	£	s.	d.
Balance of funds after deduction of vested liabilities as before	£7,778,336	14	11
Liability under the company's life assurance and annuity transactions	7,340,942	0	0
Balance of assets over liabilities	£ 437,394	14	11

Division of Surplus among the policyholders.—Leaving out of reckoning the sums already paid away during the quinquennium, there thus remains for present distribution the sum of .... £ 437,304 14 11

From which the directors propose to divide amongst the policyholders, in addition to the sum of £35,389 9s. 10d. paid during the quinquennial period as intermediate bonus 428,940 0 0

Leaving to be carried forward £ 8,454 14 11

The tontine rate of bonus gives 3s. per cent. for each year the policy has existed, and provides a bonus varying according to the age of the policy up to a maximum addition of £10 1s. per £100 assured. The equal and colonial schemes give a uniform bonus of £5 per £100 assured to all policies of five years old and upwards, and a proportionate rate to policies of more recent date.

The total reversionary value of the sums proposed to be added to the company's policies on the present occasion is £754,541.

Intermediate Bonus till next Investigation.—The directors propose to allow an intermediate bonus to with-profit policies of the company which become claims by death or mature on or before 14th November, 1900, at the rate of £1 per cent. for each full year's premium (excluding half-yearly or quarterly payments applicable to the preceding year of assurance) due and paid after 15th November, 1895.

Privileges of Policy-holders.—At past investigations it has been usual to make announcement of concessions to policy-holders by which the policies have been freed from some obsolete restriction, or have been otherwise rendered more valuable documents to possess. On the present occasion no such announcement can be forthcoming, for the sufficient and satisfactory reason that no such possible concessions remain to be made, the company's policies being now, in the majority of cases, merely a simple contract to pay the sum assured, immediately on proof of death and title, or on attainment of a stipulated age, provided the premiums are duly met, all other writings upon them being privileges conferred on the assured, not conditions imposed upon them.

Extension of the Business.—The development of the new branches goes on very satisfactorily, and the directors are confident that in facing and finally dealing with the question of rupee exchange at this time, they are taking the wisest course to ensure that the company's progress will still be attended with as full a measure of success as that which has followed it ever since its first establishment seventy years ago.

Board of Directors.—The report of the directors cannot be finally closed without reference to the heavy loss the company has sustained during the past year by the death of three of the members of the board of directors, namely, Messrs. Moncrieff Mackenzie of the Edinburgh board, and Sir Steuart Macnaughten of the London board—all of whom had taken a warm interest in its management.

CHAIRMAN'S SPEECH.

The Chairman: I beg to move the adoption of the report, which I hope has explained to you pretty clearly the position of the company's affairs at the close of the five years that ended on the 15th November last, and the cause that has led to a smaller surplus than usual being available for distribution as bonus on this occasion: and in doing so I would allude to one or two points on which, possibly, some fuller explanation may not be out of place. And first, as regards the investments. Having been a member of the committee which made the usual searching investigation into them, and whose report you have heard read, I am able to assure you that they are, taken altogether, of a very satisfactory character. Of course, in the investment of a fund of over eight millions sterling, yielding an average return of about 4⅛ per cent., it is not possible to avoid making some mistakes; but any sums which require to be written off are in reality small, and are more than counterbalanced by the profits on those securities which were realized during the period. As regards Irish investments, I need only mention that they have yielded a good rate of interest during the quinquennium, and have recovered some portion of the value, which by way of precaution was written off them five years ago. The amount on deposit with Australian banks is not large, and no loss of capital is anticipated. As regards our Indian business and the question of exchange, I would first draw your attention to the fact that the large sum of money which was accumulated in India, as referred to in the report, arose from the very prosperity of the Indian business, the Standard Company having always been a household word in India, descriptive of all that a life assurance company ought to be. Secondly, there has been no speculation in silver; not one penny has been sent from this country to India for investment in anticipation of a rise in exchange; but the sum which was gathered up in India was no more than the legitimate accumulation of income received in the ordinary course of business at the Company's Indian Offices. These accumulations were invested in Indian securities, and in no case has a loss been incurred on any of the investments in which they were placed. Indeed, most of them have very considerably improved in value. Thirdly, the whole loss has been met and provided for during the quinquennium now ended. And lest it should be thought that there is a possibility of further loss from depreciation of the rupee excess funds still remaining in India below the valuation of 1s. 2d., at which they stand in the books at 15th November, I may mention that a considerable portion of these funds have already been realized at a larger price than could have bean got for them at that date.

ACCOUNTS FOR THE YEAR ENDING 15TH NOVEMBER, 1895.

Revenue Account.

	£	s.	d.
Funds at the beginning of the year	7,954,430	3	6
Premiums (less re-assurance premiums)	786,245	17	5
Consideration for annuities granted	68,496	3	10
Interest and dividends	332,862	17	2
Fines and fees	1,138	5	0
	£9,143,173	6	11

	£	s.	d.
Claims by death under life policies, including bonus additions (after deduction of sums re-assured)	653,741	5	11
Claims under endowments and endowment assurances matured	24,579	8	3
	£678,320	14	2
Surrenders	49,555	1	10
Annuities	61,876	2	8
Commission	37,976	2	3
Expenses of management	94,428	5	10
Dividend and bonus to shareholders	25,000	0	0
Income tax	15,186	2	11
Exchange account	7,880	6	4
Special adjustment to bring the rupee assets held against rupee liabilities to a sterling basis, according to the rate of exchange at the date of balance, the liabilities and assets per balance sheet being correspondingly reduced	194,613	16	0
Funds at the end of the year as per balance sheet	7,978,336	14	11
	£9,143,173	6	11

Balance Sheet.

	£	s.	d.
Shareholders' capital paid up	120,000	0	0
Assurance and annuity fund	7,769,882	0	0
Reserve fund	80,000	0	0
Balance carried forward	8,454	14	11
Total funds, as per revenue account	£7,978,336	14	11
Claims under policies admitted but not paid*	147,251	19	4
Dividends to proprietors (due at and prior to 15th November) outstanding*	11,987	1	0
Annuities outstanding	849	14	5
Staff deposit fund	8,093	2	2
	£8,146,518	11	10

	£	s.	d.
Mortgages on property within the United Kingdom	2,537,088	9	11
Mortgages on property out of the United Kingdom	2,632,685	12	4
Loans on the company's policies, within their surrender value	402,279	17	8
British Government securities	29,218	10	3
Indian & Colonial Government securities	300,152	5	0
Foreign Government securities	15,050	0	0
Indian and Colonial municipal bonds	292,335	10	10
Railway and other debentures and debenture stock	331,142	12	6
Bank deposits for fixed periods	181,451	18	3
House property—Freehold	435,813	14	4
" Leasehold	20,324	17	11
Stocks of Scottish chartered banks	12,641	2	7
Company's shares	300	0	0
Ground rents and feu-duties	165,935	18	8
Life-rents and reversions purchased	126,512	11	8
Loans upon personal security with policies of assurance, repayable by instalments	153,047	4	5
Agents' balances in course of collection	173,706	16	9
Premiums outstanding in course of collection	118,365	8	7
Interest accrued, but not due	72,574	18	10
" due, but not paid	11,994	0	9
Cash on deposit	3,590	0	0
Cash on current accounts and in hand	130,174	6	9
Deed and receipt stamps in hand	132	13	10
	£8,146,518	11	10

* NOTE.—These items are included in the corresponding items in the first schedule.

NEW BUSINESS OF 1895.

Amount proposed for assurance (5,312 proposals)	£ 2,286,458
Amount of assurances accepted (for which 4,775 policies were issued)	1,943,475
Annual premiums on new policies	77,714
Subsisting assurances at 15th November, 1895	22,887,693