

The total surplus of the two branches, as shewn by the valuation, is thus £3,337,675, which is disposed of as follows: £500,000 has been added to the Investments Reserve Fund of the Ordinary Branch, £250,000 has been added to the Investments Reserve Fund of the Industrial Branch, and £300,000 has been carried to the Courts (Emergency Powers) Act Reserve. £1,730,004 will be distributed among participating policyholders in the Ordinary Branch, policyholders in the Industrial Branch, the Shareholders, and the Superintendency and Agency Staff in accordance with the Regulations of the Company under its special Act of Parliament, leaving £557,671 to be carried forward, namely, £263,724 in the Ordinary Branch and £293,947 in the Industrial Branch.

In the ORDINARY BRANCH a reversionary bonus at the rate of £1 10s. per cent. on the original sums assured has been added to all classes of participating policies issued since the year 1876.

In the INDUSTRIAL BRANCH a bonus addition will be made to the sums assured on policies of over five years' duration which become claims either by death or maturity of endowment from the 5th of March, 1915, to the 2nd of March, 1916, both dates inclusive, as follows:—

PREMIUMS PAID FOR.	BONUS ADDITION TO SUMS ASSURED.	PREMIUMS PAID FOR.	BONUS ADDITION TO SUMS ASSURED.
5 years and less than 10 years	£2 10s. per cent.	35 years and less than 40 years	£15 per cent.
10 " " " " 15 "	£5 "	40 " " " " 45 "	£20 "
15 " " " " 20 "	£5 "	45 " " " " 50 "	£30 "
20 " " " " 25 "	£7 10s. "	50 " " " " 55 "	£40 "
25 " " " " 30 "	£10 "	55 " " " " 60 "	£50 "
30 " " " " 35 "	£12 10s. "	60 " " and upwards ...	£60 "

The outbreak of hostilities in August last placed upon the Directors the grave responsibility of deciding what charge, if any, should be made to policyholders on active service. After careful consideration it was decided to charge no extra premium in respect of existing policies on the lives of those engaging for the period of the war, and in respect of existing policies on the lives of other members of the regular forces it was decided that £250 of assurance on any life should be exempted from the payment of extra premium.

The six Prudential Approved Societies formed under the National Insurance Act 1911 have done important work during the year and the membership continues to increase. Since the commencement of the Act the Agency Staff has distributed benefits exceeding £3,000,000 to the members at their own homes.

In the Revenue Account of the Industrial Branch the figures in respect of Commission and Expenses of Management include the sum of £357,416, received for work done in connection with the Prudential Approved Societies. In estimating the ratio of expenses to premiums received this sum must be deducted.

The Directors deplore the loss of one of their colleagues during the past year. Surgeon Lieutenant-Colonel HORATIO ROBERT ODO CROSS died on the 3rd February last. The vacancy in the Directorate caused by his death has been filled by the appointment of Mr. JAMES MOON, a qualified shareholder, who during the past 40 years has represented the Company in every capacity available to the outdoor staff. His election will be submitted to the shareholders for confirmation.

The Board have felt that in view of the increase in the Company's business in recent years it was necessary to add to their number. They have therefore appointed, as an additional Director, Mr. DANIEL WINTRINGHAM STABLE, a qualified shareholder, who for many years has served the Company, first as Solicitor and afterwards as Secretary, and his election will also be submitted to the Shareholders for confirmation. Upon Mr. STABLE's retirement from the post of Secretary, the Directors appointed Mr. GEORGE ERNEST MAY as his successor.

The retiring Directors are Sir WILLIAM LANCASTER, Mr. JAMES MOON, Mr. WILLIAM THOMAS PUGH, and Mr. FREDERICK SCHOOLING, who offer themselves for re-election.

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

Messrs. DELOITTE, PLENDER, GRIFFITHS & Co. have examined the securities, and their certificate is appended to the balance sheets.

ASSURANCE COMPANIES ACT, 1909.—FIRST SCHEDULE.

REVENUE ACCOUNT OF THE PRUDENTIAL ASSURANCE COMPANY LIMITED (INDUSTRIAL BRANCH)
FOR THE YEAR ENDING 31ST DECEMBER, 1914, IN RESPECT OF LIFE ASSURANCE BUSINESS.

	£	s.	d.		£	s.	d.
Amount of life assurance fund at the beginning of the year	£38,901,678	14	2				
Amount transferred from Ordinary Branch under Regulations of the company ...	118,900	0	0				
Balance of bonus under life policies reserved for distribution at the beginning of the year	226,942	8	6				
Premiums	8,176,202	1	11				
Interest, dividends and rents	£1,562,058	6	4				
Less income tax thereon	92,064	10	7				
Amount received from Approved Societies for Expenses	1,469,993	15	9				
	357,415	17	8				
	£49,251,132	18	0				
				Claims under policies paid and outstanding :—			
				By death	£2,902,107	1	11
				By maturity	73,383	3	4
				Bonus additions paid to 31st December	398,359	12	8
				Surrenders			
				Bonus to Superintendents and Agents			
				Commission :—			
				Agency charges, including salaries of 16,567 agents for the weekly collection of premiums from 18,137,454 policies	£1,577,936	16	9
				Special new business charges	730,575	2	5
				Expenses of management :—			
				Policy, postage, and receipt stamps (Head Office only)	£72,044	19	9
				Superintendency charges	319,917	4	0
				Medical fees	54,256	18	4
				Head Office expenses	779,718	14	7
				Dividend and bonus to shareholders			
				Amount transferred to investments reserve fund			
				Amount transferred to Courts (Emergency Powers) Act Reserve			
				Balance of bonus under life policies reserved for distribution			
				Amount of life assurance fund at the end of the year, as per Third Schedule			
					40,649,318	9	8
					£49,251,132	18	0

NOTES:—During the year 2,059,284 policies were issued, assuring a maximum sum of £32,291,598, exclusive of bonus.

No business is transacted out of the United Kingdom.

ASSURANCE COMPANIES ACT, 1909.—THIRD SCHEDULE.

BALANCE SHEET OF THE PRUDENTIAL ASSURANCE COMPANY LIMITED
(INDUSTRIAL BRANCH) ON THE 31ST DECEMBER, 1914.

LIABILITIES.			ASSETS.			
	£	s. d.	£	s. d.	£	s. d.
Shareholders' capital	1,000,000	0 0			Mortgages on property within the United Kingdom	2,176,122 8 10
Life assurance fund	40,649,318	9 8			Mortgages on property out of the United Kingdom	nil
Investments reserve fund	750,000	0 0			Loans on parochial and other public rates	8,917,894 1 3
			42,399,318	9 8	Loans on Life interests	381,633 12 0
Courts (Emergency Powers) Act Reserve			300,000	0 0	Loans on Personal security	nil
Claims under life policies intimated and in course of payment			4,600	0 0	Loans to Educational institutions secured on income, &c.	415 19 4
Balance of bonus under life policies reserved for distribution			228,682	15 10	Investments:—	
					Deposit with the High Court (£24,400 2½ % Consolidated stock)	17,568 0 0
					British Government securities	1,253,454 17 9
					Municipal and county securities, United Kingdom	1,002,558 18 4
					Indian and Colonial Government securities	1,110,793 17 6
					Colonial provincial securities	568,442 0 2
					Indian and Colonial municipal securities	987,557 7 0
					Foreign Government securities	1,518,576 14 4
					Foreign provincial securities...	506,076 11 4
					Foreign municipal securities	1,605,183 18 10
					Railway and other debentures and debenture stocks and gold and sterling bonds—Home and Foreign	11,271,722 9 7
					Railway and other preference and guaranteed stocks and shares	1,285,926 19 0
					Railway and other ordinary stocks and shares	52,641 8 2
					Freehold ground rents and Scotch feu duties	4,766,452 6 6
					Leasehold ground rents	9,143 11 7
					House property	4,200,467 19 11
					Agents' balances	6,647 16 0
					Outstanding premiums	397,556 12 7
					Outstanding interest and rents	89,092 7 3
					Interest, dividends and rents accrued but not payable	240,605 15 10
					Bills receivable	nil
					Cash:—	
					On deposit	20,000 0 0
					In hand and on current accounts	545,966 12 6
			£42,932,501	5 6		£42,932,501 5 6

The values of the Stock Exchange securities are determined, under the Regulations of the Company, by the Directors. These values have been compared with the middle market prices on 31st December, 1913, subsequent purchases being taken at cost price, due allowance being made for accrued interest, and the difference is more than provided for by the Investments Reserve Fund.

We certify that in our belief the Assets set forth in the Balance Sheet (compared with standards available at the date indicated) are in the aggregate fully of the value stated therein less the Investments Reserve Fund taken into account.

A. C. THOMPSON, *General Manager.*

J. BURN, *Actuary.*

THOS. C. DEWEY, *Chairman.*

G. E. MAY, *Secretary.*

W. J. LANCASTER,
F. SCHOOLING, } *Directors.*

We report that with the assistance of the Chartered Accountants as stated below we have examined the foregoing accounts and have obtained all the information and explanations that we have required and in our opinion such accounts are correct and the foregoing Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs according to the best of our information and the explanations given to us and as shown by the books of the Company.

PHILIP SECRETAN,
W. H. NICHOLLS, } *Auditors.*

We have examined the Cash transactions (receipts and payments) affecting the accounts of the Assets and Investments for the year ended December 31st, 1914, 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

PRUDENTIAL
Assurance Company Limited.

DIRECTORS' REPORT
AND
STATEMENT OF ACCOUNTS

At 31st December, 1914.

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