

CONSOLIDATED REVENUE ACCOUNT.

Income.				Outgo.			
	Actual.		Estimated.		Actual.		Estimated.
	1900-3.	1903-6.	1906-9.		1900-3.	1903-6.	1906-9.
	£	£	£		£	£	£
Fund at beginning of period	3,257	18,418	27,121	Pensions and other allowances	5,322	13,273	21,800
Contributions ...	19,272	19,341	20,080	Commission ...	105	101	105
Miscellaneous ...	109	169	240	Fund at end of period	18,418	27,121	29,420
Interest ...	1,207	2,567	3,884				
	23,845	40,495	51,325		23,845	40,495	51,325

THE VALUATION.

6. The foregoing Consolidated Revenue Account shows that the Fund possesses a balance in hand, or accumulated fund, of £27,121; but in order to ascertain the state of the Fund by an actuarial examination as demanded by the Act it is necessary to make a valuation of the assets and liabilities. This valuation is required to determine whether the accumulated fund of £27,121 is sufficient, together with the future receipts from interest and from members' contributions, to discharge the various claims as they arise, so far as existing members are concerned.

7. The net results of the valuation are summarised in the following valuation balance-sheet, which contains—

- (1.) On the left-hand side, the discounted liabilities—viz., the sums expected to be paid, less interest for the time it is estimated they will be deferred;
- (2.) On the right-hand side, the discounted contributions—viz., the amounts expected to be received, less interest for the time until they fall due.

Valuation Balance-sheet as at 31st March, 1906.

Liabilities.		£	Assets.		£
Value of 57 pensions already granted, for £5,087 per annum		50,120	Accumulated funds at 31st March, 1906 ..		27,121
Value of 651 prospective pensions, for £73,548 per annum, to officers in the service (including thirty-three over age 60, who are entitled at any time to pensions already accrued, amounting to £3,115 per annum) ..		256,227	Value of future contributions		87,868
Value of return of contributions at death ..		22,810	Deficiency		214,168
		<u>£329,157</u>			<u>£329,157</u>

8. The balance-sheet reveals that the accumulated funds should amount to £241,289 to be sufficient for the purpose explained in paragraph 6, thus showing a deficiency of £214,168.

9. Nothing very definite can be reported about the Fund in reference to "its expectant state at the close of the next ensuing triennial period, having reference to the prospective receipts and charges during such period," quoting from the Act. The utmost I can do is to make an estimate of the income and outgo for the current triennium, and this is given in the Account shown in paragraph 5. Therefrom it will be seen, as might be expected, that the income from contributions increases very slowly while the outgo for pensions and allowances increases very rapidly. The following table shows the past yearly increases in the fund, and the estimated increases during the next three years :—

Year ending.		Funds at End of Year.	Yearly Increase in Funds.	Percentage of Increase on Funds of Previous Year.	
		£	£	Per Cent.	
31st March, 1900	...	3,257	} Actual.
" 1901	...	9,186	5,929	182.0	
" 1902	...	14,579	5,393	58.7	
" 1903	...	18,418	3,839	26.3	
" 1904	...	21,794	3,376	18.3	
" 1905	...	24,876	3,082	14.1	
" 1906	...	27,121	2,245	9.0	} Estimated.
" 1907	...	28,726	1,605	5.9	
" 1908	...	29,470	744	2.6	
" 1909	...	29,420	— 50	Decrease	