Chief Office :-- HOLBORN BARS, LONDON, E.C.1.

NINETY-THIRD ANNUAL REPORT

Year ending 31st December, 1941.

To be presented to the Shareholders at the Annual General Meeting to be held at 142, Holborn Bars, London, on Thursday, the 2nd day of April, 1942, at 12 noon.

President: SIR JOSEPH BURN, K.B.E., F.I.A., F.S.I.

Directors: Chairman: SIR GEORGE LEWIS BARSTOW, K.C.B. Deputy-Chairmen: GUY PHILIP HARBEN, O.B.E. ERNEST DEWEY.

SIR JOSEPH BURN, K.B.E., F.I.A., F.S.I. SIR NIGEL GEORGE DAVIDSON, C.B.E. SIR LAURENCE NUNNS GUILLEMARD, G.C.M.G., K.C.B. JOHN ROY LANCASTER. HERBERT HARVEY MOSELEY, B.C.L. LT.-COL. PERCY LESTER REID, O.B.E. SIR GEORGE STUART ROBERTSON, K.C. ERNEST FRANK SPURGEON, F.I.A.

Joint Secretaries: P. C. CRUMP, O.B.E., F.I.A. C. W. A. RAY, A.L.A.A. Assistant Secretaries: L. BROWN, F.I.A. A. J. MILLER, M.C. Joint Actuaries: C. C. H. DRAKE, F.I.A. W. J. FULFORD, F.I.A. Assistant Actuaries: W. F. GARDNER, F.I.A. W. E. HUSTWITT, F.I.A. C. G. MARSHALL, F.I.A. Assistant Managers: C. G. IZARD. F. W. MORTON, M.C., F.I.A.

Deputy General Managers : E. J. W. BORRAJO, M.B.E., A.I.A. F. H. GARRAWAY, O.B.E., M.C. H. S. LANE, M.C.

General Manager : F. W. MORGAN, M.C.

HE DIRECTORS have the honour to submit their Report and Accounts for 1941.

The Assets of the Company amount to £375,413,502 as compared with £364,854,580 at 31st December, 1940.

The Income from all sources during 1941 was £56,643,498 as compared with £56,048,786 in 1940.

ORDINARY BRANCH.

The number of life assurance policies issued during the year was 81,057, assuring the sum of £24,803,928, and producing annual premium income of £1,395,908.

The number of life assurance policies in force on 31st December, 1941, was 1,013,431, assuring with bonus £293,113,469 id producing an annual premium income of £13,171,242.

The immediate annuities payable were 14,105 in number, and amounted to $\pounds 1,031,736$ per annum. In addition there re 134,897 deferred and contingent annuities, securing $\pounds 2,807,601$ per annum and producing an annual premium income of .,347,830.

The total of the revenue premiums and consideration for annuities granted was $\pounds 14,791,605$. The total claims for the ar amounted to $\pounds 12,512,481$. There were death claims for sums assured, including bonuses, of $\pounds 3,241,100$ and matured lowment assurances for sums assured, including bonuses, of $\pounds 9,271,381$.

The surplus is £2,205,438, including the sum of £634,358 brought forward from last year, and has been allocated as tows :---

To Investment reserve fund	••		••	 	250,000
To bonus to participating policyholders	••		••	 ••	200,000
To dividend to holders of A shares		••	••	 ••	22,222
To Ordinary branch contingency fund	• •	• •	• •	 	1,025,000
To be carried forward		• •	••	 • •	708,216

The sum of $\pounds 250,000$ has been taken from the Investment reserve fund and applied to writing down investments in this nch; the sum transferred to the Investment reserve fund from the surplus replaces this amount.

In view of prevailing world conditions the transfer of the sum of $\pounds 1,025,000$ has been made to the Ordinary branch tingency fund which now stands at $\pounds 2,400,000$.

The Directors have declared that, as regards each participating policy issued out of the Ordinary branch (including ticipating policies issued by Overseas branches other than the Canadian branch) which was in force on 31st December, 1941, which becomes a claim by death or maturity of endowment during the year 1942 there shall be paid or transferred as part he claim a bonus for each 31st December on which the policy was in force subsequent to the 31st December, 1939, calculated the original participating sum assured at the rate :—

(a) where such sum is cash of £1 cash per ± 100 , and

(b) where such sum is Stock of £1 Stock per f_{100} .

As regards Canadian policies, the bonus is the same but different dates apply.

P00021305

INDUSTRIAL BRANCH.

The number of policies issued during the year was 1,649,446 assuring a sum of £57,156,797.

The number of policies becoming free policies during the year was 350,998. The number of free policies which becan claims was 191,194.

The total number of policies in force at the end of the year including 5,066,876 free policies was 28,917,294, under whith the maximum sum assured together with declared bonus was $\pounds 641,449,455$, producing an annual premium income of $\pounds 26,019,89$. The average duration of the whole life premium paying policies in force exceeds 19 years.

The revenue premiums for the year were $\pounds 24,858,403$, being a decrease of $\pounds 319,904$ compared with those for 1940. 1940 there were 53 weekly and 14 monthly (*i.e.* four-weekly) collections of premiums. If due allowance were made for this t revenue premiums for 1941 would shew an increase of nearly $\pounds 800,000$. The sum of $\pounds 16,273,919$, which includes $\pounds 2,866,1$ by way of bonus, became payable during the year under 877,097 policies in respect of death claims, matured endowments a surrenders. The number of endowment assurance policies which matured was 183,807.

After providing for the balance of the cost of the change in the valuation basis from a rate of interest of $2\frac{1}{4}$ per cent. $2\frac{1}{2}$ per cent. the surplus is £4,049,418, including the sum of £822,140 brought forward from last year, and has been allocat as follows :---

						~
To Investment reserve fund	••	••	••	••	••	500,000
To bonus to participating policyholders	••	••		••	••	265,000
To dividend to holders of A shares		••	••	••		390,3 30
To bonus to members of outdoor staff	••			••		58,003
To Industrial branch contingency fund		••	••	•••		2,500,000
To be carried forward			••	• •	••	336,085

The sum of £500,000 has been taken from the Investment reserve fund and applied to writing down investments in the branch; the sum transferred to the Investment reserve fund from the surplus replaces this amount.

In view of prevailing world conditions the transfer of the sum of $\pounds 2,500,000$ has been made to the Industrial bran contingency fund which now stands at $\pounds 5,600,000$.

Having regard to the amount of dividend which will be provided by the $\pounds 390,330$ allocated out of the surplus to divider to holders of A shares, $\pounds 564,338$ is required to be raised out of the Special contingency fund in accordance with Article 135 of t Company's Articles of Association of which $\pounds 282,169$ goes towards providing the dividend to holders of A shares. The balance $\pounds 282,169$ has been augmented to meet inequalities arising from the incidence of income tax and the augmented amount $\pounds 539,607$ goes towards providing the bonus to members of the outdoor staff.

Since the initiation of the profit sharing scheme, the total cash amount which has been allotted for provision of bonuses the Industrial branch policyholders is £59,439,550.

The expenses in this branch amount to 25.38 per cent. of the premiums.

The Directors have declared that in respect of all participating policies issued by the Prudential out of the Industrial branches before 1st January, 1942 which become claims by death or maturity of endowment during the year 1942 and which are premiue paying policies in Great Britain or Northern Ireland at the date of the event giving rise to the claim and on which not less that one year's premiums shall then have been paid there shall be paid or transferred as part of the claim a bonus for each 31st December, 1939, calculated on the original participating sum assured at the rate :—

- (a) where such sum is cash of 16s. cash per f_{100} and
- (b) where such sum is Stock of 16s. Stock per ± 100 .

This bonus is in addition to any amount of reversionary bonus already added to the sum assured but is not in addition any bonus previously declared which was not a reversionary bonus.

The declaration also provides that in the case of whole life assurance and endowment assurance policies issued by the Britis Widows' Assurance Company Limited out of its Industrial branch which terminate on becoming claims by death or maturity endowment during the year 1942, and which are premium paying policies in Great Britain or Northern Ireland at the date of the event giving rise to the claim there shall be paid as part of the claim a bonus on the sum otherwise payable as follows:—

Premiums paie	Amount of claim increased by				
Less than 10 years 10 years and less than 15 years 15 years and upwards	`		•••	····	$\begin{array}{cccccccccccccccccccccccccccccccccccc$

P00021306

com osidi

04.1

ecut 99,00

flows

upon

This (

per A

(of where the second se

divid

the A

The '

subse

F.I.*A*

since who

for

2

GENERAL BRANCH.

The revenue premiums for the year, after deduction of the reinsurances, were £2,620,651, being an increase of £198,177 in comparison with those for 1940. These figures do not include the fire insurance business written by the Company's American subsidiary, The Prudential Insurance Company of Great Britain located in New York.

The capital sum insured under sinking fund policies is $\pounds 8,104,485$ as compared with $\pounds 8,208,647$ in 1940, *i.e.*, a decrease of $\pounds 104,162$.

The Company undertakes duties as trustees in respect of issues of debentures and debenture stocks, and as trustees and executors of estates. The total amount of such debentures, debenture stocks and estates at the end of the year exceeded \$99,000,000.

The surplus is $\pounds 454,301$, including the sum of $\pounds 226,137$ brought forward from last year, and has been allocated as follows:—

To Investment reserv	e fund .			••			••	••	£ 40,000
To Additional reserve	e fund	••	• •	••	••	••	••	••	20,000
To Profit and loss a tribution				tax and					60,000
To dividends to holde	ers of A	share	es and	B shares	;	••	••	••	133,333
To be carried forward	1	••	•••	• •	••	•••	•••	••	200,968

The sum of $\pounds 40,000$ has been taken from the Investment reserve fund and applied to writing down investments in this branch; the sum transferred to the Investment reserve fund from the surplus replaces this amount.

The valuation of the contracts in all branches has been made by Mr. C. C. H. Drake, F.I.A., and Mr. W. J. Fulford, F.I.A., upon the bases stated in their valuation report.

The Directors have declared in respect of the year 1941 a final dividend on the A shares at the rate of 9s. 1.79d. per share. This dividend, together with the interim dividend of 2s. 6d. per share paid in September, 1941, makes a total of 11s. 7.79d. per A share for the year. The shareholders' profits from the Ordinary and Industrial branches provide 6s. 7.21d. of this dividend (of which 2s. 6d. has already been paid); 4s. 6.18d. is provided from the Special contingency fund in accordance with Article 135 of the Articles of Association and the remaining 6.40d. is from the General branch profits. The Directors have also declared a dividend on the B shares out of the General branch profits at the rate of 2s. 0d. per share. The dividends now declared on both the A and the B shares are payable free of income tax to the shareholders who are on the register on 2nd April, 1942.

The Directors deplore the death of two of their colleagues. Their Chairman, SIR EDGAR HORNE, Bart., died on the 26th September, 1941. He had served as a Director of the Company since 1904, being appointed Deputy Chairman in 1917 and Chairman in 1928. MR. ARTHUR RHYS BARRAND, F.I.A., who resigned his Directorship shortly after the last Annual Meeting, died in the following August. He retired from the position of a Deputy General Manager in 1923 and became a Director in 1932.

The Board has elected SIR GEORGE LEWIS BARSTOW, K.C.B., as Chairman and MR. ERNEST DEWEY as a Deputy Chairman. The two vacancies in the Directorate have been filled by the appointment of SIR JOSEPH BURN, K.B.E., F.I.A., F.S.I., who was subsequently appointed President at an Extraordinary General Meeting in November, 1941, and MR. ERNEST FRANK SPURGEON, F.I.A., who now offer themselves for election.

Group Captain WILLIAM GUY HORNE resigned his seat on the Board in January last after having served as a Director since 1930, and the Directors recommend the shareholders to elect MR. EDWARD JOSEPH WILLIAM BORRAJO, M.B.E., A.I.A., who will be retiring from his position of a Deputy General Manager at the end of March.

The retiring Directors are SIR GEORGE LEWIS BARSTOW, K.C.B., SIR LAURENCE NUNNS GUILLEMARD, G.C.M.G., K.C.B., and SIR NIGEL GEORGE DAVIDSON, C.B.E., who offer themselves for re-election.

MR. FRANK WILLIAM MORGAN, M.C., has been appointed General Manager.

MAJOR LAWRENCE WILFRED BIRD, D.S.O., O.B.E., and SIR JOHN SEROCOLD PAGET MELLOR, Bart., M.P., offer themselves for re-appointment as Auditors.

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

GEORGE L. BARSTOW,

Chairman.

HOLBORN BARS, 10th March, 1942.

P00021307

Total.	10,929,664 12 11 7,707 0 7 2,522,612 0 11	0 1 10 1 10 1 10 1	o مې ود	20,500 17,700 18,700 18,700 0 0 0 0 0	ه ۲	400,000 0 0 830,000 0 0 8,830,904 4 10 5,565,727 3 8	19 12	8,010,976 6 2 386,793 5 10 1,028,586 0 0	51,368,905 2 6 250,000 0 0	81,471,011 11 8 216,000 0 0 41,298,173 4 7 1,516,461 9 0	53,634 1 3 53,634 1 3 8,200,383 10 1 3,008 3 2	3,590,203 14 2 16,936,990 2 8 - 1,385,942 10 0 30,183 18 1 80,435 14 4	0004	142,592 8 7 10,252 6 2 622,635 16 8 53,987 10 0 58,99 4 1	0 % 0	606,265 16 0	5 375,413,502 0 9	of exchange ruling on the ruling on the darks of the valuents at the beginning in Domairon or foreign as in the rates of exchange noy funds. The area of exchange company has been carried	ŧ	be year ended eptions noted gents and by y are logged the thereto, list December, geges, Loans, gages, Loans, waans, E.C.2.
Share Premium Account.					0 225,448 9			 	11] # [] 	1 []	1111	1111		6.813 1 (• 	9 232,059 10 1	be rates of exchange ruling on the rates ruling on the dates of reling equivalents at the begin ansactions in Dominion or for a variations in the rates of excha contingency funds. An previous accounts which been as of one company has been carr	BARSTOW, Chairman.	C CO., Subsection
Special Contingency Fund.		 - 	1		8,507,241 13 0	248,660 0 9 44,000 0 0	259,065 7 8	[]]	25,000 0 4		[]]		1111 1	1111	20.706 6 11		4,266,008 5	foreign currencies have been brought in at the rates of pany's chief office which has been brought in at the rates pany's chief office which has been brought in at the rates end are accounts is the difference revenue account transactions. Future variation the dates of the respective transactions. Future variation he dates of the respective transactions. Future variation is the year ended 31st Decomber, 1941, or in the last previout to the extent of the dividends received. The loss of one	GEORGE L. BARS	as and sale of Investments to a Chief Office and with the istody or in the hands of the the instructions with whom Divisional Centres. We havry the table Balance Sheres are the cabled Bartone Sheres are the cabled Bartone Sheres are hober, 1941, represent the & Ober, 1941, represent the & PLENDER, GRIFFITHS & PLENDER, GRIFFITHS &
Common Common Contingency Fund.	rei 	1 1111		· · ·	2,266,739 9 4	198,687 3 4 122,600 0 0	45,824 14 7	!!!	121,883 4 8				1111 1		226.799 11 0		2,980,514 2 6	ave been brought in a leb has been brought in ch has been brought in aring revenue account aring revenue account. Fu lities and (b) reserve : Decomber, 1941, or in dividends received. Th		and to the purchase and ssion of the Company at Cl counties in their custody of ed accounts from the ins ed accounts from the ins those appearing in the cab those appearing in the cab those appearing in the cab those appearing in the cab those appearing in the cab
General Branch.	k s. d.				2,213,862 12 0 204,687 10 0	831,930 16 6 236,721 2 6	+	818,240 5 1 4,300 0 0 90,555 3 7	1,456,515 1 10	454,234 1 7 172,730 6 6 897,010 0 0		! 1 1	377,855 0 5 87,879 8 2 	142,592 8 7 10,252 6 2 41,239 6 6 99 4 1	00 Q	10,793 15 10	8,562,531 12 5	reign currencies have bee y's chiel office which has l the accounts is the differen- erator. Fire and marine T e dates of the respective tr orresponding liabilities a corresponding liabilities a the year ended 311 Decount the extent of the dividend		tes and Loans ionds in possess ionds in possess repeatings to co- present entities of the second of the entities of the second allance Sheet
Industrial Branch.	2,652,155 10 6 763,177 16 4	- 8 Q	620,034 6 9	>	72,710,263 14 10 8,244,000 12 5	400,000 0 4,822,299 4 3,301,138 8	2,692,943 8 333,429 14 1,021,669 8	8,900,061 13 4 227,402 6 8 562,731 14 1	32,128,465 10 3 150.000 0 0	19,034,135 19 1 165,300 0 24,654,409 16 1 403,684 8	8,200,363 10 1 3,008 8 2	8,590,208 14 2 18,783,452 13 4 240,100 4 8	285,000 0 0 780,294 1 6 204,255 18 11 501 383 is 7		75,000 0	3,583 6 7	228,834,154 7 11	fund revenue account transactions in Dominion or foreign currencies have been brought in at the rates of exchange ruling on the acception of interest received at or paid by the Company's chief office which has been brought in at the rates ruling on the dates of the area brought for the mappearing in certain revenue accounts is the difference between the string equivalents at the beginning pursurent in actionary eltern appearing in certain revenue account transactions in prominion or foreign is trates of exchange approximating to these current at the dates of the respective transactions. Future variations in the rates of exchange to rates of exchange approximating to those current at the dates of the respective transactions. Future variations in the rates of exchange approximating to those current at the dates of the respective transactions. Future variations in the rates of exchange or maintained so iar as practicable to the extent of the orresponding liabilities and (b) reserve and contingency funds rouns of subsidiary toompanies made up to a date with the year ended 311 Decomber. [1941, or in the last pervision accounts which became been included in this Company's revenue accounts to the extent of the dividends received. The loss of one company has been carried been included in this Company's revenue accounts to the extent of the dividends received.		ating to the l are Certificate a merco on a merco on a merco from Ba in Cash loof the last avai the last avai
Ordinary Branch.	8.277,509 2 5 7,707 0 7 1,759,234 4 7	0 5855	3,764,209 6 0 503,237 11 8 16,000 0 0	18,700 0 0	89,072,363 19 4 1,503,950 0 0	330,000 0 0 2,731,346 19 10 1,861,267 12 9	80 9	8,792,674 7 9 155,089 19 7 378,299 2 4	18,187,041 6 2 100,000 0 0	00	58,634 1 8 	3,153,537 9 4 1,145,842 5 4 80,483 14 1	633,354 0 9 633,354 0 9 639,532 0 11 299,527 15 1 830,300 8 1	82,043 14 8 58,987 10 0		691,882 13 7	132,538,234 1 9	account transactions in Dominion or terest received at or paid by the Comp xchange item appearing in certain rev brought forward at the beginning of th ange approximating to those current at so far as practicable to the extent of th iard companies made up to a date with d in this Company's revenue accounts	Directors	I payments at Chief Office relating the ined the Deeds, Stock and Share Cornined the Deeds, Stock and Share Corners, 1941. Due delivered and we have and bistrict Offices by Certificares frigges, Loan Casho so examined or configuest and Casho so examined or configuents and Casho so examined or configuents and the lating the above Balance Sheet.
ASSETS	Mortgages on property within the United Kingdom Mortgages on property within Eire.	More service of the United Market of the United Kingdom	Loans to subsidiary companies	220,000 31% War Stock 222,000 31% War Stock 222,000 33% Local Loans Stock 222,000 33% Local Loans Stock 10 Dire :	Faril 1935	Defentives my substituty to the fract Pacificies Acts the fract Pacificies Acts Bank of England stock. Municipal and county securities, United Kingdom Public Board securities	Dominion, Indian and Colonial Government securities	Poreign Government securities	stocks and gold and sterling bonds-Home and Foreign	Railway and other preference and guaranteen stocks and shares reference shares in subsidiary companies Railway and other ordinary stocks and shares Ordinary shares in subsidiary companies front of which is at the discosal of Ha Matesty's	Government-Financial Powers (U.S.A. Securi- ties) Act 1941.] Rent charges Freehold ground rents and feu duties	Office prensises (at cost, less amounts written Office prensises (at cost, less amounts written off) Properties within the United Kingdom	Provident and a provident and rents.	Arrounts retained at home and abroad by ceding compartes under reinsurance treaties and sums due on reinsurance account. Arnounts due from subsidiary companies. Study debtors Bills receivable Mathe stamps	On deposit :	Abroad	-	Life, casualty and sinking fund revenue accoust the second stat December, 1941, with the exception of interest respections ; the adjustment in exchange and the end of the year of the insurance fund hrough the tracted by (a) currency assets maintained so far The profits shown in the accounts of subjary of vallable within that year, have been included in toward in its accounts.	G. P. HARBEN, E. DEWEY, E. F. SPURGEON, Di	We have examined the receipts and payments a list December, 1941. We have also examined the De- below have verified as at the 31st December, 1941, b Cartificates of Florens the securities purchased but and Cash heid for account of Chief Office and District obtain confirmations in respect of Mortgages, Loan the Mortgages, Loans, Investments, Deposits and Ci 1941, received from Overseas Branches, except Sin Investments, Deposits and Cash set out in the abov large the March, 1942.
al and a		i bata and		the second se	_		the second second second	and the state of the local division of the l	Could be a first of	NAMES OF TAXABLE PARTY.	and the second s	the second s	the second se	and a still start for the start for a start of the start	of the second tax	المعصر والمعادلة والمعصر وأرادي			المحمرة ملاذحيهم أفقان	and the second
Total.		0,000 0 0 0,000 0 0 17,417 0 0	-	44 44 44 44 44 44 44 44 44 44 44 44 44	0,000 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0		8,397 0 0 2,493 0 0 8,500 0 0 8,698 7 4 8,854 15 5		111		4,188 4 6 7,241 10 0 4,320 0 0 1,850 0 0	1241 7 8 916 12 15 1772 14 1			ante de la construction de la const		,502 0 9	tranuat to etermined ared with vestment curity to be United		re correct formation is shown a
	- 42 - 42 - 42 - 42 - 42 - 42 - 42	1,250,000 0 1,250,000 0 200,000 0 1,25,072,141 0	214,202,620 4			1,742,909 264,008 314,304	22,493 22,493 28,698 28,698 238,698	31,312		198 199 141 14	0 174,188 0 87,241 84,320 1,350						5 375,418,502	anch accounts pursuant to the branches, as determined as have been compared with e Sheet, less the Investment ler local laws as security to in places out of the United is applicable.) Joint) Sectaries.	n such accounts are correct the best of our information applicable. applicable accounts show a BIRD, $Auditors$. LLOR, $Auditors$.
Share Premium Account,	1	227,477 0 5 227,477 0	214,202,620	·····	2 B		22,493 22,493 28,698 28,698 238,698	31,312	.		0 0 2,932 10 0 174,188 						5 9 232,059 10 5 375,418,502	the Industrial branch accounts pursuant to to any one or more branches, as determined ectors; these values have been compared with for thin the Balance Sheet, less the Investment 45. 11.4. Governments under local laws as security to ed under local laws in places out of the United to which the fund is applicable.	P. C. CRUMP, Joint C. W. A. RAY, Serdaries.	and in our opinion such accounts are correct flairs according to the best of our information which the fund is applicable. teof and in our opinion the accounts show a L. W. BIRD, JOHN S. P. MELLOR, JOHN S. P. MELLOR,
	25 25 24 24			F	2 6	1,742,909 204,008 314,304	22,5493 22,5493 22,5493 233,5493,5493 233,5493,5493,5493 233,5493,5493,5493,5493,5493,5493,5493,54	- 31,312	11.11	11111	17,000 0 0 1,650 0 0 174,188 17,000 0 0 2,932 10 0 87,241 18 	.					2 6 4,266,008 5 9 232,059 10 5 375,418,502	s, but is included in the Industrial branch accounts pursuant to fund may be applied to any one or more branches, as determined Company, by the Directors; these values have been compared with the blue assets set forth in the Balance Sheet, less the Investment ted there		that we have required and in our opinion such accounts are correct e of the Company's affairs according to the best of our information e class of busicess to which the fund is applicable. and the accounts thereof and in our opinion the accounts show a mpany's business. L. W. BIRD, JOHN S. P. MELLOR, $Auditor.$
Special Share Contingency Premium Fund. Account.	25 25 24 24				2,980,514 2 8 4,249,008 5 9	0 0 1 1 1 1 1 1 1 1 1 1 1 1 1			i ; ; ; ;	11 10 11 10 11 11 11	17,000 0 0 1,650 0 0 174,188 17,000 0 0 2,932 10 0 87,241 18 						12 5 2,980,514 2 6 4,266,008 5 9 232,059 10 5 375,418,502	Company's business, but is included in the Industrial branch accounts pursuant to f Association this fund may be applied to any one or more branches, as determined Association of the Company, by the Directors; these values have been compared with evention of the company by the Directors; these values have been compared with se of the value stated here and a subsidiary company was 132,255 45, 114. The General Dranch has been deposited under local laws as security to of the General branch has been deposited under local laws in places out of the United ber than those of the class of business to which the fund is applicable.		 IB AUDITORS. and explanations that we have required and in our opinion such accounts are correct ct view of the state of the Company's affairs according to the best of our information ar than those of the class of business to which the fund is applicable. I. W. BIRD, Audition the accounts show a branches of the Company's business. I. W. BIRD, Auditors, JOHN S. P. MELLOR, Auditors.
Common Contingency Contingency Fund. Fund.	25 25 24 24	0 0 2 200,000 0 2 20,000 0 2 20,000 0 2 20,000 0 2 20,000 0 1 155,0000 0 1 155,0000 0 1 155,0000 0 1 1	4 4 1 1 495, 287 0 1 1	126.296 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	0 0 2,980,514 2 6	16 8 11742.009 1 1 1742.009 1 1 1742.009 1 1 1742.009 264.006 1 0 1 1742.009 264.006 1 1 264.006 1 1 264.006 1 1 264.006 1 1 264.006 1 1 264.006 1 1 1 264.006 1 1 1 264.006 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1		882 4 2	121,682 3 2 1 583 0 0 1 1 1,092 4 0 0 1 1 1	11 10 11 10 11 11 11	0 0 11,706 1 6 17,000 0 1,850 0 17,4,188 0 0 11,209 0 0 17,000 0 2,932 10 67,241 17,000 0 2,932 10 0 67,241 17,000 0 2,932 10 0 67,241 17,000 0 2,932 34,520 34,520 34,520 1,350 34,520	. i . i . i . i . i . i . i . i . i . i . i					7 11 8,562,531 12 5 2,980,514 2 6 4,266,008 5 9 232,059 10 5 375,418,502	branches of the Company's business, i) of the Articles of Association this fu der the Articles of Association of the Co asis of such prices we restify that in our aggregate in excess of the value state (fulduling feets from a subsidiary com e been made with various Domindon, Co estiments and cash) of the General bran ass.	C. C. H. DRAKE, Joint P. C. CRUMP, Joint W. J. FULFORD, Actuaries. C. W. A. RAY, Servaries.	that we have required and in our opinion such accounts are ate of the Company's affairs according to the best of our infoi the class of business to which the fund is applicable. and the accounts thereof and in our opinion the accounts company's business. L. W. BIRD, JOHN S. P. MELLOR, <i>Auditors</i> .
linary Industrial General Common Special Share anch. Branch. Branch. Contingency Contingency Premium Fund.	s. d. 5. d. 5. d.	0 0 2 200,000 0 2 20,000 0 2 20,000 0 2 20,000 0 2 20,000 0 1 155,0000 0 1 155,0000 0 1 155,0000 0 1 1		31125-266 0 0 3112-546 0 0 3112-546 0 0 1,245,020 1 0 1,245,000 0 0 1,245,0000 0 1,245,0000 0 1,245,0000 0 1,245,0000 0 1,245,		16 8 11742.009 1 1742.009 1 1742.009 1 1742.009 1 1742.009 1 1742.009 1 1742.009 1 1742.009 1 1742.009 1 1742.009 1 1742.009 1 1 1742.009 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	20,500 0 88,501 24,337	80,060 z 6	121,682 3 2 2 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	11,543 7 7	110,742 3 0 61,766 1 6 17,000 0 1,850 0 174,183 0.000 0 0 30,000 0 11,309 0 17,000 0 2,932 0 67,341 84,520 4,321 0 28,939 0 0 11,309 0 17,000 0 2,932 10 67,341 4,321 0 28,939 0 0 11,309 0 34,520 1,350 0 17,000 0 2,932 10 84,520 1,356 0 1,353 1,353			Deted Contrigent inshifty on shares, etc. 1,060,000 A contrigent ltability exists under a gradopoo Byrea by the Company in respect of certain byreachs for the Stall and threase and dependants provided by nease of a company formed for this purpos			11 8,562,531 12 5 2,980,514 2 6 4,266,008 5 9 232,059 10 5 375,418,502	hes of the e Articles of such prices ver- ticles of all for the articles of all for the articles in the articles of the articles of purposes of		KEPORT OF THE AUDITORS. 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 oregoing Balance Sheet is property drawn up we osto exhibit a true and not the explanations given to us and as shown by the bosts of the Company to the state of the Company's affairs according to the best of our information No pert of any fund has been applied directly for any purposes other than those of the class of business to which the fund is applicable. No pert of any fund has been applied directly for any purposes other than those of the class of business to which the fund is applicable. Is the base of the explanees between the industrial and other branches of the Company's business. In the accounts thereof and the expenses between the industrial and other branches of the Company's pusuess. In the Accounts thereof and the expenses between the industrial and other branches of the Company's pusuess. In the Accounts thereof and the expense between the industrial and other branches of the Company's pusues. In W. BIRD, Austrian 1942.

.

.

.

0880-004

REVENUE ACCOUNT OF THE ORDINARY BRANCH

for the Year ending 31st December, 1941, in respect of

Life Assurance Business

		£	s.	d.		£	\$.	d,
Amount of life assurance fund at the l	beginning of the		~	_	Claims under policies paid and outstanding :			
year	••• ••• •••	123,771,246	3	5	By death $f_{3,241,099}$ 12 11			
Premiums		14,598,390	15	0	By maturity 9,271,381 6 5			
Consideration for annuities granted		193,213	15	4		12,512,480	19	
•	5,320,822 0 6				Surrenders	634,283	8	1
,					Bonuses surrendered for cash	71,013	0	
Less income tax	1,249,705 6 5				Annuities	1,036,307	5	1
		4,071,116	14	1	Life business :			
					Commission	823,598	2	1
					Expenses of management	1,129,611	14	. 1
					Annuity business :	.,,		
					Commission	4,128	11	1
					Expenses of management	17,114		
					National defence contribution	11,551		
					War damage contributions	17,436		
					Transfer to Investment reserve fund			
					Transfer to Ordinary branch Contingency fund	1,025,000		
					Transfer to Profit and loss account	22,222		
					Amount of life assurance fund at the end of the year	125,079,219		
					Amount of mo assurance fund at the end of the year	120,010,210	••	`
								_
		€142,633,967	7	10		(142,633,967	7	1

Note.—During the year 81,057 policies were issued for a sum assured of £24,803,927 18s. 1d. The amount received by way of single premiums was \pounds 113,041 13s. 9d. The yearly renewal premium income was \pounds 1,395,908 2s. 0d.

REVENUE ACCOUNT OF THE INDUSTRIAL BRANCH

for the Year ending 31st December, 1941, in respect of

Industrial Assurance Business

		£	<i>s</i> .	d.		£	s.	
Amount of Industrial assurance fu	nd at the beginning				Claims under policies paid and outstanding :	~		
of the year		208,681,444	7	10	By death $\dots f_{8,552,813} 18 0$			
Premiums		24,858,403	4	0	By maturity 6,988,031 1 10			
Interest, dividends and rents	£8,447,035 5 8	, .				15,540,844		
•					Surrenders	733,073	13	
Less income tax	1,477,719 1 8				Expenses of management	6,308,651	4	
		6,969,316	4	0	National defence contribution	65,825	19	
Transfer from Special contingency					War damage contributions	109,814	8	
fund	564,338 16 2				Bonus allocation to members of Company's outdoor	,		
A Alexander and days in some stars	257,437 8 6				staff	597,609	11	
Adjustment for income tax	201,801 0 0			•	Transfer to Investment reserve fund	500,000		
		821,776	4	8	Transfer to Industrial branch Contingency fund	2,500,000		
					Transfer to Profit and loss account	672,500		
					Amount of Industrial assurance fund at the end of	012,000		
						214,302,620	4	
				_	-			_
		£241,330,940	0	6	4	(241,330,940	0	

Note.-During the year 1,649,446 policies were issued, for a maximum sum assured of £57,156,797.

REVENUE ACCOUNTS OF THE GENERAL BRANCH

for the Year ending 31st December, 1941, in respect of

Fire Insurance Business

Amount of fire insurance fund at the beginning of t	£. s. d.	Claims under policies paid and outstanding	469,393 19	d. 2
year :		Commission	195,841 19	
Reserve for unexpired risks	440,902 0 0	Expenses of management	296,624 16	
Premiums	1,077,202 14 9	Contributions to fire brigades	2,999 16	7
Interest and dividends £26,134 4		Loss on exchange	1,390 8	
Late income ter 0.849 11		Transfer to Profit and loss account	73,157 7	1
	16,590 12 5	Amount of fire insurance fund at the end of the year :		
		Reserve for unexpired risks, being 40 per cent. of the premium income for the year £430,881 0 0 Further reserve for unexpired risks 64,406 0 0		
		**************************************	495,287 0	0
	£1,534,695 7 2	-	£1,534,695 7	2

P00021309

0880-005

7

REVENUE ACCOUNTS OF THE GENERAL BRANCH-continued.

Sickness and Accident Insurance Business

		_	£	s.	d.	£ s
Amount of sickness and accident insuranc	e fund at	the				Payments under policies, including medical and legal
beginning of the year :						expenses in connection therewith :
	£79,881	0 0				Accident 92,034 0
Further reserve for renewable						Permanent sickness 7,615 12 1
	192,865	0 0				Commission 18,690 5 1
Reserve for permanent sickness risks	59,622	0 0				Expenses of management 64,593 10
Total estimated liability in respect of						Expenses of Approved Societies 809,000 0
outstanding accident claims	25,737	0 0				Amount of sickness and accident insurance fund at the
Outstanding payments due under per-						end of the year :
manent sickness contracts	2,193	0 0				Reserve for unexpired risks, being 40
			360,298	0	0	per cent. of the premium income for
Premiums :						the year for accident risks $\dots $ £84,196 0 0
	210,489 1	3 9				Further reserve for renewable accident
Permanent sickness	11.950 1					risks 232,471 0 0
			222,440	8	1	Reserve for permanent sickness risks 62,049 0 0
Interest and dividends	13,876 1	2 10	,	•	-	Total estimated liability in respect of
T and improved them	5,067 1					
Less income tax		~ 0	8,809	0	5	Outstanding payments due under per-
Fransfer from Approved Societies for exp	Sences		809,000	ŏ	ŏ	
ranster from Approved Societies for exp	Jenses		000,000	v	v	manent sickness contracts 886 0 0 408,614 0
		_				
		r	1,400,547	a	A	£1,400,547 9

Employers' Liability Insurance Business transacted within the United Kingdom

Amount of employers' liability insurance fund at the beginning of the year: Reserve for unexpired risks £42,492 0 Total estimated liability in respect of outstanding claims 67,235 0 Premiums Interest and dividends Less income tax	£ s. d. 109,727 0 0 131,487 19 9 2,870 17 3	Payments under policies, including medical and legal expenses in connection therewith f s . d .Commission s b Commission s b Expenses of management s b Transfer to Profit and loss account s c Annount of employers' liability insurance fund at the end of the year : r r r Reserve for unexpired risks, being 40 per cent. of the premium income for the year r f f Total estimated liability in respect of outstanding claims r s s s s s r s s s s s s r s s s s s s r s
	£244,085 17 0	£244,085 17 0

Motor Vehicle Insurance Business

Amount of motor vehicle insurance fund of the year: Reserve for unexpired risks Deduct adjustment in exchange Reserve for Motor vehicles laid up	$ \begin{array}{c} 1 \text{ at the beginning} \\ \underbrace{ \begin{array}{c} \underline{f234,770} & 0 & 0 \\ 1 & 0 & 0 \\ \hline \\ \hline \\ \underline{234,769} & 0 & 0 \\ 13,796 & 0 & 0 \end{array} } $	£	s. d.	Claims under policies paid and outstanding Commission Expenses of management Transfer to Profit and loss account Amount of motor vehicle insurance fund at the end of the year : Reserve for unexpired risks, being 40	93,609 179,002	8	d. 2 2 5 2
Premiums Interest and dividends Less income tax	£20,086 0 5 7,327 15 5	248,565 599,981 12,738 £861,284	011	per cent. of the premium income for the year £239,993 0 Reserve for Motor vehicles laid up 17,275 0	0 0 257,268 <u>£861,284</u>		0

Miscellaneous Insurance Business

Amount of miscellaneous insurance fund at the beginn of the year : Reserve for unexpired risks £121,197 0 3 0 Add adjustment in exchange 3 0 Premiums Trustee and executor fees Interest and dividends £8,993 14 Less income tax 3,284 7	f g 0 - 121,20 312,85 23,46 1 5,70	00 56 18	9	Claims under policies paid and outstanding Commission Expenses of management Transfer to Profit and loss account Amount of miscellaneous insurance fund at the end of the year : Reserve for unexpired risks, being 40 per cent. of the premium income for the year £125,142 0 0 Further reserve for unexpired risks	£ 105,523 56,068 102,044 74,299 125,296	6 5	0
	£463,23	1 12	0	-	£463,231	12	0

Sinking Fund Insurance Business			
Amount of sinking fund insurance fund a the year Premiums Interest and dividends Less income tax	3,668,778 75,927 £132,953 12 6 48,552 8 3	s. d. 8 0 0 7 2 3 1 4 3	Claims under policies paid and outstanding f_{1} $s.$ $d.$ Claims under policies paid and outstanding123,50400Surrenders9,58170Commission1,51810Expenses of management1,51810Amount of sinking fund insurance fund at the end of the218,54600
Transfer from Profit and loss account		3 11 5	year $3,712,546 \ 0 \ 0$

P00021310

0880-006

REVENUE ACCOUNTS OF THE GENERAL BRANCH-continued.

Marine Insurance Business s. d. £ £ s. 128,875 18 15,231 18 14,792 16 30,000 0 367,250 11 Claims under policies paid and outstanding Enemy debts—Balances written off 4 2 Amount of marine insurance fund at the beginning of the 346,869 18 0 year Premiums, after deduction of reinsurances, commission, discounts, brokerages and returns Interest and dividends £13,429 10 5 Less income tax... ... 4,904 4 7 ••• Enemy debts—Balances written off Expenses of management Transfer to Profit and loss account ... 200.755 19 11 0 2 Amount of marine insurance fund at the end of the year 8.525 5 10 £556,151 3 9 £556,151 3 9 COMMON CONTINGENCY FUND ACCOUNT for the Year ending 31st December, 1941 s. d. £ s. d. £ Amount of Common contingency fund at the end of the year 2,980,514 2 Amount of Common contingency fund at the beginning of the year Interest and dividends Less income tax 2,924,854 3 4 6 ••• £104,252 7 48,592 8 42 55,659 19 2 £2,980,514 2 6 12,980,514 2 6 SPECIAL CONTINGENCY FUND ACCOUNT for the Year ending 31st December, 1941 s. d. £ d £ s. 7,259 17 564,338 16 ,249,008 5 Amount of Special contingency fund at the beginning of 6 2 9 ... • • • the year Interest and dividends 4,700,449 10 11 £173,383 7 53,225 19 Amount of Special contingency fund at the end of the year 4,249,008 82 Less income tax 120.157 8 6 £4,820,606 19 5 £4,820,606 19 5 SHARE PREMIUM ACCOUNT for the Year ending 31st December, 1941 d. 0 5 s. d. 35,075 227,477 £ s. 0 0 Balance of Premium brought forward at the beginning of the year fill,748 1 6 Interest and dividends £11,748 1 6 Less income tax 6,196 8 9 Payments relating to extension of business abroad Balance of Premium at the end of the year 257,000 7 8 5,551 12 9 £262,552 0 5 €262,552 0 5 PROFIT AND LOSS ACCOUNT for the Year ending 31st December, 1941. £ 560,218 100,000 158,250 45,000 15,000 £ s. d. s. 600000 d. 800000 Balance from last year's account :-6,381 2 1 520,503 17 11 359,469 10 6 22,222 0 0 672,500 0 0 Ordinary branch ... Industrial branch ... General branch 6 0 0 General branch Transfer from Ordinary branch Revenue account Transfer from Industrial branch Revenue account Transfer from General branch Revenue accounts :-18,043 11 40,000 0 20,000 0 5 0 0 73,157 7 7,697 1 15,248 17 74,299 7 30,000 0 ···· ···· $\begin{array}{c} 1 \\ 3 \\ 2 \\ 5 \\ 0 \end{array}$ • • • 538,472 0 0 being final dividend to holders of A shares in respect of 1941. $f_{26,349}^{72,155}$ 7 1 26,349 18 4 of 1941. (b) General branch Balance sheet, being allocation of profits for 1941:--to holders of A shares ... £33,333 6 8 to holders of B shares ... 100,000 0 0 45,805 8 9 133,333 6 200,967 7 5 and amount carried forward 334,300 14 1 after transferring— £750,000 to Investment reserve funds and £3,525,000 to Contingency funds, Ordinary and Industrial branches, allocating-£597,609 11s. 4d. to or on behalf of members of the Company's outdoor staff, and reserving for bonus--£200,000 in respect of Ordinary branch policies and £265,000 in respect of Industrial branch policies. £1,827,284 12 2 £1,827,284 12 2 PRINTED IN ENGLAND. W. & S. Ltd. (116145) 17 3/42.

P00021311

0880-007