PRUDENTIAL ASSURANCE COMPANY

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LIMITED.

FORTY-FIFTH ANNUAL REPORT.

FOR THE YEAR ENDING 31ST DECEMBER, 1893.

HE DIRECTORS have much pleasure in presenting their Report and Accounts for the year 1893.

ORDINARY BRANCH .--- The number of Policies issued during the year was 54,558, assuring the sum of £5,627,065, and producing a New Annual Premium Income of £304,928.

The Premiums received during the year were £1,854,370, being an increase of £188,759 over the year 1892.

The Claims of the year amounted to £478,564. The number of Deaths was 3,397 and 154 Endowment Assurances matured.

The number of Policies in force at the end of the year was 335,176.

INDUSTRIAL BRANCH .-- The Premiums received during the year were £3,971,863, being an increase of £122,706.

The Claims of the year amounted to £1,662,768. The number of Deaths was 185,003 and 1,267 Endowment Assurances matured.

The number of Free Policies granted during the year to those Policyholders of five years' standing, who have desired to discontinue their payments, was 55,764, the number in force being 338,272. The number of Free Policies which became Claims during the year was 6,424.

The total number of Policies in force at the end of the year was 10,476,393: their average duration is seven and a quarter years.

The assets of the Company, in both Branches, as shown in the Balance Sheet, are £18,538,865, being an increase of £2,229,213 over those of 1892.

It is with sincere regret the Directors have to record the death of their old and esteemed colleague, Dr. Cross, which took place shortly after the last Annual Meeting. Dr. CRoss, who was one of the original Shareholders, was appointed a Director of the Company in 1877.

At the last Ordinary Meeting Dr. FRASER announced to the Shareholders the probability of his retirement in consequence of failing eyesight. He has since resigned, but the Directors are pleased to say that he has, at their request, accepted an honorary seat at the Board, and they still have the benefit of his advice and experience.

The two vacancies upon the Board have been filled by the appointment of Mr. THOMAS WHARRIE and Mr. JOHN WHATELY SIMMONDS, J.P., duly qualified Shareholders, whose election will be submitted to the Annual Meeting for confirmation.

The retiring Directors are Messrs. HARBEN, PUGH, and REID, who offer themselves for re-election.

The vacant Auditorships have been filled by the appointment of Messrs. ARCHIBALD DAY and PHILIP SECRETAN, who are duly qualified, and now offer P00001306

The Directors regret to announce the death of the Rev. T. H. COLE, who had acted as their Auditor for some years; but they have not considered it necessary to fill the vacancy.

The system of annual distribution of profits begun last year having given satisfaction alike to Policy-holders and Shareholders, the Directors have decided to continue it, and a complete valuation for the past year has been made.

For this valuation the same Mortality Tables and rate of interest have been used as in previous years, namely, in the Ordinary Branch, the Institute of Actuaries (H^{M}) Table of Mortality for the life risks, and Mr. Finlaison's Government Annuity Table 1884 for the annuities, and in the Industrial Branch, Dr. Farr's English Life Table No. 3. The net premiums only have been valued in both branches, the rate of interest in each case being 3 per cent.

The results of the valuation are as follows :----

In the ORDINARY BRANCH a surplus is shewn of \pounds 442,930. This includes the sum of \pounds 70,000 brought forward last year, which it is now intended to increase to \pounds 100,000.

In the INDUSTRIAL BRANCH the surplus shewn is £500,944, including the sum of £200,000 brought forward last year, which it is now intended to increase to £360,000.

The total surplus of the two Branches as shewn by the valuation is thus £943,874, and after carrying forward the sums of £100,000 and £360,000 before mentioned, £483,874 is left for distribution among the participating Policy-holders and Shareholders, in accordance with the Regulations of the Company under its special Act of Parliament. In carrying forward so large a balance the Directors have adopted the same principles by which they were guided last year, but they anticipate that when the system of an annual valuation has had a longer trial, it may be possible to modify this course.

The processes and results of the valuation, which has been carried out by the Actuary, Mr. F. Schooling, have been submitted to Mr. A. H. BAILEY, whose report is as follows:---

> "The results of the valuation of the liabilities of your Company on "the 31st December, 1893, have been submitted to and examined by me.

"The basis upon which the valuations have been made and the "methods adopted in the process, are the same as upon the last occasion, "and have my entire approval. And your resolution to retain a portion of "the surplus in each Branch is I think judicious, having regard to the "extent of the Company's liabilities."

The Balance Sheet has been submitted to Messrs. Deloitte, Dever, GRIFFITHS & Co., whose certificate is appended to the accounts.

Edgar Horne, *Chairman*.

HOLBORN BARS, 15th February, 1894.

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LIABILITIES.		£	s. d.	. 1	ASSETS.	ł	£ s.
sharehoklers' capital	•••	600,000	0 0	5 !	British Government securities (Consols)		2,046,458 9
Ordinary Branch funds		8,002,142	3 6	5	Railway and other Debentures and Debenture Stock		2,065,873 7
ndustrial Branch fund		9,898,397			Loans, County Council, Municipal, and other Rates		4,744,556 11
laims under life policies admitted		38,325	v	· .	Freehold Ground Rents, and Scotch Feu Duties		2,399,803 18
		J ~, J -J			Mortgages	••••	2,342,110 17
				.1	Metropolitan Consolidated Stock, and City of London Bone	1	355,545 13
					Bank of England Stock		167,337 0
					Freehold and leasehold property	••••	1,043,759 6
				1	Indian and Colonial Government securities		915.660 10
					Reversions	••••	189,155 4
					Railway and other shares	!	1,136,512 8
	;				Loans on the Company's policies	•••	228,357 15
					Rent charges		64,514 1
				ł	Loans upon personal security		711 5
					Outstanding premiums	••••	307,418 3
					Cash in hands of Superintendents, and Agents' balances		48,583 11
					Outstanding interest, and rents	··· !	166,842-10
•	i				Cash-On deposit, on current accounts, and in hand		315,664-15
	1					1	
	-	- £ 18, 538, 865		-		1	
	ر. 		10 5			t de la constante de la consta	£18,538,865 10
IOS. C. DEWEY,) Managers.						L'ENCLAT	
ULIAM HUGHES, A Managers. W. J. LANCASTER, Secretary.							CHORNE, <i>Chairn</i> CHARBEN, i
We have examined the Cash transactions, Receipts and v vouched. We have also examined the Deeds and Se						W. T. I	THARBEN, † ⊅. PUGH, → † ⊅.

GENERAL BALANCE SHEET OF THE PRUDENTIAL ASSURANCE COMPANY LIMITED ON THE TIST DECEMBER . 0.

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14th February, 1894.

DELOITTE, DEVER, GRIFFITHS & Co.

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LIFE ASSURANCE COMPANIES ACT, 1870. - THIRD SCHEDULE.

REVENUE ACCOUNTS OF THE PRUDENTIAL ASSURANCE COMPANY LIMITED (ORDINARY BRANCH)

FOR THE YEAR ENDING 31ST DECEMBER, 1893.

(No. 1.) LIFE ASSURANCE ACCOUNT.

			£ s.	d.					1.	<i>s</i> .	đ.
Amount of Life Assurance fund at the					Claims under life policies (after deduc	tion of sums	re assured)		478,564	6	3
	£,6,701,124 IO	3			Surrenders		•••		53,176	18	14
					Cash Bonus to Policyholders		• • •		52,990	5	0
<i>Less</i> amount transferred to the Industrial	27,134 0	0			Annuities				59,500	6	-1
Branch, being proportion of profits	27,434 0	0	6,673,690-10	2	Commission				129,805	18	I
	• .				Expenses of management		• • •		55,631	2	10
Premiums, after deduction of re-assurance pre	miums	•••	1,854,370 10	0	Amount written off House property		•••	•••	1,000	o	о
Consideration for annuities granted	•···		72,667-11	9	Amount of life assurance fund at	the end of	the year.	as			
Interest and rents		•••	231,713	9	per Fourth Schedule		•••	•···	8,001,706	16	ŧ

£8,	832,	44	I	3	9		
				1.04	_	-	

28,832,441-13-9

(No. 2.) SICKNESS ASSURANCE ACCOUNT.

- · Amount of	sickness	assurance	- fund at the	e beginning o	of the	£, s. d.	L. s. Claims 8 10	<i>д</i> . о
year						412 13 6	Commission and Expenses 1 16	7
Premiums						18 5 7	Sickness assurance fund at the end of the year, as per Fourth	
Interest				•••		14 14 8	Schedule 435 7	2
						£445 T3 9	L:445-13	ı,
•	-		-			· · · ·		

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Ттее	ASSURANCE	Companies	Аст.	1870.—Fourth	Schedule.	
LIFE	ASSURANCE	COMPARIES	1101,	10/0. 100		

BALANCE SHEET OF THE PRUDENTIAL ASSURANCE COMPANY LIMITED (ORDINARY BRANCH) ON THE 31ST DECEMBER, 1893.

·. d.	\sim			SSETS.		\pounds s. d.		ITIES.	JIABILI	I
55	2,342,110 1 228,357 1 269,763 1		•••	cies	Mortgages on property within the Loans on the Company's policies	8,001,706 16 4 435 7 ²		 e 		ife Assurance fund ickness assurance fund
	64,514	•••			Loans on County Council and oth Rent Charges					ickness assurance rund
2 0	166,468 1			ock	Metropolitan Consolidated Stock					
ΙΟ	189,077			Bonds	City of London Corporation Bon					
9 <u>9</u>	1,438,373 1			arities	Investments :— In British Government securiti					
	167,337				Bank of England Stock					
	915,660 1 343,902 1	 c k	ties enture Stock	vernment securi ntures and Deb	Indian, and Colonial Govern Railway and other Debentur					
	1,136,512		•••		Ditto Shares		ł			
	152,806 1			•••	House property					
	189,155	• •••	•••		Reversions		1			
	119,174		•••		Outstanding premiums					
2	49,512	•••			Ditto interest					
		104 7 2	£,50,104		Cash— On deposit					
		210 16 5			On current account					
	•	100 0 0			In hand					
3	229,415									
3	£8,002,142					£8,002,142 3 6				

THOS. C. DEWEY, WILLIAM HUGHES, W. J. LANCASTER, Secretary.

We have examined, month by month, the various receipts and payments of the Company. We have also examined the foregoing Accounts, find them to be correct, and hereby confirm the same. We have seen and examined the various securities.

ARCHIBALD DAY, PHILIP SECRETAN,

HENRY HARBEN, W. T. PUGH, Directors.

We have examined the Cash transactions, Receipts and Payments, affecting the accounts of the Assets and Investments for the year ended December 31st, 1893, and we find the same in good order and properly vouched. We have also examined the Deeds and Securities, Certificates, &c., representing the Assets and Investments set out in the above account, and we certify that they were in possession and safe custody as on December 31st, 1893. 14th February, 1894.

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LIFE ASSURANCE COMPANIES ACT, 1870.—THIRD SCHEDULE.

REVENUE ACCOUNT OF THE PRUDENTIAL ASSURANCE COMPANY LIMITED (INDUSTRIAL BRANCH)

For the Year ending 31st December, 1893.

£ s. d. £, Amount of Life Assurance Fund at the 1,662,768 Claims under life policies 5 0 beginning of the year £9,073,414 14 9 . . . Surrenders 5,597 8 5 ... Amount transferred from Ordinary Branch Commission :--under Regulations of the Company 27,434 0 0 Salaries of 12,757 Agents for the weekly collec-9,100,848 14 9 tion of premium from 10,138,121 policies £727,365 6 11; Premiums 3,971,863 18 10 New Business charges 417,900 6 9 Interest and Rents 324,778 19 10 . . . δ 1,145,265 13 8 Expenses of management :---Policy, Postage, and Receipt stamps (Head Office only) £42,203 7 11 ... • • • Superintendency charges, and Medical fees 186,040 10 9 Head Office Expenses (including Printing, Advertising and Valuation expenses) 232,425 11 3 460,669 9 11 Amount written off House property ... 2,000 0 0 . . . Dividends and Bonus to Shareholders . . . 222,793 0 0 Amount of Life Assurance Fund at the end of the year, as per Fourth Schedule ... 9,898,397 16 5 £13,397,491 13 5 £ 13,397,491 13 5

LIFE ASSURANCE ACCOUNT.

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÷		ILITIES.			£, s. d.		ASSETS				£
1	Shareholders' capital		£,600,000 0	0	~	Loans on Municipal an	d other Rates				4,474,792
	Life Assurance fund		9,898,397 16			Investments :					
					10,498,397 16 5	In British Governme	nt securities			•••	608,084
İ	Claims under life policies admi	itted			38,325 10 6	Railway Debenture	e Stocks	•••			1,721,970
						Freehold Ground	Rents and Sco	tch Feu	Duties	•••	2,399,803
1						House property					
,						Freehold		•••	£859,950	62	
						Leasehold			31,002	52	
1						ii.					890,952
: t						Loans upon personal so	curity				711
i						Agents' balances			•••		8,101
						Outstanding premiums			•••		188,244
						Outstanding interest an	d rents				117,330
				1		Cash in hands of Supe	rintendents	•••			40,482
						Cash					
						On current account	t		£85,999	11 11	
•						In hand			250	0 0	
											86,249
				£	G10,536,723 6 1						£10,536,723
										FDGAI	R HORNE, Chai
	THOS. C. DEWEY, WILLIAM HUGHES, } Ma	magers.								HENRY	V HARBEN, (
	W. I. LANCASTER, Secret	etary.								W. T. I	
	We have examined, month by n in and examined the various securities	nonth, the various	s receipts and pay	ments of	the Company. We	have also examined the foregoing	Accounts, hnd	them to	be correct, and	nercoy	connent ine same.
500	in and examined the vicious securities								ARCH	HBALD	DAY, Audi

PRUDENTIAL Assurance Company Limited.

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DIRECTORS' REPORT

STATEMENT OF ACCOUNTS

At 31st December, 1893.

Printers : Sir Josten Causton & Sons, London,

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