

FIFTY-THIRD ANNUAL REPORT,

FOR THE YEAR ENDING 31ST DECEMBER, 1901.

THE DIRECTORS have much pleasure in presenting their Report and Accounts for the year 1901.

ORDINARY BRANCH.—The number of Policies issued during the year was 76,831, assuring the sum of £7,575,835 and producing a New Annual Premium Income of £389,776.

The Premiums received during the year were £3,489,955, being an increase of £167,613 over the year 1900.

The Claims of the year amounted to £1,563,775. The number of Deaths was 6,723, and 6,105 Endowment Assurances matured.

The number of Policies in force at the end of the year was 651,558.

INDUSTRIAL BRANCH.—The Premiums received during the year were £5,529,461, being an increase of £81,764.

The Claims of the year amounted to £2,104,939. The number of Deaths was 211,670, and 2,227 Endowment Assurances matured.

The number of Free Policies granted during the year to those Policyholders of five years' standing who desired to discontinue their payments, was 74,798, the number in force being 771,279. The number of Free Policies which became Claims during the year was 17,880.

The total number of Policies in force at the end of the year was 14,334,820: their average duration exceeds nine and a half years.

The assets of the Company, in both branches, as shewn in the Balance Sheet, are £43,292,026, being an increase of £3,396,698 over those of 1900.

The Staff Provident Fund, which was founded in 1898 for the benefit of the outdoor staff, shews a satisfactory increase for the year, the total amount standing to the credit of the fund being £101,960.

For the 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 the surplus shewn is £1,064,758, including the sum of £300,395 brought forward from last year. Out of this surplus the Directors have added £200,000 to the Investments Reserve Fund, which now stands at £250,000.

In the INDUSTRIAL BRANCH the surplus shewn is £761,802, including the sum of £317,122 brought forward from last year. Out of this surplus the Directors have added £50,000 to the Reserve Fund, which now stands at £900,000.

The total surplus of the two branches, as shewn by the valuation, is thus £1,826,560, which is disposed of as follows: £50,000 has been added to the Reserve Fund of the Industrial Branch, and £200,000 has been added to the Investments Reserve Fund of the Ordinary Branch; £1,087,008 is distributable among the participating Policyholders and Shareholders, in accordance with the Regulations of the Company under its special Act of Parliament, leaving £489,552 to be carried forward, namely, £138,151 in the Ordinary Branch and £351,401 in the Industrial Branch.

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

“ I have examined the results of Mr. SCHOOLING'S valuation of the liabilities of the Company on the 31st December, 1901.

“ The basis upon which the valuation has been made is the same as in former years, and which has my entire approval, being, in my judgment, the most suitable that can be adopted.

“ The calculations have been made upon the following estimates, viz. :—

“ That the rate of interest to be realised upon the funds will be 3 per cent. per annum.

“ That the mortality will correspond with that of the following tables which have been employed, viz. :—

“ For the Ordinary Branch, where the risks are chiefly on the lives of adult males, and are of the same class as in other Life Assurance Companies, the table published by the Institute of Actuaries, which was deduced from the combined experience of several of these Companies.

“ For the Industrial Branch, where the risks are on the lives of men, women and children, comprising about one-third of the entire population of Great Britain and Ireland, the table known as the English Life Table, which has been derived from the Census returns of the population and the deaths recorded in the General Register Office.

“ For the Annuities, the mortality among the recipients of which is generally found to be specially favorable, the latest table deduced from the experience of Government Annuitants.

“ Due reserves have been made for special liabilities that have been undertaken.

“ I am therefore of opinion that the results of the valuation may be adopted and acted upon with safety.”

The retiring Directors are Mr. EDGAR HORNE, Dr. ROBERT BARNES, and Mr. PERCY T. REID, who offer themselves for re-election.

The Auditors, Messrs. DAY and SECRETAN, also offer themselves for re-election.

Messrs. DELOITTE, DEVER, GRIFFITHS & Co. have examined the Securities, and their certificate is appended to the Balance Sheets. P00018550

EDGAR HORNE,
Chairman.

GENERAL BALANCE SHEET OF THE PRUDENTIAL ASSURANCE COMPANY LIMITED
ON THE 31ST DECEMBER, 1901.

LIABILITIES.				£	s.	d.	ASSETS.				£	s.	d.
Shareholders' capital	...	...	...	1,000,000	0	0	British Government securities	...	...	...	3,554,093	7	5
Ordinary Branch funds	...	...	...	22,660,953	10	2	Indian and Colonial government securities	...	...	...	4,194,854	6	7
Industrial Branch fund	...	...	...	18,274,017	18	6	Railway and other debentures and debenture stocks	...	...	...	3,050,669	14	6
Reserve fund	...	...	...	900,000	0	0	Loans on County Council, Municipal, and other rates	...	...	...	9,340,533	17	11
Investments reserve fund	...	...	...	250,000	0	0	Freehold ground rents, and Scotch feu duties	...	...	...	3,317,456	3	10
Claims under life policies admitted	...	...	...	207,054	18	8	Freehold and leasehold property	...	...	...	2,293,593	5	10
							Mortgages on property within the United Kingdom	...	...	...	5,809,857	10	7
							Railway, Gas, and Water stocks	...	...	...	6,109,593	16	0
							Suez Canal shares	...	...	...	167,677	11	7
							Telegraph and other shares	...	...	...	81,715	3	9
							Metropolitan Consolidated stock, and City of London bonds	...	...	...	339,332	17	1
							Bank of England stock	...	...	...	200,559	18	6
							Colonial and Foreign corporation stocks	...	...	...	332,538	5	7
							Foreign government securities	...	...	...	1,106,291	17	7
							Reversions and Life Interests	...	...	...	923,844	14	4
							Loans on the company's policies	...	...	...	1,148,138	11	0
							Rent charges	...	...	...	181,975	10	5
							Outstanding premiums	...	...	...	467,379	9	6
							Cash in hands of superintendents, and agents' balances	...	...	...	41,172	11	0
							Outstanding interest, and rents	...	...	...	341,910	8	8
							Cash—On deposit, on current accounts, and in hand	...	...	...	288,837	5	8
				<u>£43,292,026</u>	<u>7</u>	<u>4</u>					<u>£43,292,026</u>	<u>7</u>	<u>4</u>

THOS. C. DEWEY,
WILLIAM HUGHES, } *Joint General Managers.*
D. W. STABLE, *Secretary.*

EDGAR HORNE, *Chairman.*
HENRY A. HARBEN, } *Directors.*
THOMAS WHARRIE, }

P00018551

0319-003

LIFE ASSURANCE COMPANIES ACT, 1870.—THIRD SCHEDULE.

REVENUE ACCOUNTS OF THE PRUDENTIAL ASSURANCE COMPANY LIMITED (ORDINARY BRANCH)
FOR THE YEAR ENDING 31ST DECEMBER, 1901.

(No. 1.) LIFE ASSURANCE ACCOUNT.

	£	s.	d.		£	s.	d.
Amount of life assurance fund at the beginning of the year ...	£20,879,008	19	2	Claims under life policies (after deduction of sums re-assured):—			
Less amount transferred to the Industrial Branch, being proportion of profits ...	65,453	0	0	By Deaths ...	£876,904	4	2
				By Endowments matured ...	686,871	10	4
							1,563,775 14 6
Premiums, after deduction of re-assurance premiums ...	3,489,955	19	5	Surrenders ...			170,329 18 5
Consideration for annuities granted ...	85,125	14	5	Cash bonus to policyholders ...			73,774 8 0
Interest ...	685,744	6	10	Annuities ...			89,199 15 1
				Commission ...			225,453 6 3
				Expenses of management ...			91,482 3 7
				Amount transferred to investments reserve fund ...			200,000 0 0
				Amount of life assurance fund at the end of the year, as per Fourth Schedule ...			22,660,366 14 0
							£25,074,381 19 10
	£25,074,381	19	10				£25,074,381 19 10

(No. 2.) SICKNESS ASSURANCE ACCOUNT.

	£	s.	d.		£	s.	d.
Amount of sickness assurance fund at the beginning of the year ...	575	5	7	Claims ...	22	0	0
Premiums ...	14	9	7	Commission and expenses ...	1	6	3
Interest ...	20	7	3	Sickness assurance fund at the end of the year, as per Fourth Schedule ...	586	16	2
							£610 2 5
	£610	2	5				£610 2 5

4

P00018552

0319-004

LIFE ASSURANCE COMPANIES ACT, 1870.—FOURTH SCHEDULE.

BALANCE SHEET OF THE PRUDENTIAL ASSURANCE COMPANY LIMITED (ORDINARY BRANCH)
ON THE 31ST DECEMBER, 1901.

LIABILITIES.		£	s.	d.	ASSETS.		£	s.	d.		
Life assurance fund	... ..	£22,660,366	14	0	Mortgages on property within the United Kingdom	...	4,550,264	15	11		
Sickness assurance fund	... ..	586	16	2	Loans on the company's policies	... ..	1,148,138	11	0		
Investments reserve fund	... ..	250,000	0	0	Loans on County Council, Municipal and other rates	...	742,753	4	5		
					Rent charges	... ..	181,975	10	5		
Claims under life policies admitted	... ..				Metropolitan Consolidated stock	... ..	166,198	15	8		
					Investments:—						
				22,910,953	10	2	In British Government securities	... ..	1,635,318	4	9
				145,605	18	9	Bank of England stock	... ..	200,559	18	6
							Indian and Colonial government securities	... ..	4,194,854	6	7
							Colonial and Foreign corporation stocks	... ..	332,538	5	7
							Foreign government securities	... ..	814,152	9	5
							Railway and other debentures and debenture stocks	... ..	1,340,648	13	5
							Railway, Gas, Water and other stocks and shares	... ..	6,358,986	11	4
							Reversions and Life Interests	... ..	923,844	14	4
							Outstanding premiums	... ..	181,258	6	2
							Ditto interest	... ..	146,456	7	11
							Cash—				
							On deposit	... ..	£5,000	0	0
							On current accounts	... ..	133,510	13	6
							In hand	... ..	100	0	0
									138,610	13	6
									£23,056,559	8	11

THOS. C. DEWEY,
WILLIAM HUGHES, } *Joint General Managers.*
D. W. STABLE, *Secretary.*

EDGAR HORNE, *Chairman.*
HENRY A. HARBEN,
THOMAS WHARRIE, } *Directors.*

We beg to report that we have examined the foregoing accounts and in our opinion they are correct, and the foregoing is a full and fair Balance Sheet properly drawn up and exhibits a true and correct view of the state of the Company's affairs as shown by the books of the Company.

In accordance with the provisions of "The Companies Act, 1900," we certify that all our requirements as Auditors have been complied with.

ARCHIBALD DAY,
PHILIP SECRETAN, } *Auditors.*

We have examined the Cash transactions, (receipts and payments) affecting the accounts of the Assets and Investments for the year ended December 31st, 1901, 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, 1901.

19th February, 1902.

DELOITTE, DEVER, GRIFFITHS & Co.

P00018553

0319-005

LIFE ASSURANCE COMPANIES ACT, 1870.—THIRD SCHEDULE.

REVENUE ACCOUNT OF THE PRUDENTIAL ASSURANCE COMPANY LIMITED (INDUSTRIAL BRANCH)
FOR THE YEAR ENDING 31ST DECEMBER, 1901.

LIFE ASSURANCE ACCOUNT.

	£	s.	d.		£	s.	d.
Amount of life assurance fund at the beginning of the year ...	£16,910,640	1	10				
Amount transferred from Ordinary Branch under Regulations of the company ...	65,453	0	0				
Premiums ...	5,529,461	7	11	Claims under life policies ...	2,104,939	6	5
Interest and rents ...	590,609	4	4	Surrenders ...	19,362	4	5
	16,976,093	1	10	Commission:—			
				Salaries of 14,996 agents for the weekly collection of premium from 13,563,541 policies	£1,011,055	13	6
				Special New business charges	491,652	3	9
					1,502,707	17	3
				Expenses of management:—			
				Policy, postage, and receipt stamps (Head Office only) ...	£64,801	14	4
				Superintendency charges ...	182,209	9	9
				Medical fees ...	59,762	8	1
				Head Office expenses ...	373,362	15	4
					680,136	7	6
				Dividends and bonus to shareholders ...	465,000	0	0
				Amount transferred to reserve fund ...	50,000	0	0
				Amount of life assurance fund at the end of the year, as per Fourth Schedule ...	18,274,017	18	6
	£23,096,163	14	1		£23,096,163	14	1

P00018554

0319-006

LIFE ASSURANCE COMPANIES ACT, 1870.—FOURTH SCHEDULE.

BALANCE SHEET OF THE PRUDENTIAL ASSURANCE COMPANY LIMITED (INDUSTRIAL BRANCH)

ON THE 31ST DECEMBER, 1901.

LIABILITIES.			£	s.	d.	ASSETS.			£	s.	d.
Shareholders' capital	...	...	£1,000,000	0	0	Mortgages on property within the United Kingdom	...	...	1,259,592	14	8
Life assurance fund	...	...	18,274,017	18	6	Loans on County Council, Municipal and other rates	...	...	8,597,780	13	6
Reserve fund	...	...	900,000	0	0	City of London corporation bonds	...	...	173,134	1	5
						Investments:—					
Claims under life policies admitted	...	...				In British Government securities	...	...	1,918,775	2	8
						Foreign Government securities	...	...	292,139	8	2
						Railway debenture stocks	...	...	1,710,021	1	1
						Freehold ground rents and Scotch feu duties	...	...	3,317,456	3	10
						House property—					
						Freehold	...	...	£2,193,024	10	4
						Leasehold	...	...	100,568	15	6
									2,293,593	5	10
						Agents' balances	...	...	3,726	14	11
						Outstanding premiums	...	...	286,121	3	4
						Outstanding interest and rents	...	...	195,454	0	9
						Cash in hands of superintendents	...	...	37,445	16	1
						Cash—					
						On current accounts	...	...	£149,826	12	2
						In hand	...	...	400	0	0
									150,226	12	2
									£20,235,466	18	5
									£20,235,466	18	5

THOS. C. DEWEY, }
WILLIAM HUGHES, } *Joint General Managers.*

D. W. STABLE, *Secretary*

EDGAR HORNE, *Chairman.*
HENRY A. HARBEN, }
THOMAS WHARRIE, } *Directors.*

We beg to report that we have examined the foregoing accounts, and in our opinion they are correct, and the foregoing is a full and fair Balance Sheet properly drawn up and exhibits a true and correct view of the state of the Company's affairs as shown by the books of the Company.

In accordance with the provisions of "The Companies Act, 1900," we certify that all our requirements as Auditors have been complied with.

ARCHIBALD DAY, }
PHILIP SECRETAN, } *Auditors.*

We have examined the Cash transactions, (receipts and payments) affecting the accounts of the Assets and Investments for the year ended December 31st, 1901, 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, 1901.

19th February, 1902.

DELOITTE, DEVER, GRIFFITHS & Co.

P00018555

0319-007

P

as ma 65 per the of i exp 188

PRUDENTIAL
Assurance Company Limited.

—♦—

DIRECTORS' REPORT
AND
STATEMENT OF ACCOUNTS

At 31st December, 1901.
