		MISCELLA	NEOUS IN	668,875 £2,194,803 SURANCE I	<u> </u>	£2,585,00
	Amount of miscellaneous in-	MISCELLA		668,875 £2,194,803 EURANCE I 1949 £ 506,147	BUSINESS. Claims under policies paid and outstanding	£2,585,00
1949 £	Amount of miscellaneous in- surance fund at the begin- ning of the year—	MISCELLA	NEOUS IN	668,875 £2,194,803 SURANCE I	BUSINESS. Claims under policies paid and outstanding Commission	£2,585,00
1949 £	Amount of miscellaneous in- surance fund at the begin- ning of the year— Provision for unexpired risks	£531,670	NEOUS IN	668,875 £2,194,803 SURANCE I 1949 £ 506,147 209,432	Claims under policies paid and outstanding Commission	£2,585,06 £ 559,21 305,3- 351,63
1949 £ 493,100 33,443	Amount of miscellaneous in- surance fund at the begin- ning of the year—		neous ins	668,875 £2,194,803 SURANCE I 1949 £ 506,147 209,432 316,524	Claims under policies paid and outstanding Commission	£2,585,06 £ 559,26 305,3-351,66
1949 £ 493,100 33,443 526,543	Amount of miscellaneous insurance fund at the beginning of the year— Provision for unexpired risks Add adjustment in exchange	£531,670 4,497	NEOUS INS	668,875 £2,194,803 SURANCE I 1949 £ 506,147 209,432 316,524	Claims under policies paid and outstanding Commission	£2,585,06 £ 559,26 305,3-351,66
£ 493,100 33,443	Amount of miscellaneous insurance fund at the beginning of the year— Provision for unexpired risks Add adjustment in exchange Premiums	£531,670	neous ins	668,875 £2,194,803 SURANCE I 1949 £ 506,147 209,432 316,524 222,810	Claims under policies paid and outstanding Commission	£2,585,06 £ 559,21 305,3- 351,64 280,21
1949 £ 493,100 33,443 626,543 1,238,535 21,505	Amount of miscellaneous insurance fund at the beginning of the year— Provision for unexpired risks Add adjustment in exchange Premiums	£531,670 4,497	536,167 1,617,829 22,972	668,875 £2,194,803 SURANCE I 1949 £ 506,147 209,432 316,524 222,810	Claims under policies paid and outstanding Commission	£2,585,00 £ 559,2: 305,3 351,6 280,2:
1949 £ 493,100 33,443 626,543 1,238,535 21,505	Amount of miscellaneous insurance fund at the beginning of the year— Provision for unexpired risks Add adjustment in exchange Premiums	£531,670 4,497	NEOUS INS	668,875 £2,194,803 SURANCE I 1949 £ 506,147 209,432 316,524 222,810	Claims under policies paid and outstanding Commission	£2,585,00 £ 559,2 305,3 351,6 280,2
1949 £ 493,100 33,443 526,543 1,238,535 21,505 £1,786,583	Amount of miscellaneous insurance fund at the beginning of the year— Provision for unexpired risks Add adjustment in exchange Premiums	£531,670 4,497 	536,167 1,617,829 22,972 £2,176,968	668,875 £2,194,803 SURANCE I 1949 £ 506,147 209,432 316,524 222,810 531,670 £1,786,583	Claims under policies paid and outstanding Commission	£2,585,00 £ 559,2 305,3 351,6 280,2
1949 £ 493,100 33,443 526,543 1,238,535 21,505	Amount of miscellaneous insurance fund at the beginning of the year— Provision for unexpired risks Add adjustment in exchange Premiums Trustee and executor fees	£531,670 4,497 	NEOUS INS \$ 536,167 1,617,829 22,972 \$\frac{\pmathbf{\pmathcal{E}}}{22,176,968} FUND INS \$\pmathbf{\pmathcal{E}}\$	668,875 £2,194,803 SURANCE I 1949 £ 506,147 209,432 316,524 222,310 531,670 £1,786,583 SURANCE I	Claims under policies paid and outstanding Commission	£2,585,00 £ 559,2: 305,3 351,6 280,2: 680,4 £2,176,9
1949 £ 493,100 33,443 526,543 1,238,535 21,505 £1,786,583	Amount of miscellaneous insurance fund at the beginning of the year— Provision for unexpired risks Add adjustment in exchange Premiums	£531,670 4,497 SINKING	536,167 1,617,829 22,972 £2,176,968 FUND INS	668,875 £2,194,803 SURANCE I 1949 £ 506,147 209,432 316,524 222,810 531,670 £1,786,583	Claims under policies paid and outstanding Commission	£2,585,00 £ 559,2: 305,3 351,6: 280,2: 680,4 £2,176,9
1949 £ 493,100 33,443 526,543 1,238,535 21,505 £1,786,583 1949 £ 2,132,008 66,984	Amount of miscellaneous insurance fund at the beginning of the year— Provision for unexpired risks Add adjustment in exchange Premiums Trustee and executor fees Amount of sinking fund insurance beginning of the year Premiums	£531,670 4,497 SINKING	536,167 1,617,829 22,972 £2,176,968 FUND INS £ 2,226,037 58,298	668,875 £2,194,803 SURANCE I 1949 £ 506,147 209,432 316,524 222,810 531,670 £1,786,583 SURANCE I 1949 £ 33,821 957	Claims under policies paid and outstanding Commission	£2,585,00 £ 559,2: 305,3 351,6 280,2: 680,4 £2,176,9
1949 £ 493,100 33,443 526,543 1,238,535 21,505 £1,786,583	Amount of miscellaneous insurance fund at the beginning of the year— Provision for unexpired risks Add adjustment in exchange Premiums Trustee and executor fees Amount of sinking fund insurance beginning of the year Premiums	£531,670 4,497 SINKING	536,167 1,617,829 22,972 £2,176,968 FUND INS	668,875 £2,194,803 SURANCE I 1949 £ 506,147 209,432 316,524 222,810 531,670 £1,786,583 SURANCE I 1949 £ 33,821	Claims under policies paid and outstanding Commission	£2,585,06 £ 559,22 305,3-3 351,63 280,28 £2,176,96 £2,176,96
1949 £ 493,100 33,443 526,543 1,238,535 21,505 £1,786,583 1949 £ 2,132,008 66,984	Amount of miscellaneous insurance fund at the beginning of the year— Provision for unexpired risks Add adjustment in exchange Premiums Trustee and executor fees Amount of sinking fund insurance beginning of the year Premiums	£531,670 4,497 SINKING	536,167 1,617,829 22,972 £2,176,968 FUND INS £ 2,226,037 58,298	668,875 £2,194,803 SURANCE I 1949 £ 506,147 209,432 316,524 222,810 531,670 £1,786,583 SURANCE I 1949 £ 33,821 957 1,340 2,420	Claims under policies paid and outstanding Commission	559,28 305,34 351,66 280,28 680,46 £2,176,96 £2,176,96 1,11 6,5
1949 £ 493,100 33,443 526,543 1,238,535 21,505 £1,786,583 1949 £ 2,132,008 66,984	Amount of miscellaneous insurance fund at the beginning of the year— Provision for unexpired risks Add adjustment in exchange Premiums	£531,670 4,497 SINKING	536,167 1,617,829 22,972 £2,176,968 FUND INS £ 2,226,037 58,298	668,875 £2,194,803 SURANCE I 1949 £ 506,147 209,432 316,524 222,810 531,670 £1,786,583 SURANCE I 1949 £ 33,821 957 1,340	Claims under policies paid and outstanding Commission	£2,585,06 £ 559,22 305,3-3 351,63 280,28 £2,176,96 £2,176,96

REVENUE ACCOUNTS OF THE GENERAL BRANCH—continued.

MARINE, AVIATION AND TRANSIT INSURANCE BUSINESS.

Total 1949.		Current Year.	Last Preced- ing Year.	Previous Years.	Total.	Total 1949.		Current Year.	Last Preced- ing Year.	Previous Years.	Total.
£	Amount of marine, aviation and tran- sit insurance fund	£	£	£	£	£	Claims paid (less salvages, refunds and reinsurance recoveries)	£	£	£	£
589,641	at the beginning of the year		208,528	453,648	662,176	209,257	—risks other than aviation hull risks	72,888	87,032	77,870	237,790
	Premiums (less brokerage, discount, commission, returns and		ļ !	! !		13,777	Expenses of management	13,593	1,330	-	14,923
	reinsurances) — risks other than aviation		:	: !		4,989	Agency expenses	6,869	1,784	84	8,737
322,200	hull risks	323,208	57,414	1,109	381,731	13,635	Agents' and other profit commissions	_	129	15,587	15,716
1,008	Enemy debts written back	-		_	_	13,000	Transfer to Profit and loss account	· —	_	43,000	43,000
3,985	Profit on exchange	- 4,869	348	5,510	989		Amount of marine, aviation and transit				
			ı			662,176	insurance fund at the end of the year	224,988	176,015	323,727	724,730
£916,834				£	1,044,896	£916,834		I 	<u> </u>	£	1,044,896

PROFIT AND LOSS ACCOUNT

for the year ending 31st December, 1950.

ORDINARY AND INDUSTRIAL BRANCHES.

1949

£					£	£						£
	Transfers from Revenu	ie accou	nts-			1,307,161	Transfer to Appropri	iation a	ccount	•••	•••	1,421,436
418,023	Ordinary branch	•••	•••	•••	481,571	1						
889,138	Industrial branch	•••			939,865	l						
£1,307,161					£1,421,436	£1,307,161						£1,421,436
					GENERAL	BRANCH.						
1949 £	m • • • •				£	1949 £						£
	Transfers from Revenu	ie accon	ınts—			1	Taxation					
89,474	Fire		•••	£428,847		81,182	Overseas taxes	•••	•••	•••	•••	94,578
148,138 5,459	Sickness and accider Motor vehicle		•••	105,966 125,500		82,513	Profits tax					170,000
222,810	Miscellaneous			280,280		247,955	Income tax					470,000
2,420	Sinking fund			6,594		_	Transfer to Investm	ent res	erve ac	count		15,000
13,000	Marine			43,000		332,025	Transfer to Appropr				•••	564,222
481,301	Interest and divid	onda -	not		990,187							004,44
262, 374	carried to other acco				323,613							
£743,675					£1,313,800	£743,675						£1,313,800

APPROPRIATION ACCOUNT

for the year ending 31st December, 1950.

Ordinary and Industrial Branches 1949.	General Branch 1949.		Ordinary and Industrial Branches.	General Branch.	Ordinary and Industrial Branches 1949.	General Branch 1949.		Ordinary and Industrial Branches.	General Branch.
£	£	Balance brought forward	£	£	£	£	Provision for special divi-	£	£
-	171,534	from previous year— General branch Transfer from Special divi-	_	203,559			dend of 3s. 6d. per share (free of income tax) paid 5th January, 1951 to		
		dend reserve fund	100 004		_	_	holders of A shares	218,750	
_	_	Ordinary branch Industrial branch Transfers from Profit and	108,884 109,866	_	- ;	50,000	Transfer to Additional re- serve fund Transfer to Branch contin-	-	400,00
1,307,161	332,025		1,421,436	564,222		150,000	gency fund Transfer to Special dividend	·-	50,00
					180,902		reserve fund— Ordinary branch	131,486	
i					187,717	-	Industrial branch Provision for dividends (free of income tax) in respect	256,617	-
			-		0.00 540	05.000	of 1950 to holders of—	1 000 000	20.14
					938,542	25,000 75,000	A shares B shares	1,033,333	29,16 87,50
			!		_	203,559	Balance carried to Balance sheet— General branch	_	201,11
1,307,161	503 559	•	1,640,186	787 781	£1,307,161	503,559		1,640,186	767,78

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COMMON CONTINGENCY FUND ACCOUNT

for the year ending 31st December, 1950.

1949 £ 3,333,355	Amount of Common conti beginning of the year	ngency	fund a	t the	£ 3,386,220	1949 £	Taxation						£
106,830	Interest and dividends				106,397	10,686 43,279	Profits tax Income tax	•••	•••	•••	***	•••	10,165 41 ,166
	•					3,386,220	Amount of Corend of the year			gency	fund at	the	9.443.000
£3,440,185					£3,492,617	£3,440,185						:	£3,492,617

SPECIAL CONTINGENCY FUND ACCOUNT

for the year ending 31st December, 1950.

1949 £ 6,217,998 176,423	Amount of Special contingency fund at the beginning of the year Interest and dividends	£ 6,149,162 194,989	1949 £ —	Transfer to Prudential Staff Pension Scheme Taxation.—	£ 469,797
170,423	Interest and dividends	104,000	19,124	Profits tax	20,314
51,315	Tax recoverable in respect of centenary bonus	-	77,450	Income tax	82,272
	Estimated tax recoverable in respect of		200,000	Amount written off investments	_
	transfer to Prudential Staff Pension Scheme	218,000	6,149,162	Amount of Special contingency fund at the end of the year	5,989,768
£8,445,736		£6,562,151	£6,445,736		£6,562,151

COMMON AND SPECIAL CONTINGENCY FUNDS

BALANCE SHEET

31st December, 1950.

Common Special 1949 1949										,
3,386,220 6,149,162 Current liabilities and provisions. 10,686 19,124 Profits tax 10,165 20,314 255,889,768 255,224 4,172,709 2550,847 525,224 4,172,709 2550,847 525,224			LIABILITIES.	Common.	Special.			ASSETS.	Common.	Special.
10,686 19,124 Profits tax 10,165 20,314 250,847 525,224 250,847 525,224 250,847 525,224 250,847 525,224 250,847 582,685 250,847 582,647 582,647 582,				£ 3,441,286	£ 5,989,768	£	£	reserve—	£	2
250,847 525,224 anteed securities Debenture in a subsidiary guaranteed under Trade Facilities Acts, not dealt with in group accounts Municipal and county securities. United Kingdom	i			ļ		2,792,713	4,172,709	ties	2,792,399	4,009,411
- 389,395	10,686	19,124	Profits tax	10,165	20,314	250,847	525,224	anteed securities	250,847	582,685
196,667 385,544 dom				i :		_	389,395	guaranteed under Trade Facilities Acts, not dealt with in group accounts Municipal and county	_	400,000
57,286 384,081 Government securities Dominion provincial securities Dominion p							38 5,544	dom Public Board securities		386,200
- 15,339 ties 9,000 Debentures and debenture stocks home and foreign 102,948 72,000 1,100 188,891 Estimated tax recoverable Balances at Bankers—On deposit in United Kingdom On current account in 13,346 57,103 United Kingdom 28,085 9,974 23,396,906 6,168,286 2 3,451,451 6,010,082 £3,396,906 6,168,286 2 3,451,451 6,010.082				!		57,286	384,081	Government securities	58,000	874,080
24,947 — stocks home and foreign 102,948 72,000 Current Assets— Estimated tax recoverable Balances at Bankers— On deposit in United Kingdom On current account in United Kingdom On current account in United Kingdom 28,085 9,974 £3,396,906 6,168,286 £3,451,451 6,010,082 £3,396,906 6,163,286 £ 3,451,451 6,010.082		İ				-	15,339	ties	_	9,000
1,100 188,891 Estimated tax recoverable Balances at Bankers—On deposit in United Kingdom On current account in United Kingdom 28,085 9,974 23,396,906 6,168,286 2 3,451,451 6,010,082 £3,396,906 6,163,286 £ 3,451,451 6,010.082		ļ				24,947	_		102,948	72,000
20,000 50,000 dom On current account in United Kingdom 28,085 9,874 £3,396,906 6,168,286 £ 3,451,451 6,010,082 £3,396,906 6,168,286 £ 3,451,451 6,010.082	ļ					1,100	188,891	Estimated tax recoverable Balances at Bankers—	9,505	216,732
28,085 9,974 23,396,906 6,168,286 2 3,451,451 6,010,082 £3,396,906 6,168,286 £ 3,451,451 6.010.082						20,000	50,000	dom	_	_
						13, 346	57,103		28,085	9,974
——————————————————————————————————————	£3,396,906	6,168,286	4	3,451,451	6,010,082	£3,396,906	6,168,286	£		

							<u>. </u>					
Total,	General Branch.	Industrial Branch.	Ordinary Branch.			•	LITIES	LIABII	Total 1949.	General Branch 1949.	Industrial Branch 1949.	Ordinary Branch 1949.
2	\$	£	£						£	£	£	£
1,250,00 200,00	200,000	1,250,000	=	•••	paid aid	, fully , 4s. p	£1 each	rised and Issued Cap 250,000 A shares of 000,000 B shares of	1,250,000 200,000	200,000	1,250,000	_
13,800,00	400,000	8,400,000	5,000,000					contingency funds	6,350,000	350,000	4,000,000	2,000,000
777,96	_	455,005	322,963				md	dividend reserve fu	608,615	_	308,254	300,361
201,11	201,114		_	١	forward	arried :	alance c	riation account—be	203,559	203,559		
224,882,37		_	224,882,377	•	•••			surance fund. Ordin	209,060,516		_	209,060,516
884,107,44		334,107,443					-	rial assurance fund	323,335,482	_	323,335,482	
002,107,11	_	009,107,990	_	•••	•••				020,000,202	_	020,000,102	_
9,162,38	1,732,839 836,559 793,904 680,405 2,093,958 724,730 2,300,000	= = =						I branch insurance ! re ckness and accident otor vehicle iscellaneous nking fund arine dditional reserve	8,406,866	1,662,660 755,448 668,875 531,670 2,226,037 662,176 1,900,000	111111	
2,851,77	_	705,632	2.146.146	l, less	ot paid insuran	l, but n der rei	itimated able un	t liabilities and prov aims admitted or in amounts recover. Life	2,660,299	_	610,395	2,049,904
IJ	1,031,877 929,141			•••	•••	•••		Fire	וויוו	934,331 816,705	_	
2,533,25	528,273 44,000	=			•••			Motor vehicle Miscellaneous Sinking fund	2,204,898	453,666 196	_	_
11,97 783,10 195,56	165,163 6,038	200,796	11,976 417,210 189,487	•••	•••	expeni e	ipaid sion and advance	nnuities due and un utstanding commiss remiums received in	9,026 665,682 205,930	78,782 22		9,026 394 ,088 205,9 08
529,61	398,213 3,349 126,527	=		•••			ident	mounts due on reini Fire Sickness and acci Miscellaneous	373,694	318,117 2,911 50,250	_	_
47,84	1,545 47,245	100	=	 out-	 npany'	 of Cor	 sidiaries nembers	Marine mounts due to subsonus allocation to n door staff	45,971	2,316 45,871	— ₁₀₀	=
1,055,6	_	1,055,619	_	1,320				dd balance brought	963,464		963,464	_
334,8 8,175,9 165,3	38,273 127,739 68,711	85,750 1,845,775	210,813 1,702,418 96,630		rohased	nts pur	nvestme	ther creditors undry brokers for in verseas taxes	319,707 2,449,281 109,109	15,304 4,667 42,639	95,146 357,515	209,257 2,087,099 66,470
967,8	161,327	521,528	1	fund	ture lia reserve	for fu	reserve	rofits tax, including in respect of Spe- nited Kingdom inc	537,278	63,034	323,153	151,088
379,9 26,4 1,368,7	379,946 116,667	25,094 793,114	1,341 458,969	date	urned to	ofita es	tv on pr	for future liabilit ar damage contributividends declared	239,148 29,295 1,038,542	239,148 — 100.000	25,743 701,421	— 3,552 23 7,121
												•
598,808,0	14,137,537	848,945,856	235,725,288	;					561,266,257	12,328,384	832,163,485	£216,774,388
3,451,4 6,010,0								non contingency fund al contingency fund r separate Balance s	3,396,906 6,168,286		·	
£ 608,270,									570,831,449	4		

The notes on page 10 form an integral part of this Balance sheet-

I certify that in my belief the liabilities in respect of long term business do not exceed the amounts of the respective funds and all other liabilities in respect of long term business as shown in the Balance sheet.

F. M. REDINGTON, Actuary.

The values of the Stock Exchange securities are determined under the Articles of Association of the Company by the Directors: the amounts at which the securities are stated have been compared with the values at middle market prices as at 31st December, 1950, in the case of quoted securities and with the Directors' valuations in the case of other securities, and we certify that in our belief the value of the assets set forth in the Balance sheet is in the aggregate in excess of the amount stated therein.

We certify that in our belief the value of the assets exceeds the amount of the liabilities computed in accordance with the provisions of sub-section (2) of Section 3 of the Assurance Companies Act. 1946, by the amount required by sub-section (1) of that Section. The liabilities in respect of long term business have been taken at the amounts of the respective funds and all other liabilities in respect of long term business as shown in the Balance sheet.

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.

REPORT OF THE AUDITORS TO THE MEMBERS OF

We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit apart from confirmations not having been received in respect of certain mortgages, loans, investments and cash lodged in territories formerly occupied by the enemy. In our opinion, proper books of account have been kept by the company, so far as appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the branches not visited by us. We have examined the above balance sheet and annexed revenue and profit and loss account which are in agreement with the books of account and returns. In our opinion and to the best of our information and according to the explanations given us the said accounts give the information required by the Companies Act, 1948, in the manner so required which in relation to Assurance Companies is modified in regard to Reserves and Provisions and aggregate market value of quoted investments by Part III of the Eighth Schedule to that Act. On this basis in our opinion the balance sheet gives a true and fair view of the state of the Company's affairs as at 31st December, 1950, and the profit and loss account as supplemented by the annexed revenue accounts gives a true and fair view of the profit, ascertained in the manner therein indicated, for the year ended on that date.

5.4

Ordinary Branch 1949.	Industrial Branch 1949.	General Branch 1949,	Total 1949.	ASSETS.	Ordinary Branch.	Industrial Branch.	General Branch.	Total.
5	£	٤	£	Mortgages	£	£	£	\$
5,614,916 1,920,644	1,166,299 130,319	-400	6,781,215 2,051,363	On property within the United Kingdom On property out of the United Kingdom	5,931,057 2,702,345	1,403,995 208,797	400	7,835,062 2,911,542
1 281.438	7,220,658	- 1	8,502,098	On perochial and other public rates	1,211,587	6,943,010	-	8,154,597
17,067 702,825	1,235,000	=	17,067 1,937,825	On Stocks and shares	17,361 407,025	800,000	_	17,861 1,207,028
8,478,962		_ 1	3,478,962	On Company's policies within their surrender values	4,163,931	_	_	4,163,931
510,370 324,490	999,688 189,957	=	1,510,058 51 4,44 7	Without specific security To subsidiaries	510,449 33,137	999,688 605,147	=	1,510,187 638,284
/	į			Investments after deducting reserve— Deposits with the High Court—		i		
16,000	_	20,300 23,217	36,300 23,217	3½% War Stock	16,000	_	20,300 22,000	36,300 22,000
_		20,211	20,211	Deposit with the Supreme Court of Judicature in the Republic of Ireland—		ŀ		20,00
18,700			18,700	31% War Stock	18,700	101 000 500		18,70
6,653,236 23,125,608	139,616,919 38,334,847	2,660,506 780,731	208,930,661 62,241,186	British Government securities British Government guaranteed securities	64,107,896 28,894,981	131,089,766 47,943,028	2,646,983 930,495	197,844,64 77,788,50
1,305,900	8,390,486	160,500	4,856,886	Securities guaranteed under Trade Facilities and other Acts	1,231,100	3,228,886	160,500	4,620,48
2,157,289	3,577,912	777,802	6,513,003	Municipal and county securities, United King- dom	2,161,159	4,277,859	676,608	7,115,62
497,327 12,371,641	1,083,363 2,924,637	54,909 781,623	1,635,599 16,077,901	Public Board securities Dominion and Colonial Government securities	497,326 13,166,026	1,431,542 8,845,406	153,373 808,131	2,082,24 17,819,56
1.302.344		149,759	1,452,103	Dominion provincial securities	1,533,518		165,814	1,699,33
1,805,928 1,591,290	306,174 1,581,691	91,176 344,44 2	2,203,278 3,517,423	Dominion and Colonial municipal securities Foreign Government securities	2,879,244 1,384,827	305,874 1,266,229	187,273 329,407	8,871,89 2,980,46
33,86 <u>4</u> 112,187	10,268 155,011	500 26,570	44,632 293,768	Foreign provincial securities Foreign municipal securities	88,419	4,817 51,314	500 21,571	5,31 161,30
22,034,432	29,377,927	1,903,722	53,316,081	Debentures and debenture stocks and gold and sterling bonds—home and foreign	30,867,555	39.537.753	2,649,901	73,055,20
18,571,243	24,951,313 35,330,540	1,302,077 223,350	44,824,633 59,085,645	*Preference and guaranteed stocks and shares	19,575,439 25,392,690	25,767,260 36,992,178	1,363,388 377,938	46,706,08
23,531,755	00,000,010	220,000	03,000,010	Subsidiaries not dealt with in group accounts—	1 ' '		1 !	62,762,80
50,700	25,000	<u>-</u>	75,700	Debenture stocks Preference shares	200,000 50,700	250,000 25,000	=	450,00 75,70
168,489 21,492	347,549	15,281	531,319 21,492	Ordinary shares	164,311 18,405	840,823	15,331	520,46 18,40
740,156 25,895	9,139,746 1,771		9,879,902 27,666	Freehold ground rents and feu duties Leasehold ground rents	772,142 25,895	9,005,383 34,001	=	9,777,58 59,89
7,875,113	10,460,320		17,835,433	House property— In the United Kingdom—Freehold	9,936,792	10,988,464	l _ 1	20.923.21
6.831,292	5,382,712	· —	12,214,004 673,969	—Leasehold	7,355,777 674,996	7,043,683	-	14,399,46
573,969 2,457	=	=	2,457	Reversions	457	=	_	674,99 41
<u>.</u>				Fixed assets— Subsidiary dealt with in accounts annexed—				
_	_	342,497	342,497	*Ordinary shares (at cost) Office premises (at cost, less amounts written off)—	_		342,497	842,49
=	3,613,948 95,594	_	3,613,948 95,594	In the United Kingdom—Freehold —Leasehold	_	3,555,194 95,264	=	8,555,19 95,26
725,227		-	725,227	Out of the United Kingdom	738,109	-	-	738,10
762,678	40,000	311,479	1,114,157	Deposits at interest at home and abroad	324,537	40,000	502,212	866,74
433,089	I =	208,077	206,077 433,089	Agents' balances	485,433	= .	444,244	444.2/ 485,4
830,892 283,143	465,284 190,755	523,642 729	1,819,818 474,627	Outstanding premiums Outstanding interest, dividends, rents and fees	886,768 354,172	462,640 278,830	562,128 4,313	1,911,53 636,81
1,036,034	1,491,674	56,566 694,364	2,584,274 694,364	Interest, dividends, rents and fees accrued Amounts due on reinsurance account	1,117,207	1,447,486	64,271 843,561	2,628,9
537	657	25,150	26,344	Amounts due from subsidiaries	537	657	27,911	843,50 29,10
1,971,978 1,806,000	260,500 4,130,000	=	2,232,478 5,936,000	Sundry brokers for investments sold Estimated income tax recoverable	484,842 1,764,000	2,699 4,362,000	=	487,5 6,126,0
56,015	316,256	16,623	388,894	Other debtors Balances at Bankers and Cash in hand—	48,455	465,662	65,332	579,4
1.400.000	3,500,000	100,000	5,000,000	On deposit— In the United Kingdom	1,600,000	8,250,000	100,000	4,950,00
705,822		238,135	943,957	Out of the United Kingdom In hand and on current account—	468,968	-	12,730	481,6
544,641	1,100,944	232,654	1,878,239	In the United Kingdom	45,814	590,416	154,243	790,47
1,449,3 13	17,766	263,603	1,730,682	Out of the United Kingdom •Part of which is at the disposal of H.M.	1,415,197	8,105	484,187	1,907,42
16,774,3 88	332,163,485	12,328,384	561,266,257	Government—Financial Powers (U.S.A. Securities) Act, 1941.	235,725,288	348,945,856	14,137,587	598,808,61
2			3,396,906	Common contingency fund				3,451,4
			6,168,286	Special contingency fund (per separate Balance sheet)				
		£	570,831,449					608,270,2
S.								

W. F. GARDNER, General Manager.

GEORGE L. BARSTOW, Chairman.

F. M. REDINGTON, Actuary.

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

E. J. W. BORRAJO, P. J. GRIGG,

PRUDENTIAL ASSURANCE COMPANY LIMITED.

No part of any fund has been applied, directly or indirectly, for any purpose other than the class of business to which the fund is applicable. We have investigated methods of calculating and apportioning the expenses of management and the accounts thereof, and in our opinion the accounts show a fair and equitable accounts the expenses between the Industrial and other Branches of the Company's business.

We have also examined the group accounts comprising the accounts of the Company as audited by us, and the annexed accounts of its subsidiary, The statical Insurance Company of Great Britain (located in New York), not audited by us but which are based upon audited accounts received from New York. In soft of the group accounts have been properly prepared in accordance with the provisions of the Companies Act, 1948, so as to give on the basis mentioned above the state of affairs and of the profit of the Company and its subsidiary dealt with by such group accounts so far as concerns members of The state of the state of affairs and of the profit of the Company and its subsidiary dealt with by such group accounts as far as concerns members of The state of the state of the state of affairs and of the profit of the Company and its subsidiary dealt with by such group accounts as far as concerns members of The state of the state of the state of the state of affairs and of the profit of the Company and its subsidiary dealt with by such group accounts as far as concerns members of The state of the state of the state of the state of affairs and of the profit of the Company and its subsidiary dealt with by such group accounts as far as concerns members of The state of the

DELOITTE, PLENDER. GRIFFITHS & CO., Chartered Accountants, 5, London Wall Buildings, London, E.C.2.

April, 1951.

NOTES TO THE BALANCE SHEET.

1949. £		1950.
130,000	Instalments on investments held due after 31st December	 835,000
3,319,000	Commitments for settlement after 31st December	 5,977,000
2,850,000	Uncalled capital on investments held	 2,885,000
1,730,000	Reserve liability on shares, etc	 1,735,000

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

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, and specific deposits of life assurance assets of the Ordinary branch, as set out below, have been made with various Dominion, Colonial and Foreign Governments under local laws as security to holders of policies issued. Investments (at or under market value, if quoted), mortgages, property and cash amount to—

1949. £			•					1950. £
39,500	Australia			 	 	 		39,500
8,487,000	Canada			 	 	 		9,487,000
490,000	Egypt			 	 	 		509,500
14,000	India			 	 	 		14,000
10,000	Israel			 	 	 		10,000
49,500	New Zealand			 	 	 		49,000
10,500	Pakistan			 	 	 •••	٠	10,500
900	Palestine			 	 	 		_
500	Poland			 	 	 		500
10,000	South Africa			 	 	 		10,000
4,500	Southern Rhoo	desia		 	 	 		5,500

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.

Certain of the properties owned by or mortgaged to the Company have been damaged by enemy action and claims under the War Damage Act, 1943, have been submitted in cases where that Act applies.

The aggregate amount of the Directors' remuneration for the year was £53,977. (1949, £56,781).

Life, casualty and sinking fund revenue account transactions in Dominion or foreign currencies have been brought in at the rates of exchange ruling on the 31st December, 1950, 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 rates ruling at the beginning and the end of the year of the 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 on the dates of the respective transactions. Currency assets are maintained so far as practicable to the extent of the corresponding liabilities and together with reserve and contingency funds are available towards meeting any increase in liabilities by reason of any future variations in rates of exchange.

Liabilities and assets in foreign currencies where material have been converted into sterling at the rates ruling on the 31st December, 1950, except that in the case of certain investments in foreign currency held at Chief Office, book values have been based on the rates of exchange ruling on the dates of acquisition. The profits and losses on realisation of assets together with exchange differences, other than on fire marine aviation and transit insurance business, less any relative United Kingdom taxes thereon are carried to an investment reserve account, the balance of which is deducted from the book value of the investments.

With the approval of the Board of Trade (a) the group accounts do not deal with certain subsidiaries whose businesses are so different from that of the Company that they cannot reasonably be treated together as a single undertaking and in which subsidiaries the shareholdings are held merely as investments, and (b) the particulars of such subsidiaries otherwise required to be given in accordance with paragraphs 15(4) and (6) of the Eighth Schedule to the Companies Act, 1948, are omitted. Two other subsidiaries are not dealt with in the group accounts in view of the insignificant amount involved: their last available accounts cover the year 1949 and disclose, at the rate of exchange on the 31st December, 1950, an accumulated profit of £5,960 of which £1,988 relates to 1949. No part of such profits is dealt with in this Company's accounts for 1950. No accounts have been received from another subsidiary since 1938, and the information required under paragraph 15(4) of the Eighth Schedule to the Companies Act, 1948, is not obtainable.

Certain of the 1949 figures have been re-arranged to conform with the method of presentation adopted for 1950.

THE PRUDENTIAL INSURANCE COMPANY OF GREAT BRITAIN located in New York.

REVENUE ACCOUNT

for the year ending 31st December, 1950.

19 49 £		£	1949 £		£
	Amount of insurance fund at the beginning		481,390	Claims under policies paid and outstanding	604,251
	of the year—		478,132	Commission	419,500
1.382,075	Provision for unexpired risks	1,370,240	53,569	Expenses of management	43,110
1,100,794	Premiums	1,045,525	99,538	Transfer to Profit and loss account Amount of insurance fund at the end of the	121,909
			1,370,240	Provision for unexpired risks	1,226,995
£2,482,869		£2,415,765	£2,482,869		£2,415,765

The whole of the business transacted is fire and allied risks reinsurance business.

PROFIT AND LOSS ACCOUNT

for the year ending 31st December, 1950.

	1949 £ 512,994 77,136 2,778 99,538	Balance (earned surplus) brought forward from previous year	£ 624,179 81,620 23,109 121,909	1949 £ 62,178 3,527 2,562 — 624,179	Taxes	£ 82,114 3,030 3,054 21,429 741,190
- 1	£692, <u>44</u> 6		£850,817	£692,446		£850,817

BALANCE SHEET

31st December, 1950.

		LIABILITIES.		i	ASSETS.		
i /	1949			1949			
:	£		£	£			£
		Authorised and Issued capital—		}	Investments (at or under cost)—		
. 2	214,286	6,000 shares of \$100 each, fully paid	214,286	1,829,110	United States Government securities		2,033,521
. 3	321,428	Capital reserve (surplus paid in)	321,428	440,171	Debentures and bonds		365,297
	•	Profit and loss account balance (earned	•	111,909	Preference stocks and shares	•••	120,639
i 6	24.179	surplus)	741,190	201.937	Ordinary stocks and shares	•••	204,286
1,3	370,240	Insurance fund	1,226,995		Current assets-		
Ž .	•	Current liabilities—		17,857	Deposit at interest		17,857
<u>.</u> 2	244,295	Outstanding claims	329,644	8.670	Interest and dividends accrued		9,980
h 1	138.174 -	Outstanding commission and expenses	125,791	439.070	Amounts due on reinsurance account		284.048
() £	214.349	Amounts due on reinsurance account	107,615	•	Balance at Bankers on current accor	unt	_01,010
×.	48,716	Taxation	84,431	126,943	and Cash in hand		115,752
62	175,667		£3,151,380	C2 1NE CCN			
			E3,101,380	£3,175,667			£3,151,380
							-

All items have been converted at the rate of \$2.80 to the £. The Prudential Assurance Company Limited holds over 98 per cent. of the shares in this Company, and has the option in certain events to acquire the remaining shares.

ASSURANCE COMPANY

LIMITED (INCORPORATED IN ENGLAND.)

HOLBORN BARS, LONDON, E.C.1.

Directors' Report

and

Statement of Accounts

Year ending 31st December, 1950.

NOTICE IS HEREBY GIVEN that the ANNUAL GENERAL MERTING of this Company will be held at 142, HOLEGEN BARS, LONDON, E.C.1 on THURBDAY, the 10th May, 1951, at 2 o'clock in the afternoon precisely for receiving the Report of the Directors and Statement of Accounts for the year ending 31st December, 1950, for re-electing Directors, for fixing the remuneration of the Auditors and for the transaction of any other business proper to be transacted at such Meeting.

In connection with the re-election of Directors, special notices have been given to the Company pursuant to the Companies Act, 1948, that separate resolutions will be moved proposing the re-election of the following Directors, who retire by rotation and whose respective ages at the date of the Meeting will be as shewn in brackets after their names:—

Mr. Edward Joseph William Borrajo, M.B.E., A.I.A. (69) and Colonel Percy Lester Reid, C.B.E. (68).

By Order of the Board of Directors,

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

Joint Secretaries.

17th April, 1951.

A member entitled to attend and vote at the above mentioned meeting is entitled to appoint a proxy or proxies to attend and vote instead of him. A proxy need not be a member of the Company.

The attention of those shareholders concerned is drawn to the following Extract from the Articles of Association:—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.

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