

of new business, and in many instances under otherwise favorable circumstances, a reduction of the rate of dividend is necessitated.

In adopting and firmly continuing the system explained, the Directors believe they consult the best interests of the members, and they look forward with confidence to a future steady increase of profits, corresponding to the gradually increasing proportion this *loading* or margin bears to the expenses of management.

In addition to this reserve, the sum of £7,864 12s. 2d. has been set aside as the excess of the expected tabular mortality over the amount of claims paid.

The amount at the credit of the Assured in the

Mutual Branch is	£17,042	16	0
While the proportion of the above reserve for increased value of Policies and risks unclaim- ed is	13,908	1	4

Leaving	£ 3,134	14	8
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as the surplus or divisible profit.

The Directors have declared from this a Dividend to the Assured of the first five years, whose policies continue in force, of 15 per cent. upon the gross premiums received from them in the year ending the 30th April, 1852. This Dividend will be credited in accordance with the system selected by each member, and notices of its effect will be sent to all.

It is proper here to remind those who accepted the reduced rates of premiums in the 5th year, that this will necessarily cause a reduction in their dividends, the share of each member being calculated, not upon the premiums paid by him, but upon the accumulated *excess* of those premiums over the net or office premium, this corresponding to the risk originally undertaken.

From the interest upon the paid up capital, and the proportion of the profit in the Assurance Branches belonging to the Shareholders, the Board have declared a Dividend of 50s. per Share, this they have again added to the paid-up Stock; considering that the payment of a dividend in cash may, with