

This, with the aid of numerous branches and agencies at home and abroad, which have been organized and are now getting into working order, gives promise of a large business for 1881.

Account of Income and Expenditure for the period ending 31st December, 1880.
[Converted into dollars.]

Premiums.....	\$137,494.00
Less re-insurances.....	15,402.00
	\$122,092.00
Interest on Investments, &c.....	15,866.00
Transfer Fees.....	370.00
Profit on sale of stock.....	597.00
	\$133,925.00
Balance brought down.....	\$59,526.00
	\$59,526.00
Losses paid and provided for.....	\$19,049.00
General expenses of management, including commissions.....	45,938.00
Preliminary and establishment expenses.....	14,390.00
Balance carried down.....	59,525.00
	\$138,902.00
Dividend to 31st December, 1880, at 5 per cent. per annum for 6 months to holders of the shares of the first issue.....	12,500.00
Balance carried forward to 1881.....	47,025.00
	\$59,525.00

Balance-sheet on the 31st December, 1880.

LIABILITIES.	
Capital, \$5,000,000, in 100,000 shares of \$50 each, subscribed \$10 per share.....	\$1,000,000.00
*Loss in course of payment.....	477,900.00
	\$522,100.00
Reserve fund, premium of \$5 per share, on 50,000 additional shares..	250,000.00
*Less in course of payment.....	4,500.00
	245,500.00
Losses outstanding.....	10,820.00
Other liabilities.....	382.00
	11,208.00
Dividend at 5 per cent. per annum, for six months, to shareholders of first issue.....	12,500.00
Balance of income and expenditure account..	47,026.00
	59,526.00
	\$838,334.00

*Since paid.

Examined with the books and securities of the Company, and found correct.

W. THOS. MORRISON, }
C. CHALONER SMITH, } *Auditors.*
J. L. BATH, *Accountant.*

28th February, 1881.

ASSETS.

Investments—Metropolitan stock, and Indian and Colonial Government securities....	\$471,105.00
Cash—	
In hand and on current account at head office and branches.....	\$ 60,160.00
On deposit at bankers....	250,500.00
Bills receivable.....	784.00
	311,447.00
*Premiums in course of collection....	5,020.00
*Branch and agents' balances outstanding.....	33,708.00
Due by other companies on balance of guarantees.....	13,937.00

Outstanding interest.....	2,571.00
Policy stamps on hand.....	550.00
	\$367,233.00

*These are with few exceptions, since paid.

NIGEL KINGSFOTE, *Chairman.*
THOMAS DAKIN, }
R. N. FOWLER, } *Directors.*
W. P. CLIREUGH, *General Manager.*

The Chairman said:—I have great pleasure in occupying this position on the present occasion, because I consider we have a very satisfactory report, and I hope it will be so considered by the shareholders. The one drawback is that our respected chairman is prevented by public duties from being present on this occasion. As most of you are aware, he is a very conspicuous member of the Royal Commission of Agriculture, and it unfortunately happens that he is compelled to go to Scotland to be present to-day at the meeting in connection with it. However, I shall be able, I dare say, to discharge the duties, especially as I do not feel that they are very difficult, as the report is in such a complete and condensed form, and contains all the information which the shareholders would expect to find at a meeting like this. It is a great satisfaction to us that the shareholders have met in such large numbers, because that is another instance of the great interest they take in the company of which they form a part, and which they have shown in promoting the prosperity and progress of our infantile company. The report states what we have been doing up to the 31st December—in a period of little over six months. I may say in addition, that I have had from our excellent manager a statement made up of the progress of the company since, but which, not being on the paper as part of our business, I am not prepared to state other than this, that it is most eminently satisfactory. The progress of the company for the present year has resulted in a large amount of premiums, such as I think is not usual in companies on their first start and formation. Dealing with the report of the six months, you will find the fire premiums amount to something like £25,000. Now that is a very respectable amount, and I think it is a good augury of what we may expect for the future. This could not have been done except we had been helped very much by the proprietors, of whom there are nearly 1000, many of them of the first eminence in the city, who cannot only give an interest to a commercial enterprise, but likewise bring it a large amount of business, which I am glad to say they are doing. One advantage, I think we shall have in future, is the result of the labors for the last 18 years connected with the London and Lancashire Life Company, which has been more or less mixed up with fire, in connection with another company and under the management of our excellent actuary and manager, Mr. Clireugh. Now I take it that is one reason why we have made so good a start. We do not come, therefore, as strangers to the community. The connection of the two companies, that is, the London and Lancashire Life Company and the Fire Insurance Association, struck us from the beginning as a very important element for our success. In the first place we bring together a number of active and influential men connected with insurance generally, both life and fire, and so add to the amount of business to be done, besides diminishing and keeping to a minimum the expense of the conduct of the business at the start. You are all aware that the Life Company were rather crippled in their present offices, and decided to shift their position and build a new house. Well, it is very opportune that we had this company to join us in that, because it has enabled us to do what I, having some experience in city properties, and the value of them, may say has been a very important matter for us—we were enabled to take land in the very best situation in the city, in Cornhill, and the value of the position and situation will increase year by year, rather than diminish. We have got the land at a very fair value, and have put up a building which I think does not detract from the ornamental architecture of the city of

London. From the arrangements made under our architect, to whom great credit is due, we shall have a more commodious building for the transaction of both businesses; and in that way the rental and the cost to each will be proportionately lessened. We shall be enabled to do with a portion of the building—the larger portion of the two, and to sublet the remaining portion, according to our plans. I believe we shall in that way stand at a very moderate and economical rent, by becoming our own owners and builders, and be able to carry on the business with no very extravagant outlay in that which we use. This will at once help the increase of our business, and diminish the expenditure. Then, with regard to the losses during the six months' working, you will find they are exceptionally low, being 15 6 per cent. This of course we do not pretend is anything like the normal proportion of loss, because the risks being recently entered upon they take some time to run off, and we must therefore expect to have a larger proportion of losses than that. But it is satisfactory, starting as we did, for we have not been met with any severe loss in the business, and that is so far a good augury in our commencement. The accounts you will see provides for the extinction of all preliminary and establishment expenses. They are not very extravagant, being £2,878, but that is an item which will not appear in future in our balances, and therefore as we had a very good half-year and a margin to deal with, we have thought it had better be written off altogether. It is a moderate amount for launching a large company; but at the same time it is better that we should lose sight of it altogether. We will reap the fruits and forget the labor. The position of the company is certainly strong, but since I had the pleasure of meeting the shareholders last we have thought it necessary to rise additional capital. We thought that upon due consideration it was much better to get additional capital so as to be in a position equal to the big companies and have the means of carrying out our concerns effectively and with more credit and success. One of the results of that has been that we have got what I consider important—a large and substantial reserve fund—and, at the same time, the shareholders have contributed to their well being, inasmuch as they have the additional capital; although they have contributed £50,000 to the reserve, they have not diminished their own private resources by it. The position of the company is, therefore, strong. £9,405 is carried forward, which makes the total funds £259,405. With regard to the dividend declared, the shareholders will see that the interim dividend of 5 per cent. up to the end of the year has been declared, which takes £2,500 from the profit of £11,905, leaving a balance to be carried forward of £9,405. It was thought desirable that we should study simplicity, and by paying 5 per cent. upon the old shares up to the end of the year we should then enable the new shares to start fair with the old ones. Whatever profits are made will be a simple matter of division amongst the shares, merging the difference between the old and the new. I think that will be satisfactory to the shareholders. Now there is one matter which I wish to mention, and a very important matter it is, that is, the last paragraph of the report referring to the question of entering into business with the United States. Of course, when we got this large and sufficient capital it was the first duty of the directors to see in what way it might be more beneficially employed, and their attention was directed to the large fire offices of this company. We found that they had had a very lucrative portion of their business, which had resulted from their fire business in the United States; and before going into the matter we deemed it our duty to be most careful in the inquiries we made. We had no difficulty in conducting these inquiries, because in the United States there is a system of statistics published which give the particulars and operations of all the insurance companies—their premiums and losses year by year. The directors began by taking over a Boston company, which had been many years in existence and had done very well.