

THE PRUDENTIAL ASSURANCE COMPANY LIMITED

(INCORPORATED IN ENGLAND.)



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

One Hundred and Sixth
Annual Report
and
Statement of Accounts
Year ending 31st December, 1954.

P00003060

THE PRUDENTIAL ASSURANCE COMPANY LIMITED.

Directors :

SIR FRANK WILLIAM MORGAN, M.C., *Chairman.*
 EDWARD JOSEPH WILLIAM BORRAJO, M.B.E., A.I.A., *Deputy Chairman.*
 SIR THOMAS JAMES BARNES, G.C.B., C.B.E.
 JOHN ANTHONY TRISTRAM BARSTOW, D.S.O., T.D.
 SIR JOHN DONALD BALFOUR FERGUSON, G.C.B.
 RT. HON. SIR PERCY JAMES GRIGG, K.C.B., K.C.S.I.
 HUBERT SAMUEL LANE, M.C.
 SIR JOHN SEROCOLD PAGET MELLOR, Bt., M.P.
 MAURICE PETHERICK, M.A.
 COLONEL PERCY LESTER REID, C.B.E., D.L.
 RT. HON. SIR WILLIAM PATRICK SPENS, K.B.E., Q.C., M.P.

General Manager :

W. F. GARDNER, C.B.E., F.I.A.

Joint Secretaries :

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

Deputy General Managers :

R. S. THORP.
 K. A. USHERWOOD, M.A., F.I.A.

Actuary :

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

Assistant General Managers :

G. J. GOULD, A.C.I.I.
 H. C. HARVEY.
 F. W. HICKINBOTTOM.
 F. J. H. HILL, A.C.I.I.
 R. E. MONTGOMERY, A.C.I.I.
 R. H. OWEN, F.I.A.

Assistant Actuaries :

H. J. BRISCOE, F.I.A.
 J. EDEY, F.I.A.
 W. E. H. HICKOX, F.I.A.

Agency Managers :

N. P. HARRIS. H. PROCTOR.

Group Pensions Manager :

G. T. WILLIAMS, F.I.A.

Chief Surveyor :

F. N. WALLER, F.R.I.C.S.

Solicitor :

L. W. FUNSTON.

Principal Medical Officer :

T. W. PRESTON, T.D., M.D.



THE PRUDENTIAL ASSURANCE COMPANY LIMITED.

NOTICE IS HEREBY GIVEN that the ANNUAL GENERAL MEETING of this Company will be held at 142, HOLBORN BARS, LONDON, E.C.1, on THURSDAY, the 19th May, 1955, 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, 1954, for re-electing and 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 notice has been given to the Company pursuant to the Companies Act, 1948, that a separate resolution will be moved proposing the re-election of the Rt. Hon. Sir William Patrick Spens, K.B.E., Q.C., M.P., who retires by rotation and who will be aged 69 at the date of the Meeting.

By Order of the Board of Directors,

C. W. A. RAY,

L. BROWN,

Joint Secretaries.

26th April, 1955.

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.

THE PRUDENTIAL ASSURANCE COMPANY LIMITED.

ONE HUNDRED AND SIXTH ANNUAL REPORT

Year ending 31st December, 1954.

THE DIRECTORS have the honour to submit their Report and Accounts for 1954.

The valuation reserves against liabilities in the Life branches under assurances issued in the United Kingdom and the Republic of Ireland have on the advice of the Actuary been strengthened by reducing the assumed rate of interest from $2\frac{1}{2}$ per cent. to $2\frac{1}{4}$ per cent. For this purpose the assurance funds as at 1st January, 1954, have been increased by £3,000,000 in the Ordinary branch and £8,000,000 in the Industrial branch by transfers from the Investment reserve accounts. These amounts have been provided by writing up Ordinary shares by approximately £8,000,000 in the two branches and Freehold properties and Ground rents by approximately £3,000,000 in the Industrial branch.

The **Assets** of the Company amount to **£771,531,710**, as compared with **£709,419,925** at 31st December, 1953.

The **Income** from all sources during 1954 was **£138,210,385**, as compared with **£128,776,127** in 1953.

ORDINARY BRANCH.

The number of life assurance policies (including new group life assurances) issued during the year was **149,648** assuring the sum of **£136,358,946** and producing an annual premium income of **£4,902,513**. These figures include, in respect of overseas business, **47,036** policies assuring the sum of **£56,253,628** and producing an annual premium income of **£1,855,830**. In addition, increases under existing group life assurances amounted to **£6,504,218** sums assured, of which **£697,884** was overseas business.

The number of life assurance policies in force on 31st December, 1954, was **1,535,546** assuring with bonus **£1,006,563,943**, and producing an annual premium income of **£36,894,400**. The immediate annuities payable were **19,201** in number and amounted to **£1,519,065** per annum. In addition there were **398,119** deferred and contingent annuities securing **£15,837,086** per annum and producing an annual premium income of **£8,538,820**.

The revenue premiums for the year were **£44,587,329**, including over **£12,100,000** in respect of overseas business. The consideration for immediate annuities granted was **£216,809**. The claims for the year amounted to **£14,578,955**. There were death claims for sums assured, including bonuses, of **£4,405,930** and matured endowments for sums assured, including bonuses of **£10,173,025**.

The surplus for the year is **£10,121,261** which, together with **£706,199**, brought forward from last year, amounts to **£10,827,460**. This has been allocated as follows:—

	£
To Ordinary Branch contingency fund	1,500,000
To bonus to participating policyholders... ..	7,855,598
To Profit and loss account	691,391
To be carried forward	780,476

The Directors have declared, for participating policies, bonuses in respect of the year 1954, as follows:—

ASSURANCES.

- (1) Reversionary bonuses for policies of classes issued in the United Kingdom **£2 0s.** per **£100** sum assured.
- (2) Reversionary bonuses for policies of the undermentioned overseas classes
 - (a) Australia **£1 8s.** per **£100** sum assured.
 - (b) New Zealand **£1 6s.** per **£100** sum assured.
 - (c) Canada **£1 12s.** per **£100** sum assured.
 - (d) South Africa, the Rhodesias and Nyasaland... **£2 4s.** per **£100** sum assured.
 - (e) East Africa **£1 18s.** per **£100** sum assured.
 - (f) India **£1 8s.** per **£100** sum assured.
 - (g) Malaya **£1 6s.** per **£100** sum assured.
 - (h) Ceylon **£1 4s.** per **£100** sum assured.
 - (i) Cyprus and Malta **£2 0s.** per **£100** sum assured.
 - (j) Other overseas territories **£1 0s.** per **£100** sum assured.

GROUP PENSION CONTRACTS.

- (1) Compound reversionary bonus on deferred pensions **£1 10s.** pension per **£100** deferred pension.
- (2) Special final bonus on pensions (as increased by any existing bonus) commencing during the next year **£12 10s.** pension per **£100** pension.

INDUSTRIAL BRANCH.

The number of policies issued during the year was **1,322,443** assuring the sum of **£80,218,482** and producing an annual premium income of **£5,298,013**.

The number of policies in force on 31st December, 1954, including **5,814,061** free policies, was **30,261,717** under which the maximum sum assured, together with declared bonus, was **£1,029,638,198**. These policies produce an annual premium income of **£47,251,902**.

The revenue premiums for the year were **£45,880,804**. The claims for the year amounted to **£24,498,676**. There were death claims for sums assured, including bonuses, of **£11,568,841**, and matured endowments for sums assured, including bonuses, of **£12,929,835**.

The surplus for the year is **£12,152,170** which, together with **£1,172,863** brought forward from last year, amounts to **£13,325,033**. This has been allocated as follows:—

	£
To Industrial Branch contingency fund... ..	2,250,000
To bonus to participating policyholders... ..	8,974,380
To Profit and loss account	789,859
To be carried forward	1,310,794

The total expenses in this Branch, including pension costs and Outdoor Staff bonus, were **27.73** per cent. of the premiums.

The Directors have declared, for participating policies, a reversionary bonus in respect of the year 1954 at the rate of **£1 10s.** per **£100** sum assured. The bonus is added as on 1st January, 1955, except for policies issued in 1954, where it is added on completion of payment of one year's premiums.

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 **£131,707,113**.

GENERAL BRANCH.

The total revenue premiums for the year, after deduction of reinsurances ceded, were **£12,090,941**, including over **£5,800,000** in respect of overseas business. These figures do not include the premiums of **£1,853,805** 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 fifteen.

The number of sinking fund policies in force on 31st December, 1954, was **114** insuring capital sums of **£4,529,944** and producing an annual premium income of **£47,836**.

The amount of debentures, debenture stocks and estates for which the Company acts as trustee exceeded **£156,000,000** at the end of the year.

The surplus for the year is **£743,594** which, together with **£209,502** brought forward from last year, amounts to **£953,096**. This has been allocated as follows:—

	£
To Additional reserve fund	250,000
To General Branch contingency fund	300,000
To dividends to holders of A shares and B shares	200,000
To be carried forward	203,096

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 policyholders' allocations from the profits of the Life branches amount to **£16,829,973** or approximately **91.9** per cent. of the distributable profits of each of these branches. The shareholders' allocations from these branches amount to **£1,481,250** or approximately **8.1** per cent.

The Directors have declared in respect of the year 1954 a dividend on the A shares of **23s. 6d.** per share, of which **16s. 0d.** is payable on 19th May, 1955, to the shareholders on the Register at that date and **7s. 6d.** is payable on 10th November, 1955, to the shareholders then on the Register. Of the total dividend on the A shares, **9.6d.** is derived from the profits of the General Branch and **23s. 8.4d.** from the profits of the Life branches. The sum of **£62,500** has been placed to the Dividend Reserve fund.

The Directors have also declared a dividend out of the General Branch profits of **3s. 0d.** per B share payable on 19th May, 1955, to the shareholders then on the Register.

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

The Directors retiring by rotation are the Rt. Hon. Sir Percy James Grigg, K.C.B., K.C.S.I., Mr. Hubert Samuel Lane, M.C., and the Rt. Hon. Sir William Patrick Spens, K.B.E., Q.C., M.P., who offer themselves for re-election.

Mr. C. W. A. Ray who has been Joint Secretary of the Company since 1940 is retiring on the 19th May, 1955, and the Directors recommend that he be elected a Director of the Company.

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

HOLBORN BARS,
5th April, 1955.

F. W. MORGAN,
Chairman.
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ORDINARY BRANCH REVENUE ACCOUNT

for the year ending 31st December, 1954.

LIFE ASSURANCE BUSINESS.

1953 £	£	1953 £	£
	Amount of life assurance fund at the beginning of the year £281,437,400		Claims under policies paid and outstanding—
257,678,517	Add transfer from Investment reserve account re change of valuation basis 3,000,000	4,029,638	By death 4,405,930
—	Add adjustment in exchange 288,835	10,310,298	By maturity 10,173,025
-153,246		14,339,936	
257,525,271		3,615,762	Surrenders 4,077,459
41,183,841	Premiums 284,726,235	142,482	Bonuses surrendered for cash 177,986
262,190	Consideration for annuities granted 44,587,329	1,394,368	Annuities 1,486,487
12,783,617	Interest, dividends and net rents (less amount written off terminable securities) ... 14,857,566	2,207,404	Commission 2,403,088
1,858,560	Deduct Income tax (less estimated rebate in respect of 1954) 2,295,518	3,868,034	Expenses of management 4,191,394
10,925,057		160,000	Profits tax 150,000
	Interest (less income tax) relating to earlier years arising from foreign debt agreements 218,458	580,000	Transfer to Investment reserve account ... 730,000
		1,500,000	Transfer to Branch contingency fund ... 1,500,000
		650,973	Transfer to Profit and loss account ... 691,391
		281,437,400	Amount of life assurance fund at the end of the year 312,324,119
£309,896,359	£342,310,879	£309,896,359	£342,310,879

The assurance funds include surpluses undivided between policyholders and shareholders, amounting to £706,199, at the beginning of the year and £780,476 at the end of the year.

The number of policies issued during the year was 149,648, assuring a sum of £136,358,946 and producing an annual premium income of £4,902,513. In addition, increases under existing group life assurances amounted to £8,504,218. The amount received in single premiums was £107,641.

INDUSTRIAL BRANCH REVENUE ACCOUNT

for the year ending 31st December, 1954.

INDUSTRIAL ASSURANCE BUSINESS.

1953 £	£	1953 £	£
	Amount of Industrial assurance fund at the beginning of the year £367,248,942		Claims under policies paid and outstanding—
352,256,517	Add transfer from Investment reserve account re change of valuation basis 8,000,000	11,491,020	By death 11,568,841
—		12,610,099	By maturity 12,929,835
352,256,517		24,101,119	
44,385,972	Premiums 375,248,942	4,694,103	Surrenders 4,638,764
17,222,495	Interest, dividends and net rents (less amount written off terminable securities) ... 19,033,075	12,394,003	Expenses of management 12,722,509
1,154,457	Deduct Income tax (less estimated rebate in respect of 1954) 2,497,297	185,000	Profits tax 160,000
16,068,038		780,000	Transfer to Investment reserve account ... 900,000
	Interest (less income tax) relating to earlier years arising from foreign debt agreements 273,814	2,000,000	Transfer to Branch contingency fund ... 2,250,000
		807,360	Transfer to Profit and loss account ... 789,859
		367,248,942	Amount of Industrial assurance fund at the end of the year 391,979,340
£412,710,527	£437,939,138	£412,710,527	£437,939,138

The assurance funds include surpluses undivided between policyholders and shareholders, amounting to £1,172,863, at the beginning of the year and £1,310,794 at the end of the year.

The number of policies issued during the year was 1,322,443, assuring a sum of £80,218,482 and producing an annual premium income of £5,298,013.

1:

2,1.
4,3:

£6,5

32

52

1

14

1,01

1,01

90

90

£1,92

19

1,09

2

1,11

-1

1,10

3,49

£4,60

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GENERAL BRANCH REVENUE ACCOUNTS

for the year ending 31st December, 1954.

FIRE INSURANCE BUSINESS.

1953 £	Amount of fire insurance fund at the beginning of the year—	£	1953 £		£
	Provision for unexpired risks	2,074,998	2,120,648	Claims under policies paid and outstanding	1,898,987
	Premiums	4,295,748	922,650	Commission	890,533
	Exchange appreciation on currency assets held against currency liabilities ...	43,970	927,329	Expenses of management	984,605
			41,100	Contributions to fire brigades and fire prevention	43,955
			61,319	Exchange depreciation on currency assets held against currency liabilities ...	—
			354,234	Transfer to Profit and loss account ...	542,230
				Amount of fire insurance fund at the end of the year—	
				Provision for unexpired risks, which amounts to 47.8 per cent. (47.4 per cent. for 1953) of the premium income for the current year	2,054,406
	<u>£6,502,778</u>	<u>£6,414,716</u>	<u>2,074,998</u>		<u>2,054,406</u>
			<u>£6,502,778</u>		<u>£6,414,716</u>

SICKNESS AND ACCIDENT INSURANCE BUSINESS.

1953 £		£	1953 £		£
0,879					
	Amount of sickness and accident insurance fund at the beginning of the year—			Payments under policies, including medical and legal expenses in connection therewith	419,774
	Provision for unexpired accident and disability risks... £362,291		412,024	Commission	139,870
year	Further provision for renewable accident and disability risks 537,000		124,969	Expenses of management	249,694
	Provision for permanent sickness risks 20,550		247,025	Transfer to Profit and loss account ...	130,286
513.	Total estimated liability in respect of outstanding accident and disability claims 163,529		56,732	Amount of sickness and accident insurance fund at the end of the year—	
				Provision for unexpired accident and disability risks, which amounts to 40 per cent. of the premium income for the current year	£384,566
	140,585		362,291	Further provision for renewable accident and disability risks	538,000
	1,016,013	1,083,370		Provision for permanent sickness risks	21,502
	-2,522	1,815	537,000	Total estimated liability in respect of outstanding accident and disability claims	168,024
	Add adjustment in exchange				1,112,092
	1,013,491	1,085,185	20,550		
	Premiums—				
	Accident and disability ... 961,415				
	Permanent sickness... .. 4,260				
	905,728	965,675	163,529		
	Interest on permanent sickness provision	856	1,083,370		
	766				
	£1,924,120	£2,051,716	£1,924,120		£2,051,716

MOTOR VEHICLE INSURANCE BUSINESS.

1953			1953		
£		£	£		£
	Amount of motor vehicle insurance fund at the beginning of the year—		1,928,811	Claims under policies paid and outstanding	2,231,760
			527,619	Commission	493,921
1,093,987	Provision for unexpired risks	£1,399,293	660,938	Expenses of management	745,318
	Provision for motor vehicles laid up	20,000	67,319	Transfer to Profit and loss account ...	71,359
25,000				Amount of motor vehicle insurance fund at the end of the year—	
1,118,987		1,419,293		Provision for unexpired risks, which amounts to 40 per cent. of the premium income for the current year	£1,422,043
—13,240	Add adjustment in exchange	5,001		Provision for motor vehicles laid up	15,000
1,105,747			1,399,293		
3,498,233	Premiums	1,424,294	20,000		
		3,555,107			
			1,419,293		1,437,043
			£4,603,980		£4,979,401
£4,603,980		£4,979,401			

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1033-007

GENERAL BRANCH REVENUE ACCOUNTS—continued.

MISCELLANEOUS INSURANCE BUSINESS.

1953 £		£	1953 £		£
	Amount of miscellaneous insurance fund at the beginning of the year—			Claims under policies paid and outstanding	1,455,816
996,163	Provision for unexpired risks	£1,145,181	1,352,545	Commission	520,169
—6,469	Add adjustment in exchange	5,412	521,719	Expenses of management	619,327
			559,437	Transfer to Profit and loss account	259,146
			217,002	Amount of miscellaneous insurance fund at the end of the year—	
989,694		1,150,593		Provision for unexpired risks, which amounts to 41.4 per cent. (41.3 per cent. for 1953) of the premium income for the current year	1,180,620
2,773,915	Premiums	2,850,937	1,145,181		
32,275	Trustee and executor fees	33,548	£3,795,884		£4,035,078
<u>£3,795,884</u>		<u>£4,035,078</u>			

SINKING FUND INSURANCE BUSINESS.

1953 £		£	1953 £		£
	Amount of sinking fund insurance fund at the beginning of the year	2,041,737	185,264	Claims under policies paid and outstanding	37,550
2,123,240	Premiums	54,270	4,345	Surrenders	32,626
51,235	Interest and dividends	79,893	144	Commission	—
77,599			1,025	Expenses of management	1,006
			19,559	Transfer to Profit and loss account	29,320
				Amount of sinking fund insurance fund at the end of the year	2,075,398
			2,041,737		
<u>£2,252,074</u>		<u>£2,175,900</u>	<u>£2,252,074</u>		<u>£2,175,900</u>

MARINE, AVIATION AND TRANSIT INSURANCE BUSINESS.

Total 1953 £	Current Year. £	Last Preced- ing Year. £	Previous Years. £	Total. £	Total 1953 £	Current Year. £	Last Preced- ing Year. £	Previous Years. £	Total. £
837,507	Amount of marine, aviation and transit insurance fund at the beginning of the year	248,123	611,769	859,892	293,110	79,449	81,840	67,351	228,640
	Premiums (less brokerage, discount, commission, returns and reinsurances)—risks other than aviation hull risks	361,542	16,900	369,204	15,185	14,725	200	—	14,925
375,534	Enemy debts written back	—	—	39	10,244	7,975	1,002	—389	8,588
111					8,811	—	431	26,004	26,435
					910	1,415	—8	—	1,407
					25,000	—	—	50,000	50,000
					859,892	257,978	180,558	460,604	899,140
<u>£1,213,152</u>				<u>£1,229,135</u>					<u>£1,229,135</u>

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1033-008

PROFIT AND LOSS ACCOUNT
for the year ending 31st December, 1954.
ORDINARY AND INDUSTRIAL BRANCHES.

£
1,455,816
520,169
619,327
259,146

1953 £		£
	Transfers from Revenue accounts—	
650,973	Ordinary branch	691,391
807,360	Industrial branch	789,859
<u>£1,458,333</u>		<u>£1,481,250</u>

1953				£
1,458,333	Transfer to Appropriation account	...	...	1,481,250
<hr/>				<hr/>
£1,458,333				£1,481,250

1,180,620

 4,035,078

GENERAL BRANCH.

1953		£
	Transfers from Revenue accounts—	£
354,234	Fire	£542,230
56,732	Sickness and accident	130,286
67,319	Motor vehicle	71,359
217,002	Miscellaneous	259,146
19,559	Sinking fund	29,320
25,000	Marine	50,000
739,846		1,082,341
	Interest and dividends not carried to other accounts (including £13,909 relating to earlier years arising from foreign debt agreements)	597,253
513,757		
£1,253,603		£1,679,594

1953 £	Taxation—	£
160,000	Overseas taxes	133,000
69,000	Profits tax	91,000
491,000	Income tax	677,000
20,000	Transfer to Investment reserve account ...	35,000
513,603	Transfer to Appropriation account ...	743,594
<hr/> £1,253,603		<hr/> £1,879,594

£
37,550
32,626
—
1,006
29,320
75,398
—
75,900
—

APPROPRIATION ACCOUNT
for the year ending 31st December, 1954.

<i>Ordinary and Industrial Branches 1953</i>	<i>General Branch 1953</i>		<i>Ordinary and Industrial Branches.</i>	<i>General Branch.</i>	<i>Ordinary and Industrial Branches 1953</i>	<i>General Branch 1953</i>		<i>Ordinary and Industrial Branches.</i>	<i>General Branch.</i>
£	£		£	£	£	£		£	£
		Balance brought forward from previous year—			—	250,000	Transfer to Additional reserve fund	—	250,000
—	212,566	General branch	—	209,502	—	100,000	Transfer to Branch contingency fund	—	300,000
1,458,333	513,603	Transfers from Profit and loss account	1,481,250	743,594	93,750	—	Transfer to Dividend reserve fund (A shares)	62,500	—
							Provision for dividends (free of income tax) in respect of 1954 to holders of—		
					1,364,583	41,667	A shares	1,418,750	50,000
					—	125,000	B shares	—	150,000
							Balance carried to Balance sheet—		
					—	209,502	General branch	—	203,096
£1,458,333	726,169		£1,481,250	953,096	£1,458,333	726,169		£1,481,250	953,096

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COMMON CONTINGENCY FUND ACCOUNT

for the year ending 31st December, 1954.

1953 £		£	1953 £		£
	Amount of Common contingency fund at the			Taxation—	
3,550,312	beginning of the year	3,613,512	2,999	Profits tax	3,089
121,918	Interest and dividends	126,182	55,719	Income tax	56,460
			3,613,512	Amount of Common contingency fund at the	
				end of the year	3,680,145
<u>£3,672,230</u>		<u>£3,739,694</u>	<u>£3,672,230</u>		<u>£3,739,694</u>

SPECIAL CONTINGENCY FUND ACCOUNT

for the year ending 31st December, 1954.

1953 £		£	1953 £		£
	Amount of Special contingency fund at the			Taxation—	
5,749,538	beginning of the year	5,855,490	4,886	Profits tax	5,189
204,107	Interest and dividends	205,467	93,269	Income tax	92,460
			5,855,490	Amount of Special contingency fund at the	
				end of the year	5,963,308
<u>£5,953,645</u>		<u>£6,060,957</u>	<u>£5,953,645</u>		<u>£6,060,957</u>

DIVIDEND RESERVE FUND ACCOUNT

(A Shares)

for the year ending 31st December, 1954.

1953 £		£	1953 £		£
	Amount of Dividend reserve fund at the			Taxation—	
231,641	beginning of the year	327,856	130	Profits tax	228
93,750	Transfer from Appropriation account	62,500	2,203	Income tax	3,865
4,803	Interest and dividends	8,590	327,856	Amount of Dividend reserve fund at the end	
				of the year	394,853
<u>£330,194</u>		<u>£398,946</u>	<u>£330,194</u>		<u>£398,946</u>

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COMMON CONTINGENCY FUND

BALANCE SHEET

31st December, 1954.

LIABILITIES.				ASSETS.			
1953			£	1953			£
£	3,613,512	Common contingency fund	3,680,145		Investments—		
		Current liabilities and provisions—		3,024,032	British Government securities	2,609,608	
3,089	2,784	Profits tax	3,683	244,995	British Government guaranteed securities	704,995	
56,460	23,641	Income tax	8,997	171,667	Municipal and county securities, United Kingdom	186,709	
30,145				40,000	Public Board securities	40,000	
				48,000	Other Commonwealth Government securities	48,000	
19,694				100,947	Debentures and debenture stocks home and foreign	100,947	
					Current assets—		
					Balance at Bankers—		
				10,296	On current account in the United Kingdom	2,566	
	<u>£3,639,937</u>		<u>£3,692,825</u>		<u>£3,639,937</u>		<u>£3,692,825</u>

SPECIAL CONTINGENCY FUND

BALANCE SHEET

31st December, 1954.

LIABILITIES.				ASSETS.			
1953			£	1953			£
£	5,855,490	Special contingency fund	5,963,308		Loans—		
				—	On parochial and other public rates	17,012	
,189					Investments—		
,460				3,247,882	British Government securities	3,093,961	
308				1,739,140	British Government guaranteed securities	2,074,456	
				311,085	Municipal and county securities, United Kingdom	294,073	
				325,791	Other Commonwealth Government securities	310,504	
957				69,000	Debentures and debenture stocks home and foreign	69,000	
					Current assets—		
				143,194	Estimated tax recoverable... ..	93,455	
				19,398	Balance at Bankers—		
					On current account in the United Kingdom	10,847	
	<u>£5,855,490</u>		<u>£5,963,308</u>		<u>£5,855,490</u>		<u>£5,963,308</u>

DIVIDEND RESERVE FUND

(A Shares)

BALANCE SHEET

31st December, 1954.

LIABILITIES.				ASSETS.			
1953			£	1953			£
£	327,856	Dividend reserve fund	394,853		Investments—		
		Current liabilities and provisions—		216,303	British Government Securities	312,425	
28	128	Profits tax	266	17,500	Other Commonwealth Government Securities	17,500	
35	—	Income tax	647	32	Current Assets—		
53					Estimated tax recoverable... ..	—	
16				94,149	Balance at Bankers—		
					On current account in the United Kingdom	65,841	
	<u>£327,984</u>		<u>£395,766</u>		<u>£327,984</u>		<u>£395,766</u>

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Ordinary Branch 1953.	Industrial Branch 1953.	General Branch 1953.	Total 1953.	LIABILITIES.	Ordinary Branch.	Industrial Branch.	General Branch.	Total.	Ordina Branc 1953.
£	£	£	£		£	£	£	£	£
—	1,250,000	—	1,250,000	Authorised and Issued Capital—	—	1,250,000	—	1,250,000	8,274,
—	—	200,000	200,000	1,250,000 A shares of £1 each, fully paid ...	—	—	200,000	200,000	6,933,
8,500,000	14,000,000	400,000	22,900,000	1,000,000 B shares of £1 each, 4s. paid...	—	—	—	—	1,191,
—	—	209,502	209,502	Branch contingency funds	10,000,000	16,250,000	700,000	26,950,000	16,
281,437,400	—	—	281,437,400	Appropriation account—balance carried forward ...	—	—	203,096	203,096	401,
—	367,248,942	—	367,248,942	Life assurance fund, Ordinary branch	312,324,119	—	—	312,324,119	7,228,
—	—	2,074,998	2,074,998	Industrial assurance fund	—	391,979,340	—	391,979,340	645,
—	—	1,083,370	1,083,370	General branch insurance funds—	—	—	2,054,406	2,054,406	377,
—	—	1,419,293	1,419,293	Fire	—	—	1,112,092	1,112,092	16,
—	—	1,145,181	1,145,181	Sickness and accident	—	—	1,437,043	1,437,043	49,135,
—	—	2,041,737	2,041,737	Motor vehicle	—	—	1,180,620	1,180,620	48,355,
—	—	859,892	859,892	Miscellaneous	—	—	2,075,398	2,075,398	1,065,
—	—	2,760,000	2,760,000	Sinking fund	—	—	899,140	899,140	2,799,
—	—	—	—	Marine	—	—	3,000,000	3,000,000	672,
—	—	—	—	Additional reserve... ..	—	—	—	—	15,309,
2,176,696	780,127	—	2,956,823	Current liabilities and provisions—	2,347,736	1,021,550	—	3,369,286	2,933,
—	—	1,117,455	1,117,455	Claims admitted or intimated, but not paid, less	—	—	1,062,304	1,062,304	1,176,
—	—	1,687,693	1,687,693	amounts recoverable under reinsurance—	—	—	2,042,134	2,042,134	106,
—	—	1,226,378	1,226,378	Life	—	—	1,420,386	1,420,386	44,591,
22,748	—	—	22,748	Fire	6,887	—	—	6,887	21,284,
639,174	1,637,004	525,236	2,701,414	Sickness and accident	582,842	1,702,984	489,222	2,774,046	36,317,
293,156	—	25,476	318,632	Motor vehicle... ..	285,591	—	37,588	37,588	—
—	—	440,287	440,287	Miscellaneous... ..	—	—	—	—	17,
—	—	20,494	20,494	Annuities due and unpaid	—	—	—	—	70,
—	—	4,428	4,428	Outstanding commission and expenses ...	—	—	—	—	1,565,
—	—	210,539	210,539	Premiums received in advance	—	—	—	—	—
—	—	1,461	1,461	Amounts due on reinsurance account—	—	—	488,378	488,378	—
—	100	59,456	59,556	Fire	—	—	7,486	7,486	17,271,
298,653	115,435	34,888	448,976	Sickness and accident	—	—	9,057	9,057	9,980,
695,424	405,491	188	1,101,103	Motor vehicle	—	—	196,254	196,254	1,089,
142,373	—	127,754	270,127	Miscellaneous... ..	—	—	2,486	2,486	1,
161,209	181,712	74,362	407,283	Marine... ..	—	—	30,355	30,355	—
—	—	449,552	449,552	Amounts due to subsidiaries	360,170	100	55,304	617,577	17,271,
609,125	755,458	166,667	1,531,250	Other creditors	631,526	202,103	7,292	1,360,770	9,980,
—	—	—	—	Sundry brokers for investments purchased ...	281,512	996	125,430	407,938	1,089,
—	—	—	—	Overseas taxes	138,707	141,294	89,790	369,791	1,
—	—	—	—	Profits tax	—	—	—	—	—
—	—	—	—	United Kingdom income tax including reserve	—	—	689,391	689,391	—
—	—	—	—	for future liability on profits earned to date	—	—	—	—	—
—	—	—	—	Dividends declared	662,219	756,531	200,000	1,618,750	—
£294,866,958	386,374,269	18,356,287	699,596,514		£327,619,309	414,036,850	19,833,652	761,479,811	£294,866,
			3,639,937	Common contingency fund ... ..	...	...	...	3,639,937	...
			5,855,490	Special contingency fund ... ..	...	...	...	5,855,490	...
			327,984	Dividend reserve fund (A shares)	...	...	...	327,984	...
				(per separate Balance sheets)	...	...	...		...
			£709,419,925					£771,531,710	

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.*

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.

The amounts at which the assets are stated in the Balance sheet are determined under the Articles of Association of the Company by the Directors and we certify that in our belief the value at 31st December, 1954, of the assets set forth in the Balance sheet is in the aggregate in excess of the amount stated therein. For the purpose of this certificate the values of the quoted Stock Exchange securities have been taken at middle market prices as at that date and the values of other assets have been estimated by the Directors.

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. 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 accounts 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 by Part III of the Eighth Schedule to that Act in regard to reserves and provisions and aggregate market value of quoted investments. 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, 1954, 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.

5th April,

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31st December, 1954.

Total.	Ordinary Branch 1953.	Industrial Branch 1953.	General Branch 1953.	Total 1953.	ASSETS.	Ordinary Branch.	Industrial Branch.	General Branch.	Total.
£	£	£	£	£		£	£	£	£
250,000	8,274,129	5,815,511	1,551	14,091,191	Mortgages—				
200,000	6,933,906	490,107	400	7,424,413	On property within the United Kingdom ...	9,741,550	7,672,739	—	17,415,298
					On property out of the United Kingdom ...	7,229,521	421,632	400	7,651,553
950,000	1,191,803	7,114,582	—	8,306,385	Loans—				
	16,423	—	—	16,423	On parochial and other public rates ...	1,001,194	5,652,432	300,000	6,953,626
203,086	401,275	630,000	—	1,031,275	On Life interests ...	15,826	—	—	15,826
					On Stocks and shares ...	500,592	630,000	—	1,130,592
324,119	7,228,284	—	—	7,228,284	On Company's policies within their surrender values ...	8,087,586	—	—	8,087,586
	545,590	999,403	—	1,544,993	Without specific security ...	545,359	999,119	10,500	1,557,978
779,340	377,311	577,143	—	954,454	To subsidiaries ...	326,380	565,257	—	891,637
					Investments after deducting Reserve—				
					Deposit with the Supreme Court of Judicature in the Republic of Ireland—				
	16,700	—	—	16,700	3½% War Stock ...	16,000	—	—	16,000
56,000	49,135,257	104,947,319	2,247,987	156,330,563	British Government securities ...	59,872,153	101,554,113	2,336,649	163,762,915
	48,355,173	80,573,276	2,025,561	130,954,000	British Government guaranteed securities ...	42,862,000	86,310,864	2,123,651	131,296,515
					Securities guaranteed under Trade Facilities and other Acts ...	1,065,000	2,616,549	97,500	3,779,049
	1,065,000	3,175,051	97,500	4,337,551	Municipal and county securities, United Kingdom ...	2,242,178	2,758,405	645,456	5,646,039
	2,799,007	4,340,092	645,456	7,784,555	Public Board securities ...	672,298	1,537,505	168,372	2,378,175
	672,326	1,057,327	168,372	1,898,025	Other Commonwealth Government securities ...	17,008,146	4,684,322	1,206,514	22,898,982
	15,309,253	4,591,169	1,190,321	21,091,243	Other Commonwealth provincial securities ...	3,203,890	152,100	429,067	3,785,057
30,226	3,933,438	—	346,269	3,279,707	Other Commonwealth municipal securities ...	5,043,645	96,986	378,124	5,518,755
	3,923,861	225,015	324,643	4,473,519	Foreign Government securities ...	1,126,717	941,270	1,081,857	3,149,844
14,224	1,176,138	995,466	764,724	2,936,328	Foreign provincial securities ...	2	2	1	5
	2	3	1	6	Foreign municipal securities ...	101,331	4,757	16,401	122,489
	106,342	24,595	20,505	151,442	Debentures and debenture stocks and gold and sterling bonds—home and foreign ...	50,700,500	58,692,682	4,515,758	113,908,940
6,887	44,591,426	51,263,511	3,564,241	99,419,178	Preference and guaranteed stocks and shares ...	24,207,182	28,496,780	1,515,763	54,209,684
74,048	21,234,803	25,867,087	1,447,218	48,549,108	Ordinary stocks and shares ...	48,408,879	60,714,588	810,044	109,933,511
23,179	36,317,039	46,349,557	753,431	83,420,077	Subsidiaries not dealt with in group accounts—				
					Preference shares ...	17,500	25,000	—	42,500
	17,500	25,000	—	42,500	Ordinary shares ...	67,071	155,101	15,531	237,703
6,061	70,873	160,802	15,532	247,007	Rent charges ...	—	—	—	—
	290	—	—	290	Freehold ground rents and feu duties ...	1,700,798	9,628,975	—	11,329,773
	1,565,405	9,229,589	—	10,794,994	Leasehold ground rents ...	—	78,787	—	78,787
	78,401	—	—	78,401	House property—				
0,455	17,271,133	15,965,718	—	33,236,851	In the United Kingdom—Freehold ...	19,254,025	19,081,313	—	38,335,338
7,577	9,980,838	9,064,747	—	19,045,585	—Leasehold ...	10,571,395	9,234,241	—	19,805,636
0,770	1,089,501	—	—	1,089,501	Out of the United Kingdom ...	748,202	—	—	748,202
7,933	1,157	—	—	1,157	Reversions ...	884	—	—	884
7,781	—	—	—	—	Fixed assets—				
3,281	—	—	342,497	342,497	Subsidiary dealt with in accounts annexed—				
3,750	—	—	—	—	Ordinary shares (at cost) ...	—	—	342,498	342,498
	—	4,333,303	—	4,333,303	Office premises (at cost, less amounts written off)—				
	—	133,094	—	133,094	In the United Kingdom—Freehold ...	—	4,417,755	—	4,417,755
	942,796	—	—	942,796	—Leasehold ...	—	335,895	—	335,895
					Out of the United Kingdom ...	1,459,814	—	—	1,459,814
	99,875	—	32,370	132,245	Current assets—				
	—	—	512,903	512,903	Deposits at interest at home and abroad ...	194,945	—	32,370	227,315
	659,155	—	—	659,155	Agents' balances ...	—	—	326,180	326,180
	1,219,289	358,581	1,603,259	3,181,129	Commission paid in advance ...	746,875	—	—	746,875
	471,114	276,785	2,505	750,404	Outstanding premiums ...	1,245,671	144,417	1,399,061	2,789,149
	1,595,953	1,809,763	87,586	3,493,301	Outstanding interest, dividends, rents and fees	536,735	321,254	4,000	861,989
	—	—	974,405	974,405	Interest, dividends, rents and fees accrued ...	1,967,243	2,025,375	108,118	4,100,736
	—	—	51,962	51,962	Amounts due on reinsurance account ...	—	—	941,363	941,363
	645,508	129,159	—	774,667	Amounts due from subsidiaries ...	—	—	15,963	15,963
	3,149,000	3,795,000	—	6,944,000	Sundry brokers for investments sold ...	81,041	185,786	—	266,827
	50,819	40,091	83,267	174,177	Estimated income tax recoverable ...	2,468,000	3,316,000	—	5,804,000
	1,900,000	1,450,000	350,000	3,700,000	Other debtors ...	101,293	223,565	106,266	430,114
	372,769	—	87,691	460,460	Balances at Bankers and Cash in hand—				
	323,919	480,638	55,015	859,572	On deposit—				
	1,531,773	6,334	558,676	2,147,233	In the United Kingdom ...	—	—	—	—
					Out of the United Kingdom ...	857,727	—	92,876	950,603
					In hand and on current account—				
					In the United Kingdom ...	170,423	234,965	168,496	573,884
					Out of the United Kingdom ...	1,948,533	135,248	646,354	2,730,135
511	2294,865,953	336,374,269	18,356,287	699,596,514		2327,619,309	414,026,850	19,833,653	761,479,811
325				3,639,937	Common contingency fund ...				3,639,937
308				5,855,490	Special contingency fund ...				5,855,490
766				327,984	Dividend reserve fund (A shares) ...				327,984
					(per separate Balance sheets)				
710				£709,419,925					£771,531,710

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31st April, 1955.

THE 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 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.

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 Prudential 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 our opinion 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 a true and fair view of 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 Prudential Assurance Company Limited.

31st April, 1955.

R. S. THORP,
K. A. USHERWOOD, } Deputy General Managers.

F. M. REDINGTON, Actuary.

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

F. W. MORGAN, Chairman.

E. J. W. BORRAJO, } Directors.
MAURICE PETHERICK, }

DELOITTE, PLENDER, GRIFFITHS & CO., P00003072
Chartered Accountants,
5, London Wall Buildings, London, E.C.2.]

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NOTES TO THE BALANCE SHEET.

1953. £		1954. £
11,175,000	Capital commitments for settlement after 31st December	19,480,000
345,000	Contingent capital commitments	80,000
2,950,000	Uncalled capital on investments held	2,905,000
1,705,000	Reserve liability on shares, etc.	1,935,000

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

1953. £		1954. £
33,500	Australia	34,000
15,000	Burma	15,000
13,269,500	Canada	15,926,000
1,231,000	Egypt	1,371,500
3,284,000	India	3,529,000
2,000	Israel	2,000
46,000	New Zealand	46,000
21,500	Pakistan	1,020,000
4,500	Southern Rhodesia	5,000

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 £50,353. (1953, £48,990.)

Life, casualty and sinking fund revenue account transactions in overseas currencies have been brought in at the rates of exchange ruling on the 31st December, 1954, 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 overseas 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 overseas currencies have been converted into sterling at the rates ruling on the 31st December, 1954, except that in the case of certain investments in overseas currency held at Chief Office, book values have been based on the rates of exchange ruling on the dates of acquisition.

An investment reserve account is maintained in each branch to which are carried profits and losses on realisation of assets together with adjustments to ledger values and exchange differences, other than exchange differences on fire, marine, aviation and transit insurance business, less any relative United Kingdom taxes thereon. The investment reserve accounts, after bringing in transfers to or from the revenue accounts, have been applied in arriving at the balance sheet values of the assets in the appropriate branches.

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 whose last available accounts cover the year 1953 are not dealt with in the group accounts in view of the insignificant amount involved. A dividend of £2,258 relating to 1953 has been received in 1954 and included in the Company's accounts. The Company's proportion of the balance of profit undistributed amounted at the rate of exchange at the 31st December, 1954, to £16,156, of which £2,792 related to 1953, and was carried forward in the accounts of the subsidiaries.

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

REVENUE ACCOUNT
for the year ending 31st December, 1954.

1953 £		£	1953 £		£
	Amount of insurance fund at the beginning of the year—			Claims under policies paid and outstanding	1,104,543
1,720,770	Provision for unexpired risks	1,932,035	787,412	Commission	743,895
1,803,823	Premiums	1,853,805	765,597	Expenses of management	32,638
			33,562	Transfer to Profit and loss account	27,237
			5,987	Amount of insurance fund at the end of the year—	
				Provision for unexpired risks	1,877,527
<u>£3,524,593</u>		<u>£3,785,840</u>	<u>1,932,035</u>		<u>£3,785,840</u>
			<u>£3,524,593</u>		

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

PROFIT AND LOSS ACCOUNT
for the year ending 31st December, 1954.

1953 £		£	1953 £		£
	Balance (earned surplus) brought forward		37,276	Taxes	42,696
322,379	from previous year	866,164	6,558	Investment expenses	8,985
103,744	Interest and dividends	113,253		Loss on sale of securities	787
1,131	Profit on sale of securities	—	2,314	Amounts written off securities	2,795
5,987	Transfer from Revenue account	27,237	21,429	Dividend to Shareholders	21,429
				Balance (earned surplus) as per Balance sheet	929,982
<u>£933,741</u>		<u>£1,006,654</u>	<u>866,164</u>		<u>£1,006,654</u>
			<u>£933,741</u>		

BALANCE SHEET

31st December, 1954.

LIABILITIES.			ASSETS.		
1953 £		£	1953 £		£
	Authorised and Issued capital—			Investments (at or under cost)—	
214,286	6,000 shares of \$100 each, fully paid	214,286	2,409,337	United States Government securities ...	2,412,475
321,428	Capital reserve (surplus paid in)	321,428	584,174	Debentures and bonds	740,365
	Profit and loss account balance (earned surplus)	929,982	414,883	Preference stocks and shares	348,503
866,164	Insurance fund	1,877,527	207,662	Ordinary stocks and shares	302,534
1,932,035	Current liabilities—			Current assets—	
	Outstanding claims	552,002	17,857	Deposit at interest	35,890
381,687	Outstanding commission and expenses ...	146,468	14,816	Interest and dividends accrued	15,196
151,882	Amounts due on reinsurance account ...	9,987	155,461	Amounts due on reinsurance account ...	48,535
80,968	Taxation	45,821	182,011	Balance at Bankers on current account and Cash in hand	196,003
38,256					
<u>£3,986,706</u>		<u>£4,097,501</u>	<u>£3,986,706</u>		<u>£4,097,501</u>

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.

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

Directors' Report
and
Statement of Accounts
Year ending 31st December, 1954.
