REPORT FOR YEAR 1897 OF THE DIRECTORS TO THE SIXTY SECOND ANNUAL GENERAL MEETING HELD AT ABERDEEN, ON FRIDAY, JUNE 10, 1898.—FIRE DEPARTMENT.

The premiums received last year amounted to $3,310,490, showing, in comparison with the premiums of the previous year, a decrease of $189,550. The losses amounted to $1,807,380, or 54.6 per cent. of the premiums. The general average of the experience of the Company from the beginning is now 58.9 per cent., or, including its provision for losses on current risks, 60.5 per cent. The expenses of management (including commission to agents and charges of every kind) came to $1,158,945, or 35 per cent. of the premiums. This ratio is 1.3 per cent. higher than that of the previous year, the increase being due almost entirely to the reduction in revenue. After crediting the account with $1,400,015, the amount set aside in 1896 as provision for "current risks," and charging it with $1,324,195, being 40 per cent. of the premiums for 1897 as a similar provision for the latter year, there remains a credit balance of $419,980, which as usual has been transferred to the profit and loss account.

FIRE ACCOUNT.

Receipts.

Amount of fire fund at the beginning of the year.		$5,000,000
Proportion of premiums set aside to meet liability under current policies at December 31, 1896........	$1,400,015	
Premiums received (after deduction of reinsurances)................	3,310,490	
	$4,710,505	$5,000,000

Expenditure.

Losses by fire paid and outstanding (after deduction of rei surances).	$1,807,380	
Commission	485,305	
Expenses of management...........	673,645	
Proportion of premiums set aside to meet liability under current policies, being 40 p.c. of the revenue for 1897............................	1,324,195	
Balance of revenue transferred to profit and loss account............	419,980	
Amount of fire fund at the end of year................................		$ 5,000,000
	$4,710,505	$5,000,000

BALANCE SHEET.

Liabilities.

Shareholders' capital paid up........................		$1,500,000
Fire reserve fund......		5,000,000
Proportion of fire premiums set aside to meet liability under current policies		1,324,195
Life assurance fund—non-participation branch		1,596,510
Life assurance fund—participation branch........		13,908,885
Annuity fund..		1,306,090
Staff pension fund..		97,650
Fletcher trust fund..		34,040
Balance at the credit of profit and loss account...		860,425
		$25,627,795
Outstanding life claims....	$ 193,335	
Unclaimed surrender values.............	11,385	
Outstanding fire losses..................	429,895	
Outstanding charges.....................	42,345	
Bills payable, being drafts by distant agencies not arrived at maturity......	69,460	
Due to other companies and agents......	237,805	
Shareholders' dividends unclaimed......	11,130	
		995,355
		$26,623,150

Assets.

Mortgages on property within the United Kingdom..	$1,227,330
Mortgages on property out of the U. Kingdom..	344,305
Loans on parochial and other public rates.......	2,067,995
" Life interests........................	84,000
" Reversions..........................	129,275
" On Indian and Colonial Government Securities..............................	500,000
" the Company's policies................	756,880
" Personal security.....................	2,000
Investments—	
British Government securities................	1,037,350
British municipal securities	290,060
Indian and Colonial Government securities...	1,202,620
Indian and Colonial provincial securities.......	707,950
Indian and Colonial municipal securities......	2,102,210
Foreign Government securities	2,234,255
Foreign provincial securities..................	378,040
Foreign municipal securities..................	1,989,325
Ry. and other debentures and debenture stocks—Home and Foreign...............	3,058,915
Railway and other preference and guaranteed stocks..	2,116,735
Railway ordinary stock..........................	98,260
Gas and water ordinary stocks................	529,075
Rent charges.....................................	203,115
House property (Company's offices)...........	1,121,805
do (mortgages foreclosed).......	584,120
Company's interest in salvage corps' buildings.	32,500
Freehold ground rents...........................	246,710
Life interests.....................................	4,000
Reversions......................................	1,342,655
Bills receivable, remittances not arrived at maturity..	97,870
Due from other Companies and agents..........	945,960
Outstanding premiums...........................	121,340
Outstanding interest and dividends.............	20,970
Interest accrued but not payable...............	251,420
Cash in the hands of bankers (on deposit)......	372,500
Cash in the hands of bankers (on current account)..	417,770
Stamps on hand..................................	1,275
Cash in hand.....................................	2,560
	$26,623,150

NOTE.—In the above $5 is taken as the equivalent of £1 sterling.