PRUDENTIAL ASSURANCE COMPANY

LIMITED.

FIFTY-FOURTH ANNUAL REPORT,

FOR THE YEAR ENDING 31ST DECEMBER, 1902.

THE DIRECTORS have much pleasure in presenting their Report and Accounts for the year 1902.

Ordinary Branch.—The number of Policies issued during the year was 69,662, assuring the sum of £6,680,050 and producing a New Annual Premium Income of £364,068.

The Premiums received during the year were £3,651,458, being an increase of £161,503 over the year 1901.

The Claims of the year amounted to £1,296,693. The number of Deaths was 6,895, and 3,952 Endowment Assurances matured.

The number of Policies in force at the end of the year was 680,631.

INDUSTRIAL BRANCH.—The Premiums received during the year were £5,690,907, being an increase of £161,446.

The Claims of the year amounted to £2,140,645. The number of Deaths was 212,701, and 3,369 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 84,060, the number in force being 836,884. The number of Free Policies which became Claims during the year was 19,170.

The total number of Policies in force at the end of the year was 14,770,865: their average duration is ten years.

The assets of the Company, in both branches, as shewn in the Balance Sheet, are £47,155,201, being an increase of £3,863,175 over those of 1901.

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 £115,608.

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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 Valuation as usual has been made by Mr. Schooling and the results are as follows:—

In the Ordinary Branch the surplus shewn is £1,018,335, including the sum of £138,151 brought forward from last year. Out of this surplus the Directors have added £150,000 to the Investments Reserve Fund, which now stands at £400,000.

In the Industrial Branch the surplus shewn is £865,326, including the sum of £351,401 brought forward from last year. Out of this surplus the Directors have added £150,000 to the Reserve Fund, which now stands at £1,050,000.

The total surplus of the two branches, as shewn by the valuation, is thus £1,883,661, which is disposed of as follows: £150,000 has been added to the Investments Reserve Fund of the Ordinary Branch, and £150,000 has been added to the Reserve Fund of the Industrial Branch; £1,132,890 is distributable among the participating Policyholders and Shareholders, in accordance with the Regulations of the Company under its special Act of Parliament, leaving £450,771 to be carried forward, namely, £101,581 in the Ordinary Branch and £349,190 in the Industrial Branch.

The retiring Directors are Sir Henry Harben, Mr. William T. Pugh, and Mr. William John Lancaster, 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.

EDGAR HORNE,

Chairman.

Holborn Bars, 19th February, 1903.

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GENERAL BALANCE SHEET OF THE PRUDENTIAL ASSURANCE COMPANY LIMITED ON THE 31ST DECEMBER, 1902.

LIA	BILITH	ES.		Ì	£	s.	d.	ASSETS. \pounds s.	a
Shareholders' capital		•••	•••	•••	1,000,000	0	0	British Government securities 3,556,324 I	9
Ordinary Branch funds					24,977,480	8	8	Indian and Colonial government securities 4,708,709 14	
Industrial Branch fund					19,615,877	10	9	Railway and other debentures and debenture stocks 3,607,834 4	. (
Reserve fund					1,050,000		1	Loans on County Council, Municipal, and other rates 10,507,440 19	
					•		1	Freehold ground rents, and Scotch feu duties 3,421,786 15	
Investments reserve fund		•••	• • •		400,000				1
Claims under life policies a	dmitted	•••	•••	• • •	111,843	7	3	Mortgages on property within the United Kingdom 6,026,049 18	
								Railway, Gas, and Water stocks 6,306,488 6	
								Suez Canal shares 167,065 15	
								Telegraph and other shares 88,889 15	
				ļ				Metropolitan Consolidated stock, and City of London bonds 279,108 11	
								Bank of England stock 200,559 18	
								Colonial and Foreign corporation stocks 784,903 7	
								Foreign government securities 1,245,762 9	
				1				Reversions and Life Interests 1,007,412 15	
	*							Loans on the company's policies 1,377,487 4	
							ŀ	Rent charges 247,909 4	
			•					Outstanding premiums, and agents' balances 469,059 11	
							}	Outstanding interest, and rents 381,344 13	
								Cash—In hands of superintendents 36,181 3	
•								Do. On current accounts, and in hand 173,651 6	
		•							
					£47,155,201	6	8	£47,155,201 6	

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

FREDERICK SCHOOLING, Actuary.
D. W. STABLE, Secretary.

EDGAR HORNE, Chairman.

HENRY HARBEN, Directors.

J. W. SIMMONDS,

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, 1902, 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, 1902.

LIFE ASSURANCE COMPANIES ACT, 1870.—THIRD SCHEDULE.

REVENUE ACCOUNTS OF THE PRUDENTIAL ASSURANCE COMPANY LIMITED (ORDINARY BRANCH) FOR THE YEAR ENDING 31ST DECEMBER, 1902.

Amount of life assurance fund at the	\pounds s. d.	Claims under life policies (after deduction of sums re-assured):— $\qquad \qquad \pounds \qquad ^{\circ}$	s. d
beginning of the year \pounds 22,660,366 14 0		By Deaths £859,230 ○ 4	
Less amount transferred to the Industrial	į	By Endowments matured 437,463 2 9	
Branch, being proportion of profits 69,599 0 0		1,296,693	
	22,590,767 14 0	Surrenders 196,212 1	
Premiums, after deduction of re-assurance premiums	3,651,458 7 5	Cash bonus to policyholders 77,982 1	
Consideration for annuities granted	101,817 15 7	Annuities 92,571 1	
	766,076 17 11	Commission 224,559 1	
nterest	700,070 17 11	Expenses of management 95,207	
		Amount transferred to investments reserve fund 150,000	0 (
		Amount of life assurance fund at the end of the year, as per Fourth Schedule	10 T
	£,27,110,120 14 11	£27,110,120 1	14 1
· · · · · · · · · · · · · · · · · · ·			
(No. 2	2) SICKNESS AS	SURANCE ACCOUNT.	
	\pounds s. d.		. d.
Amount of sickness assurance fund at the beginning of the		Claims	0 0
year	586 16 2	Commission and expenses	5 4
Premiums	14 9 7	Sickness assurance fund at the end of the year as per Fourth	
nterest	20 15 5	Schedule 586 15	5 10
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LIFE ASSURANCE COMPANIES ACT, 1870.—FOURTH SCHEDULE.

BALANCE SHEET OF THE PRUDENTIAL ASSURANCE COMPANY LIMITED (ORDINARY BRANCH) ON THE 31st DECEMBER, 1902.

LIABILITIES.	2	– £ s. d	ASSETS.		£	s.	d.
Life assurance fund \pounds_2	24,976,893 12 10	•	Mortgages on property within the United Kingdom		4,732,452	9	3
Sickness assurance fund	586 15 10		Loans on the company's policies		1,377,487	4	8
Investments reserve fund	400,000 0 0		Loans on County Council, Municipal and other rates		1,377,592	7	4
	l l	7,480 8 8	Rent charges		247,909	4	2
Claims under life policies admitted	108	8,543 7 3	Investments :				
			In British Government securities		1,637,548	19	I
			Bank of England stock]	200,559	18	6
			Metropolitan Consolidated stock		166,057	5	3
	' 		Indian and Colonial government securities	•••	4,543,517	I 2	4
	•		Colonial and Foreign corporation stocks	··· ;	613,234	2	7
	4		Foreign government securities		953,623	1	2
			Railway and other debentures and debenture stocks		1,652,507	1	8
			Railway, Gas, Water and other stocks and shares		6,498,805	I 2	I
			Reversions and Life Interests	•••	1,007,412	15	0
•			Outstanding premiums	*** ;	174,956	15	9
			Outstanding interest		173,528	4	10
	•		Cash—On current accounts and in hand	;	128,831	2	3
				į			
	£25,486	5,023 15 11			£25,486,023	15	ŢŢ
			-	ļ			

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

FREDERICK SCHOOLING, Actuary.
D. W. STABLE, Secretary.

EDGAR HORNE, Chairman.
HENRY HARBEN, Directors.
J. W. SIMMONDS,

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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, 1902.

		LIFE ASSURAN	CE ACCOUNT.
Amount of life assurance fund at the beginning of the year Amount transferred from Ordinary Branch	. £18,274,017 18 6		£ s. d. Claims under life policies 2,140,645 11 4 Surrenders 23,736 18 5 Commission: 23,736 18 5
Premiums Interest and rents		18,343,616 18 6	Salaries of 15,287 agents for the weekly collection of premium from 13,933,981 policies £1,042,998 o 11 Special New business charges 495,508 10 3 1,538,506 11 2
			Expenses of management:— Policy, postage, and receipt stamps (Head Office only) £64,568 4 9
			Superintendency charges 192,352 4 9 Medical Fees 57,252 3 9 Head Office expenses 400,369 6 4
	·		Dividends and bonus to shareholders 480,000 0 0
			Amount transferred to reserve fund
			Fourth Schedule 19,615,877 10 9
		£24,663,308 II 3	£24,663,308 11 3

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LIFE ASSURANCE COMPANIES ACT, 1870.—FOURTH SCHEDULE.

BALANCE SHEET OF THE PRUDENTIAL ASSURANCE COMPANY LIMITED (INDUSTRIAL BRANCH) ON THE 31ST DECEMBER, 1902.

£ s.	ASSETS.	£ s. d.		IES.	LIABILITI	
Kingdom 1,293,597 9	Mortgages on property within the United Kin		£1,000,000 o o		•••	Shareholders' capital
d other rates 9,129,848 11	Loans on County Council, Municipal and oth		19,615,877 10 9		***	Life assurance fund
	Investments :—		1,050,000 0 0			Reserve fund
1,918,775 2	In British Government securities	21,665,877 10 9				
113,051 6	City of London corporation bonds	3,300 0 0			s admitted	Claims under life policies
165,192 2	Colonial Government securities	<u>.</u>				
171,669 5	Colonial Corporation stocks					
292,139 8	Foreign Government securities					
ebenture stocks 1,955,327 3	Railway and other debentures and deben					
tocks 63,638 5	Railway preference and guaranteed stocks					
eu duties 3,421,786 15	Freehold ground rents and Scotch feu du					
	House Property—		,			
£2,452,574 6 2	Freehold					
0.6	Leasehold					
	Agents' balances					
289,895 11	Outstanding premiums					
207,816 8	Outstanding interest and rents					
36,181 3	Cash—In hands of superintendents					
44,820 4	Do. On current accounts and in hand					
£21,669,177 10		£21,669,177 10 9				

THOS. C. DEWEY, WILLIAM HUGHES,

Joint General Managers.

FREDERICK SCHOOLING, Actuary.

1). W. STABLE, Secretary.

EDGAR HORNE, Chairman.
HENRY HARBEN,
J. W. SIMMONDS,

Directors.

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PRUDENTIAL

Assurance Company Limited.

DIRECTORS' REPORT

AND

STATEMENT OF ACCOUNTS

At 31st December, 1902.