The Manchester Assurance Company

REPORT OF THE DIRECTORS

The Directors beg to report the following results of the Company's operations during the year 1902:—

The Net Premiums amounted to £732,939 12s. 8d., a reduction of £96,920 3s. 9d. upon the preceding year, due to the abandonment of business in unprofitable fields referred to at the last Annual Meeting of Shareholders. The Losses incurred were £442,794 14s. 4d., or 60.4 per cent. of the net premiums, and the working expenses, including commissions, were £274,804 3s. 10d.

Owing to the difficulty of forming accurate estimates for unsettled claims on the Accident business, incurred prior to its sale, a further sum of £1,173 9s. 1d. has had to be provided in the annexed account.

The Credit Balance on the Revenue Account is £32,837 5s. 3d., of which £22,995 5s. is absorbed by the Dividend to Shareholders and Interest on Bonds, thus leaving £9,842 0s. 3d. to be added to the Reserve Funds.

While the actual Fire trading surplus for the year shown by the Revenue Account is £15,340 14s. 6d., the Account is entitled to be credited with at least one-third of the reduction in premiums on account of the smaller reserve required against liabilities on current Insurances. Consequently, the real underwriting profit on the year is not less than, say, £47,000, and as illustrating this the Directors beg to point out that the ratio of reserve funds to premiums has increased 6.3 per cent., while the proportion of total funds to premiums has improved 10 per cent.

For the half-year ending 31st December, the Directors recommend a Dividend of Two Shillings per Share, free of Income Tax, payable on the 8th April, which, with the Interim Dividend paid in September, will make a distribution of 10 per cent. for the year.

Owing to the retirement of Mr. T. Barham Foster from the Chair, the Directors have elected Mr. George Reynolds Davies as Chairman of the Board.

The Directors retiring by rotation are Messrs. John L. Birkett, E. Tootal Broadhurst and D. E. Glynn, who are eligible and offer themselves for re-election.

The Auditors retire from office, as usual, but are eligible, and offer themselves for re-election.

The Directors acknowledge, with much appreciation, the services rendered by the United States Trustees, and by the various Representatives of the Company at home and abroad.

By Order of the Board,

H. S. MALLETT,
Manager.

MANCHESTER, 17th March, 1903.

REVENUE ACCOUNT.

INCOME.

	£ s. d.
Net Fire Premiums..	732,939 12 8
Interest and Dividends..	13,808 19 1
Profit on Securities realized, after deducting amounts written off ledger value of Company's properties.. ..	4,861 0 9
	£751,609 12 6

EXPENDITURE.

	£ s. d.
Fire Losses Paid and Outstanding..	442,794 14 4
Agents' Commissions and Expenses	141,752 9 8
Management Expenses—Head Office and Home and Foreign Branches..	118,645 19 9
Home, Foreign and Colonial State Taxes..	14,405 14 5
Accident Claims under-estimated	1,173 9 1
	718,772 7 3
Balance carried to Funds	32,837 5 3
	£751,609 12 6

BALANCE SHEET.

LIABILITIES.

			£ s. d.
Capital Account—100,000 Shares of £20 each, £2 per Share paid			200,00 0 0
Funds from last year's Acct.		£308,914 3 0	
Bal. of Revenue Acct., 1902		32,837 5 3	
..		341,751 8 3	
1901 Final Div.	£10,000 0 0		
1902 Interim do	10,000 0 0		
Int. on Bonds.	2,995 5 0		
		22,995 5 0	
General Reserve Funds.. ..			318,756 3 3
			518,756 3 3
Sundry Bonds, redeemable 1946:—			
"Times Mutual" 10 p.c Bonds, Series A..		10,000 0 0	
"Cambridge" 10 p.c. Bonds, Series B..		9,952 10 0	
"Sprinkler" 10 p.c. Bonds, Series C		10,000 0 0	
			29,952 10 0
Redemption Fund.—Seven annual instalments..			3,400 0 0
			552,108 13 3
Outstanding Losses			81,282 18 0
Other Liabilities			8,825 19 2
Bills Payable			2,750 15 9
Do Investment Account..			60,123 11 8
Loan from Bankers on "American" Assets			40,000 0 0
			£745,091 17 10

ASSETS.

	£ s. d.
Railway and other Debentures, Bonds Stocks and Shares..	233,809 12 2
Foreign State and Municipal Bonds..	147,783 17 9
United States Government Securities.. ..	52,774 16 5
Colonial Government Securities..	51,501 7 10
Foreign Government Securities	16,530 13 1
British Railway and other Stocks and Shares..	17,988 18 3
Buildings, Furniture and Land	36,915 15 3
Mortgages..	700 0 0
Interest accrued, not yet receivable..	5,246 12 0
Balances at Home and Foreign Branches and Agencies	87,211 9 6
Balance of Reinsurance Accounts with other Companies..	23,620 10 4
Outstanding Premiums..	40,909 18 3
Cash in hand and balance of Current and Deposit Accounts at Bankers	25,173 2 9
Bills Receivable	4,925 4 3
	£745,091 17 10