At credit of the	Shareholders........	£ 4,526	8	10
"	" Depositors..........	7,280	0	0
"	" Annuity Fund......	1,488	4	8
"	" Mutual Branch Fund..	17,042	16	0
"	" Assurance Fund....	4,793	4	4
		£35,130	13	10

The Report prepares such of the assured as accepted the reduced rates of Premium in the 5th year, to anticipate a small reduction in the additional profit awarded them this year. Members must bear in mind that each premium received by the office consists of two parts—the one representing the *actual cost* of the transaction; the other, the "loading," or addition to cover expenses, uncertainty of data, and all other contingencies. It is from this "loading" that the profits arise, and they are equitably returned to each member in proportion to his contribution to this fund. If then he has accepted a reduction of about 10 per cent. on his former gross premium, he must remember that as the *actual cost* is undiminished, this reduction falls entirely upon his contribution to the Profit Fund, and must reduce his proportionate claim thereon for the future; in fact that he has, by such a sum, anticipated his future profits.

The diminished proportion of the "Expense Account" to the Income from Premiums is alluded to. In the fourth year the rate was $28\frac{1}{5}$ per cent.; in the fifth year $24\frac{4}{5}$ per cent.; and this year $22\frac{4}{5}$ per cent., while it is evident that with any disposition to economy, this proportion must continue to diminish. This is an important point in Life Assurance, and generally a great cause of congratulation when it is reached.

It will be noticed that up to this date the Shareholders have not received any dividend in cash, Interest as well as Profit having been added to the paid up capital by Stock