

In view of its interest in this connection, a comparison is given below of the age distributions of the memberships of the several groups as at 31st December, 1931, indicating the striking differences in age composition :—

TABLE VI.

Age Distribution per Thousand Members by Type of Society.

Ages.	Group 1.	Group 2.	Group 3.	Group 4.	Group 5.	All Groups.
<i>Men :—</i>						
16-25... ..	224	270	317	160	195	268
25-35... ..	235	236	297	202	208	257
35-45... ..	208	194	168	222	207	190
45-55... ..	185	174	127	241	220	164
55-65... ..	148	126	91	175	170	121
	1,000	1,000	1,000	1,000	1,000	1,000
<i>Women :—</i>						
16-25... ..	441	464	462	386	520	457
25-35... ..	246	222	256	254	261	246
35-45... ..	149	143	131	179	120	138
45-55... ..	100	105	92	119	66	98
55-65... ..	64	66	59	62	33	61
	1,000	1,000	1,000	1,000	1,000	1,000

THE FUNDS OF APPROVED SOCIETIES.

12. The sums to the credit of societies at the valuation dates amounted to £164,363,000. Of this amount £47,774,000 represented the outstanding part of the book credits of reserve values, which are in course of redemption; the balance, £116,589,000, consisted of the funds actually accumulated out of the contributions of the insured and their employers with the interest earned by their investment. The total assets are summarised in the following statement :—

TABLE VII.

Funds of Approved Societies at the Valuation Dates.

	£
Reserve Values	47,774,000
Investment Account (Departmental)	55,095,000
Current Account (Departmental)	1,199,000
Societies' Investments—	
Mortgages and Loans	6,692,000
British Government Securities*	43,435,000
British Local Authorities' Securities	2,636,000
Other Investments	4,991,000
Cash in hand, accrued interest, and other assets	2,541,000
Total	£164,363,000

* Including Dominion, Indian and Colonial Government Securities.

These assets were held in respect of the following accounts :—

	£
Benefit Funds	155,654,000
Contingencies Funds	3,254,000
Balances of Administration and Additional Benefit Accounts and other liabilities	5,455,000
Total	£164,363,000

13. At the third valuation the total funds of approved societies amounted to £167,145,000, of which £49,636,000 were represented by reserve values. Thus, between the third and the fourth valuations the funds of societies declined by £2,782,000, the fall being made up of a reduction of £1,862,000 in reserve values and of £920,000 in cash assets (that is, from £117,509,000 to £116,589,000). The figure shown for the reduction of reserve values represents, of course, the net effect of redemptions of reserve values and of creations of new reserve values. An abnormal increase in the latter item for the year 1930, as a result of the admission of voluntary contributors under the terms of the Act of 1929 (see paragraph 8), has operated to delay the due redemption of outstanding reserve values.

In regard to the foregoing, it is perhaps desirable to point out that increase or otherwise in funds over a series of years does not, in itself, provide an indication of the strength of an insurance institution; it is the function of the valuation to supply this. The small decline in the total funds of approved societies in the inter-valuation period is not, therefore, to be interpreted as a sign of deterioration in their financial position. This matter is discussed further in later sections of this report but it is appropriate at this stage to point out that the growth of societies' funds has been substantially and properly retarded as a result of the expenditure on additional benefits of at least £20,000,000 by societies during the inter-valuation period.

THE VALUATION BASIS.

14. As stated in previous reports, the valuation of the liabilities of approved societies is conducted on the principle of a common basis for all societies and branches in the case of each sex, without regard to the divergences from the standard experience which arise in particular cases. The rate of contribution is uniform, for persons of each sex, throughout the whole system, and on the basis of