



THE PRUDENTIAL MUTUAL ASSURANCE, INVESTMENT, AND LOAN ASSOCIATION,

14, CHATHAM PLACE, NEW BRIDGE STREET, BLACKFRIARS, LONDON.

At the Second ANNUAL GENERAL MEETING of the above Association, held on the
7th January, 1851, the following Report was read and adopted.

REPORT.

In presenting the Report for the past year to their Shareholders the Directors have much satisfaction in laying before them a progressive advancement of the Association quite equal to any, nay, superior to most that have risen under even more favourable auspices. While older institutions are exhibiting a constant decrease in the amount of annual business, the PRUDENTIAL exhibits such a law of increase as must ultimately place it among the first of the rising Societies. Neither has it to contend against a dead weight of debt, but possesses assets to meet all demands and a rapidly increasing amount of income. The Policies of Assurance amount to 256, embracing an amount assured of £39,798. Of these 194 are the proceeds of the current year. The amount of Premiums, Annuities, and Endowment Branch reaches to £2262 12s. 9d.

With regard to Capital, the increase for the current year is equally satisfactory, amounting to 923 Shares, and giving in addition to the subscribed capital of the previous year £18,560. The Directors have been sedulously attentive to the point that the Shares should be held by such opulent parties as should be fully competent when called on, to answer any demand made on the Association. They feel themselves enabled to announce that such a Proprietary—of men of large fortune and means, they unquestionably possess. In fact, the very character of the Shares themselves will make selection and not general distribution, the law that will guide them. Although by the careful prudence of the Deed of Settlement no interest is payable on these for the first three years, and consequently not before next January, yet the advantages then of a five per cent dividend on capital, together with the subsequent division when the Actuary shall so advise of the profits of the Loan Department, and one-fifth of the Assurance, are such as will command the rapid disposal of any small remainder. The Directors do not, however, anticipate that if the present Shareholders see their true interest, any will pass from the hands of the existing holders, but be absorbed by the present body.

With regard to *negative* advantages as to mortality, the Directors have much pleasure in announcing that the Institution has not suffered from any death; similarly as to the Loan Department, no loss has been experienced.

Many circumstances, had they embraced them at the time, would have materially swelled the amount of annual income, but in two of the most important, immense loss would have been sustained, which the Directors did not think it right to incur. In the selection of lives they have carefully avoided every probability of an early claim. They have considered the amount of business done of far less moment than the character of it. Every practical measure of economy has been adopted by them, and they have great reason to believe that an amalgamation of some other Offices with them, will ere long ensue. Repeated proposals have been made to that effect, but the present Directors have refused to treat on any other basis, than that of complete independence for the PRUDENTIAL. Satisfied with their own position, requiring no aid from any of them, either for support or continuance, this Institution is only prepared to deal with that question on terms advantageous to itself. Enquiries for Investment in its funds are now making in various directions by Capitalists, and continuous payments to the Share Account have been proposed in many quarters, and closed with in some. The Directors have also to remind their Shareholders, that, from the nature of the Institution, Capital does not remain a dead weight upon it, but is in daily augmentation by active and incessant investment.

The present year has unavoidably been one of the heaviest in expenditure that can well arrive, since over it have been thrown many early expenses of the first. The next will necessarily be lighter in amount, and should it exhibit the same law of increase that the second does over the first, will give five times the present amount of Premiums. It is, however, not fair to treat this Institution, although registered previously, as commencing operations before the July of 1849, anterior to which time there was but one Policy issued, and the present Direction have only had about eighteen months of positive operations. This, too, in the flattest season of 1849 for business, and during the operation of a fearful malady, which made the Directors reluctant to receive lives during its progress.

The Directors feel such confidence in the soundness of the principles that have guided them, that they are fully prepared to support the Institution, not simply by short advances as they have repeatedly done, but by placing out larger portions of Capital, and inducing their friends to do the like. As an Insurance Company this is not so much needed, but another branch of the Institution eminently augmentative of it can be greatly forwarded thereby, and securely followed out by the discreet and careful use of Capital. All cases, in both departments, undergo a most thorough and sifting examination. Other Companies may exhibit a larger amount of business, but in the safe character of its business, the PRUDENTIAL will yield to none. Without debts,—with economical expenditure,—careful supervision of lives,—eminent medical skill,—clear calculation of all life probabilities,—tables extended to every possible requirement of the public,—large and progressive income,—upwards of £70,000 of subscribed capital,—and plenty of business,—the PRUDENTIAL has to deal with elements that require only time and diligent application to mature from them, one of the first of the rising Institutions of this great Commercial Kingdom.

The Prudential Mutual Assurance, Investment, and Loan Association,

Cash Account, December 16th, 1849, to December 24th, 1850.

RECEIPTS.		EXPENDITURE.	
	£ s. d.		£ s. d.
To Balance from last Audit, 15 December, 1849,		By Cash Advances repaid - - - -	700 0 0
Cash at Bankers - 1,049 0 3		Loans on Securities - - - -	5,290 0 0
Cash at Office - 191 11 0		Furniture and Fittings - - - -	23 9 10
	1,240 11 3	Medical Examination Fees: Amount paid	
.. Cash received on first Call		on account - - - -	38 6 6
on Shares - - - -	923 15 0	Interest on Advances - - - -	134 17 6
Less Instalment on Shares		Policy Stamps - - - -	76 3 9
ret ^d to Mr. Northcroft	100 0 0	Re-Assurance of Policy Commission -	27 6 9
	823 15 0	Office Expenses—	
.. Endowment Fund - - - -	200 0 0	Advertising, Printing,	
.. Premiums and Annuities	1,784 0 10	and Stationery - - - -	79 0 10
Deduct Amount due	278 11 11	Rent of Offices to Michael-	
	1,505 8 11	mas 1850 - - - -	100 0 0
.. Cash Advances - - - -	3,700 0 0	Salaries to Secretary, Act-	
.. Repayments of Loans - - - -	1,352 13 5	uary, Auditors, & Clerks	435 6 0
.. Cash received for Commission Fees and		Incidental Expenses, viz.	
Power of Attorney - - - -	31 5 5	Postage, Firing, Lights,	
.. Interest on Investments - - - -	148 18 5	Carriage, &c. - - - -	109 17 1
.. Policy Stamps - - - -	66 0 0		724 3 11
		.. General Expenses of Management since	
		the formation of the Association -	1,024 18 2
		.. Balance at Bankers - - - -	317 0 1
		at Office - - - -	32 15 5
		Bills in hand - - - -	639 5 0
		Petty Cash - - - -	10 5 3
			1,029 6 6
	<u>£9,068 12 5</u>		<u>£9,068 12 5</u>

The above Balance Sheet has been examined by us, and found correct.

(Signed) EDGAR HOPNE,
 GEORGE CLARK,
 JOHN LUTWICHE, } *Directors*

We, the Auditors appointed by this Company, have examined this Account with the Books and Vouchers, and find the same to be correct.

(Signed) THOMAS WARNE,
 R. MOSSOP,
 H. CROYEDILL.

J. W. WORTHINGTON, D.D.
 CHAIRMAN.

Dated this 6th day of January, 1851.