

Of this sum £794,742 17s 11d was re-assured with other offices, thus reducing the ultimate liability of the company to £6,653,031 7s 3d.

The amount of the life fund at same date was £2,177,348 13s 9d.

The expenses of management and commission were £22,779 10s 3d, being £12 14s 8d per cent. on the premium income, or £8 7s 6d per cent. on the total income.

FIRE DEPARTMENT.—The fire premiums, after deducting re-insurance amounted to £437,012 3s 5d, being an increase of £13,573 over last year, and the losses to £263,855 15s 5d, being slightly in excess of 60 per cent. of the premiums. This account exhibits a substantial improvement over the results of the past five years. After adding £6,000 to the premium reserve fund as the proper increase due for unexpired policies, the fire account shows a profit, including interest, of £53,024 7s 8d. The directors have deemed it necessary, having regard to the increase of the business, during the last five years, without any corresponding addition in the fire general reserve fund, to add to the latter £30,000, and recommend that the balance of £23,024 7s 8d be transferred to the proprietors' account.

The premium reserve fund to cover unexpired policies will then stand at £196,500 and the fire general reserve fund at £320,000. There will be therefore an aggregate fund (apart from the proprietors' capital) of £516,500 to meet fire claims.

PROPRIETORS' CAPITAL ACCOUNT AND DIVIDEND.—The balance of £5,265 3s 5d brought forward, together with the interest on the paid-up capital and transfer fees, amount to £47,772 9s which added to the sum of £23,024 7s 8d from the fire account, make up £70,796 16s 8d. After paying 6 per cent. on the paid-up capital, free of income tax, there will be a balance to carry forward to 1886 of £10,796 16s 8d.

The Directors recommend to the proprietors that a dividend be declared on each share of the subscription capital for the year ending 31st December, 1885, of £2 10s, with the addition of a bonus on each share of 10s, being at the rate of 6 per cent. on the paid up capital; and that £1 5s on each share having been paid as an ad-interim dividend in January last, the balance of £1 5s with the bonus of 10s, together £1 15s on each share, be paid on Thursday, 1st July next, free of income tax.

THE CITY OF LONDON FIRE INSURANCE COMPANY, LIMITED.

The directors submit to the shareholders their fifth annual report, with the duly audited accounts, for the year ending March 31, 1886.

The premiums received, after deduction of re-assurances and returns, amount to £319,987 15s. The losses paid and outstanding are £217,205 1s. 1d., being 67·87 per cent. of the premium income. The balance on the year's working is £36,445 15s. 8d., out of which the directors recommend that a dividend of 3 per cent., free of income-tax, be declared on the paid-up capital of the company for the year ending March 31, 1886, payable on the 17th June next. This will absorb £6,000, leaving a balance of £30,445 15s. 8d. to be carried to the credit of the new account.

Since the last general meeting George Burt, Esq., (of Messrs. Mowlem, Burt & Freeman), has, on the invitation of the directors, joined the board.

In pursuance of the articles of association, the following members of the board retire, and, being qualified, offer

themselves for re-election—viz.: The Hon. Reginald Capel, Spencer Gore, Esq., Richard Basil Huth, Esq., and Sir Henry E. Knight. Your auditors, Messrs. Price, Waterhouse & Co., offer themselves for re-election for the present year.

REVENUE ACCOUNT for the year ending March 31, 1886.

To balance of last year's account....	£30,183 11 0
Less dividend paid in June, 1885.....	6,000 0 0
	<u>£24,183 11 0</u>
" Fire premiums received, after deduction of re-insurances and returns.....	319,987 15 0
" Interest on investments.....	9 908 2 6
" Profit on securities realized.....	311 5 0
" Transfer fees and other receipts.....	51 1 8
	<u>£354,441 15 2</u>

By fire losses—home and foreign, paid and outstanding, after deduction of re-insurances.....	£217,205 1 1
" Fire commission (home and foreign), including agents' commission on profits on 1884-5 business.....	73,753 14 8
" Branch and agency expenses (home and foreign), including salaries and allowances to branch managers, and travelling expenses.....	9,259 9 9
" Expenses of management, including directors' and auditors' fees, and salaries at the head office.....	5,941 14 2
" Rents and rates.....	1,348 10 5
" Advertising, printing, stationery, postages, and office expenses.....	1,805 1 11
" Fire brigade and salvage corps assessments, surveyors', solicitors', and notary's charges.....	434 5 7
" Bad debts.....	43 0 4
" Furniture and fittings, 10 per cent. written off.....	263 16 7
" Preliminary and organization expenses, balance written off.....	3,642 15 0
" Income and State taxes (home and foreign).....	4,298 10 0
" Balance, as per balance sheet.....	36,445 15 8
	<u>£354,441 15 2</u>

BALANCE SHEET, 31st March, 1886.

LIABILITIES.

To shareholders' capital, £2,000,000 of which is paid up.....	£200,000 0 0
" Reserve fund.....	50,000 0 0
" Revenue account.....	36,445 15 8
" Outstanding fire losses.....	£45,088 15 8
" Sundry creditors.....	2,175 2 3
	<u>47,263 17 11</u>
" Bills payable.....	5,187 1 7
" Unclaimed dividends.....	47 10 10
	<u>£338,944 6 0</u>

ASSETS.

By investment—

" In United States, Canadian and Austrian Government securities.....	£151,868 13 0
" Colonial Government Securities.....	62,638 15 0
" Foreign Government securities.....	15,363 12 10
" Indian railway guaranteed stock.....	10,726 1 1
" English railway preference stock.....	12,443 17 6
" Mortgages on property within the United Kingdom..	7,410 0 0
" Cash on deposit.....	£2,000 0 0
" Do. at bankers and in hand.....	7,931 4 5
	<u>9,931 4 5</u>
" Bills receivable.....	1,851 17 6
" Branch and agents' balances.....	61,445 8 11
" Interest accrued.....	2,890 6 9
" Furniture and fittings at head office and branches...	2,374 9 0
	<u>£338,944 6 0</u>

* These securities are deposited in the United States, in Canada, and in Austria, under local laws for the security of policyholders in those countries.