

To the Shareholders, the Board is enabled to declare a dividend of £1 per share; but, following the course adopted last year, this sum is added to the paid up stock, and the liability of the Stockholder is reduced in proportion. A small balance of £6 19s. 2d. remains undivided. It should be here remarked that a very material portion of this dividend has arisen from the interest received upon the invested capital, the Board having been far more fortunate in this respect than it can hope to be for any great length of time in future.

Two changes of some moment are now under consideration, and they will probably be made during the current year.

The one is to admit to a participation in the profits Assurers for Joint Lives—Endowments—Endowment Assurances—as well as Assurers for Life, when payable by a limited number of yearly payments. Heretofore the Mutual Branch has only been open to Assurers on the scale for Life by even payments. It is however considered, that the benefits of the Mutual system ought to be extended to all such parties as are desirous of participation, many feeling that this is the only method of reducing to its proper limit the real cost of assurance.

The other contemplated change is the reduction of the present participation scale. It has been prominently stated from the first, that this scale was framed upon the same calculation as that adopted by the majority of modern British offices, and consequently that it offered here a large margin for security. The Directors have found themselves able to return 25 per cent of it for two years, and as they feel that this rate of return is very likely to be gradually increased, they are disposed to reduce the premium to a moderate extent; not however so much as to subject themselves to a charge of rashness or imprudence. Whatever reduction may be determined upon, the Board is pledged to extend it to all existing assurers; but they must bear in mind that any such reduction will *ipso facto* cause a material alteration in the yearly dividend of profits.

The various statements required by the Charter will be found herewith. The statement of Assets and Liabilities shows the large surplus of £29,176 9s. 6d. in favor of the Company; as explained in the Report of last year this includes the profits of

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