

PRUDENTIAL ASSURANCE COMPANY

LIMITED.

FIFTY-SIXTH ANNUAL REPORT,

FOR THE YEAR ENDING 31ST DECEMBER, 1904.

THE DIRECTORS have much pleasure in presenting their Report and Accounts for the year 1904.

ORDINARY BRANCH.—The number of Policies issued during the year was 71,874, assuring the sum of £6,954,650 and producing a New Annual Premium Income of £377,587.

The Premiums received during the year were £3,969,016, being an increase of £154,160 over the year 1903.

The Claims of the year amounted to £1,654,753. The number of Deaths was 7,139, and 6,259 Endowment Assurances matured.

The number of Policies in force at the end of the year was 742,147.

INDUSTRIAL BRANCH.—The Premiums received during the year were £5,979,335, being an increase of £132,781.

The Claims of the year amounted to £2,230,180. The number of Deaths was 233,015, and 3,066 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 112,606, the number in force being 1,003,377. The number of Free Policies which became Claims during the year was 22,211.

The total number of Policies in force at the end of the year was 15,577,161: their average duration is ten and three-quarter years.

The assets of the Company, in both branches, as shewn in the Balance Sheet, are £55,359,505, being an increase of £4,142,128 over those of 1903.

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 £138,280.

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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 £1,148,965, including the sum of £123,063 brought forward from last year. Out of this surplus the Directors have added £150,000 to the Investments Reserve Fund, which now stands at £800,000.

In the INDUSTRIAL BRANCH the surplus shewn is £915,549, including the sum of £354,570 brought forward from last year. Out of this surplus the Directors have added £150,000 to the Reserve Fund, which now stands at £1,500,000.

The total surplus of the two branches, as shewn by the valuation, is thus £2,064,514, 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; £1,202,867 is distributable among the participating Policyholders and Shareholders, in accordance with the Regulations of the Company under its special Act of Parliament, leaving £561,647 to be carried forward, namely, £176,249 in the Ordinary Branch and £385,398 in the Industrial Branch.

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

The appointment of Mr. WILLIAM EDGAR HORNE who has been elected a Director during the year, is now, in accordance with the Regulations of the Company, submitted to the Shareholders for confirmation.

The Directors regret to have to report the death in August last of Mr. ARCHIBALD DAY who had been one of the Auditors of the Company since 1893. The vacancy thus created has been temporarily filled by the appointment by the Directors of a qualified Shareholder, Mr. W. H. NICHOLLS. Messrs. SECRETAN and NICHOLLS 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,
16th February, 1905.

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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, 1904.

(No. 1) LIFE ASSURANCE ACCOUNT.

	£	s.	d.		£	s.	d.
Amount of life assurance fund at the beginning of the year ...	£27,120,353	15	0	Claims under life policies (after deduction of sums re-assured):—			
<i>Less</i> amount transferred to the Industrial Branch, being proportion of profits ...	76,826	0	0	By Deaths ...	£946,148	2	5
	27,043,527	15	0	By Endowments matured ...	708,605	4	11
Premiums, after deduction of re-assurance premiums ...	3,969,016	3	4	Surrenders ...		276,900	6
Consideration for annuities granted ...	100,897	15	6	Cash bonus to policyholders ...		94,377	0
Interest ...	946,939	18	10	Annuities ...		100,136	18
	32,060,381	12	8	Commission ...		239,288	18
	29,441,862	5	7	Expenses of management ...		103,062	16
	150,000	0	0	Amount transferred to investments reserve fund ...			
	29,441,862	5	7	Amount of life assurance fund at the end of the year, as per Fourth Schedule ...		29,441,862	5
	£32,060,381	12	8			£32,060,381	12
						29,441,862	5
						£32,060,381	12
						29,441,862	5

(No. 2) SICKNESS ASSURANCE ACCOUNT.

	£	s.	d.		£	s.	d.
Amount of sickness assurance fund at the beginning of the year ...	589	11	6	Claims ...	52	0	0
Premiums ...	13	4	1	Commission and expenses ...	1	2	10
Interest ...	20	16	11	Sickness assurance fund at the end of the year as per Fourth Schedule ...	570	9	8
	623	12	6		£623	12	6

LIFE ASSURANCE COMPANIES ACT, 1870.—THIRD SCHEDULE.

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

FOR THE YEAR ENDING 31ST DECEMBER, 1904.

LIFE ASSURANCE ACCOUNT.

	£	s.	d.		£	s.	d.
Amount of life assurance fund at the beginning of the year	£20,968,332	6	2	Claims under life policies	2,230,180	2	9
Amount transferred from Ordinary Branch under Regulations of the company ...	76,826	0	0	Surrenders	41,634	9	5
	21,045,158	6	2	Commission :—			
Premiums	5,979,335	14	2	Salaries of 15,903 agents for the weekly collection of premium from 14,573,784 policies	£1,096,635	6	7
Interest and rents	753,465	11	2	Special New business charges	532,812	3	3
					1,629,447	9	10
				Expenses of management :—			
				Policy, postage, and receipt stamps (Head Office only)	£66,118	17	8
				Superintendency charges	199,595	12	10
				Medical Fees	51,738	3	10
				Head Office expenses	440,109	3	5
					757,561	17	9
				Dividends and bonus to shareholders	500,000	0	0
				Amount transferred to reserve fund	150,000	0	0
				Amount of life assurance fund at the end of the year as per Fourth Schedule	22,469,135	11	9
	£27,777,959	11	6		£27,777,959	11	6

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PRUDENTIAL

Assurance Company Limited.

DIRECTORS' REPORT

AND

STATEMENT OF ACCOUNTS

At 31st December, 1904.

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