

British Prudential Assurance Company,

35, LUDGATE HILL, LONDON.

DIRECTORS' REPORT.

The period having arrived, in accordance with the provisions of the Deed of Settlement, for a valuation of the Assets and Liabilities of the Company, the Directors have great pleasure in laying the results before their Shareholders, in full confidence that these will be found highly satisfactory.

The valuation of the Policies has been conducted by the Actuary in the most stringent manner, based upon the Carlisle 3 per Cent. Tables; and the Directors have caused a still further allowance than usual to be made in the calculations, in order to meet future charges, and all possible contingencies.

The mode of valuation adopted by the Actuary of the Company has been submitted to Mr. C. JELlicor, the President of the Institute of Actuaries, from whose report the following is extracted:—"The processes herein described are the proper ones for determining the liabilities of the Company under its contracts of assurance."

Under these circumstances, the Directors recommend the declaration of a bonus of 10 per Cent. to be added to the Shares, and an average bonus of 25 per Cent. according to age on those policies entitled to profits which have been issued before the 1st January, 1859.

With reference to the new business for the past year, this may be regarded as a subject of especial congratulation, particularly when the condition of many parts of the country is taken into consideration. At the commencement of the year 1861 as stated in the last Report, the average new income for the first three months was at the rate of £18,000 per annum. This average has not only been fully maintained, but the expectations raised have been more than realized, the new business completed up to the 31st December being £19,370 4s. 10d., an amount superior to that of most of the largest offices. And this again is a conclusive proof in favor of the confidence expressed upon former occasions in the zeal, ability, and intelligence of the Superintendents and Agents of the Company, and of the interest taken in its welfare by those connected with it.

It may be a further satisfaction to know that nearly the whole of the business is derived from purely English sources, and therefore more valuable than either Foreign or Colonial risks. A branch, however, has been recently established in Scotland under the care of a well tried Superintendent, and is producing fruits of an equally eligible character.

The total Income of the Company now reaches the handsome proportions of £52,009. 11s. while the claims remain within the average. These have been paid with that promptitude which is one of the characteristics of the Company.

A finance Committee, established many years ago, and particularly alluded to at the last Meeting, continues to exercise the strictest vigilance in the weekly Audit, the accounts being checked item by item, and a written report of their correctness presented to the General Board. The Attendance Books will be laid before the Meeting, shewing the regularity of each Member as well as of the several other Directors.

In consequence of the very great increase of business it was found necessary to make considerable alterations in the premises, which, though large, were inconveniently arranged. The Directors having obtained an extension of the lease for a long term, have determined, as the wisest economy in the end, to pull down and re-build the house, whereby they will secure one of the best and most commodious offices in London, on the very site where their prosperity has been created.

Messrs. Fraser, Reid and Clark retire in accordance with the provisions of the Deed of Settlement; and being eligible offer themselves for re-election. The Auditors also retire in the usual way.

The Directors recommend the payment of the usual interest at the rate of £5 per cent. (in addition to the bonus of 10 per Cent.) upon Shares entitled thereto and they are also induced to submit for approval a resolution limiting the issue of any further Shares, the beneficial effects of which upon the Proprietors' Capital, and the interests of the Policy Holders, will be fully evident.

It is with the highest gratification that the Directors feel they can now appeal to accomplished facts rather than promises or expectations for the success of the principles upon which the Company has been conducted, while at the same time they trust that the past will be an earnest for the future, and supply an extra stimulus to all connected with the Company, to persevere in their efforts and aid in raising it to the highest pinnacle both of position and usefulness.

JAMES GILLMAN, *Chairman.*

BALANCE SHEET

31st December, 1897

Dr.

	£	s.	d.
To present value per Actuary's valuation of £1,200,555 9s. being the sums assured under			
Policies and Annuity and other Bonds	580,307	19	1
Loan Guarantees Fund	1,845	13	0
Shareholders' Capital	5,486	0	0
Amount due to sundry Agents	5	2	8
Balance in favor of the Company	41,339	19	6
	£628,984	14	3

By present value per Actuary's valuation of £32,000. 12s. being the Annual Premium on Policies in force	700,410	0	0
Less to be deducted for future Bonuses and Expenses	100,863	10	0
	589,547	10	0
Investments in Colonial Government Bonds, Mortgages, Reversions, and other Assets	40,300	5	2
Agents' Balances and Premiums due but not received	2,043	15	0
Cash Balance, viz:—			
Balance at Bankers and in hand	3,698	3	9
Petty Cash in hand	80	0	0
	3,778	3	9
	£628,984	14	3

We have examined the foregoing Account, find it to be correct, and hereby confirm the same.

THOMAS WARNE, }
RICHARD ATKINSON. } *Auditors.*

Examined by 3 Directors { PATRICK FRASER,
EDGAR HORNE,
THOS. READ.

H. C. HARRIS, Secretary

6th April 1898.