



REGISTRY OF FRIENDLY SOCIETIES

REPORT OF  
THE CHIEF REGISTRAR OF  
FRIENDLY SOCIETIES  
FOR THE YEAR 1956

*(Presented pursuant to 34 & 35 Vict. c. 31, s. 17; 56 & 57 Vict. c. 39, s. 76;  
57 & 58 Vict. c. 47, s. 27; 59 & 60 Vict. c. 25, s. 6;  
and 17 & 18 Geo. 5 c. 41, s. 10.)*

PART 2  
FRIENDLY SOCIETIES

LONDON: HER MAJESTY'S STATIONERY OFFICE  
1957

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## I. Introduction

This part of my Report deals with the work of the Department under the Friendly Societies Acts and the operations of registered societies under those Acts during 1956.

Friendly societies are associations of members subscribing on a mutual basis for sickness, death, old age and other provident benefits. Registration under the Acts is also available to cattle insurance societies, benevolent societies, working men's clubs, old people's home societies and societies for various purposes specially authorised by the Treasury. But the bulk of the business under the Acts is transacted by friendly societies and it is with them that this report is mainly concerned. The group of friendly societies known as "collecting societies" because they collect members' contributions or premiums for life assurance by house to house visits are subject to the provisions of the Industrial Assurance Acts and are therefore not treated as ordinary friendly societies for the purpose of this report but are dealt with in my separate report as Industrial Assurance Commissioner.

The membership of registered friendly societies without branches decreased each year from 1946 to 1955, falling from 6,033,000 at the end of 1945 to 4,779,000 at the end of 1955. The year 1956, however, showed a break in this succession, membership of these societies increasing by 1,000 to 4,780,000. Nevertheless it would I think be premature to assume that this is a sign that the friendly society movement as a whole has successfully adapted itself to the changed conditions of the welfare state, especially since many of the largest increases in membership have been achieved by endowment societies and societies for the provision of institutional treatment which account for a very small proportion of the total number of friendly societies. Of the 747 sickness benefit societies the Hearts of Oak Benefit Society showed the largest increase of membership - 13,000. For friendly societies with branches (the "Orders") the latest figures available relate to 1955, and show a net decrease of membership of 61,000 during that year.

The income of friendly societies without branches was £21,849,000 during 1956, £997,000 more than during the previous year, and their expenditure totalled £16,890,000, £1,019,000 more than during 1955. Of this expenditure £13,850,000 was for benefits and £2,225,000 was for expenses of management, which were £119,000 higher than in the previous year. The funds of friendly societies without branches rose by £4,458,000 to £164,899,000. The funds of friendly societies with branches were £65,515,000 at the end of 1955, £322,000 more than at the end of 1954.

The report includes (on pages 10 to 16) a review of the latest valuations of Orders. I should like to place on record my appreciation of the valuable assistance I have received from the Government Actuary in compiling this review.



### 2. Registration

#### (A) Classification of registered societies

There are six classes of societies that may be registered under the Acts, viz:-

- (1) Friendly Societies, whose principal objects are to insure sickness, death and endowment benefits.
- (2) Cattle Insurance Societies.
- (3) Benevolent Societies, for any benevolent or charitable purpose.
- (4) Working Men's Clubs, for purposes of social intercourse, mutual helpfulness, mental and moral improvement and rational recreation.



(5) Old People's Home Societies.

(6) Specially authorised societies, for any purpose authorised by the Treasury as a purpose to which some or all of the provisions of the Act ought to be extended.

In the statement in section (B) below, friendly societies proper are subdivided into three groups, societies with branches (i.e. "Orders"), branches and societies without branches. In addition, particulars are shown separately of "shop clubs". (See page 21).

**(B) Additions to and Removals from Register**

The following is a classified statement of the number of societies (other than collecting societies) on the register at the beginning and end of 1956 and of the additions to and removals from the register during the year:-

Class of Society	On Register at beginning of year	Added to Register	Removed from Register					On Register at end of year
			Dissolved	Cancelled	Amalgamated	Engagements Transferred	Other causes	
<b>Friendly Societies:-</b>								
Orders	43	-	-	1	-	-	-	42
Branches	11,042	3	7	-	-	262	5	10,771
Societies without Branches	1,288	6	41	16	8(c)	1	-	1,228
Cattle Insurance Societies	23	-	1	-	-	-	-	22
Benevolent Societies	111	1	-	-	-	-	-	112
Working Men's Clubs	2,406	24	6(a)	18(b)	-	-	-	2,406
Specially Authorised Societies	259	1	1	3	-	-	-	256
Shop Clubs	6	-	-	-	-	-	-	6
<b>Totals:-</b>								
England and Wales	14,016	31	54	36	8	227	4	13,718
Scotland	1,162	4	2	2	-	36	1	1,125
<b>Great Britain</b>	<b>15,178</b>	<b>35</b>	<b>56</b>	<b>38</b>	<b>8</b>	<b>263</b>	<b>5</b>	<b>14,843</b>

(a) Includes one club dissolved by Order of Court.

(b) Includes two clubs whose registry was cancelled so that they might be registered under the Industrial and Provident Societies Act, 1893

(c) Includes seven juvenile societies that amalgamated with adult branches under section 70(5) of the Friendly Societies Act, 1896, and one other society cancelled for the purpose of amalgamation.

**(C) Principal documents registered, recorded or certified**

	Amendments of Rules		Changes of Name	Removals of Office
	Partial	Complete		
England and Wales	826	544	9	671
Scotland	58	27	-	60
<b>Total</b>	<b>884</b>	<b>571</b>	<b>9</b>	<b>731</b>

Particulars as to other documents registered and miscellaneous matters will be given in the general statement relating to the work of the Department in Part 1 of my Report for 1956.

**(D) New Registrations**

Six friendly societies without branches were added to the register during 1956, three in England and three in Scotland. Of these six, two are connected

with the Police, namely the Staffordshire County Police Widows and Benevolent Fund Friendly Society and the Angus Constabulary Friendly Society, both of which are concerned mainly with making provision for the widows and children of members; one, the London and District Boot and Shoe Trade Managers' and Foremen's Provident Society has "assisting members out of employment" as one of its objects; the Glasgow Corporation Superannuation Scheme, 1955, is a scheme made under the Local Government Superannuation Act, 1953, and replaced an earlier scheme, the registry of which was cancelled during the year; the Edgbaston and Smallheath Friendly Society has the objects of providing sickness, confined mourning, death and distress benefits for its members, and the remaining society, the Banks O'Dee Mutual Friendly Society, was a former branch of an Order registered in Scotland which seceded from that Order and registered as a friendly society only to transfer its engagements later in 1956 to another Order registered in Scotland.

The benevolent society registered during the year was the Polish Women's Benevolent Association, whose objects state that it is established "for such benevolent or charitable purposes only as shall in the discretion of the Committee be most conducive to the assistance of Polish women or children in distress."

The specially authorised society added to the register during 1956, the Ferndale Workmen's Hall and Institute, was registered under the special authority of 15th December, 1952 for "carrying out under rules approved by the Coal Industry Welfare Organisation, social welfare activities within the provisions of the Miners' Welfare Act, 1952."

#### (E) Centenarian Societies

During the year seven "centenarian" societies registered in England and Wales were dissolved. Among these was the Disley Church Sunday School, which had a rule that read as follows:-

"As an encouragement to the Girls belonging to this Society, to conduct themselves with a proper and due sense of a moral and religious life, it has, by a general meeting of the Members, been resolved, and it is hereby ordered, that if any female Member who has not been guilty of any gross or immoral conduct, and who has for the space of two years attended this School in a regular manner, and behaved herself to the satisfaction of three-fourths of the Committee, she shall, when married, receive from this Society, as a reward for her good conduct, an eight days' Clock, with an oak case, with an inscription engraved on a brass plate, to be inserted on the outside of the door of such Clock, stating why such Clock was given to her."

This rule had remained unaltered since the society's registration in 1842 and the final return of the society showed the expenditure of £10 on "benefits on marriage" which apparently represented the presentation of two clocks.

### 3. PROSECUTIONS

Fifty one summonses were applied for in respect of the following offences under the Friendly Societies Act, 1896, -

Failing to submit Annual Returns	- 39
Failing to submit quinquennial valuations	- 10
Withholding funds of a society	- 1
Misapplying funds of a society	- 1

Three of the summonses relating to the first two offences mentioned were withdrawn. The defendants in the remaining forty-six of these summonses were convicted. Fines and costs amounting to £65 and £40 19s. respectively were imposed. In the case of the last two offences no convictions were obtained but under the proviso to section 87(3) of the Friendly Societies Act, 1896 the defendant was ordered to repay the funds withheld and misapplied. This proviso enables the Court to order a repayment where it is satisfied that a defendant has withheld or misapplied the funds of a society but is not satisfied that he did so with any fraudulent intent.

#### 4. Disputes

Section 68(2) of the Friendly Societies Act, 1896, provides that the parties to a dispute in a registered society or branch may by consent (unless the rules of the society or branch expressly forbid it) refer the dispute to the Chief Registrar or, in Scotland, to the Assistant Registrar.

The following decision was given in a dispute referred to the Chief Registrar:-

HUGHES and the BRIDGWATER ODD FELLOWS LIFE INSURANCE  
WIDOWS' AND ORPHANS' SOCIETY

*Provision in rules for payment of benefit to a widower - interpretation of word "widower".*

William Edward Hughes, who is a member of the Bridgwater Odd Fellows Life Insurance Widows' and Orphans' Society, claims that he is entitled to receive benefit under Rule 10 of the society's rules. His claim is resisted by the society.

The relevant rules of the society provide as follows:-

Rule 2. "The object of this society is to form funds for the assurance of a sum of money on the death of a member or on his attaining the age of 60 years, subject to the conditions and restrictions hereinafter specified."

Rule 6. "The weekly contributions to provide the sum of £12 at the death of a member, or to the member himself who is a bachelor or widower upon his attaining 60 years of age, subject to the conditions set forth in Rule 10, shall be as follows:- ....."

Rule 10. "Should a member's wife die previously to himself, and he continue a member until the age of 60 years, he shall, if he desire, receive the benefit insured; and should a bachelor continue a subscribing member until the above age, he shall, if he desire, receive the benefit."

Mr. Hughes has been twice married. His first wife died on the 9th January, 1928, and on the 25th July, 1942 he married his second wife, who is now living but from whom he separated in 1943. He attained the age of 60 years on the 30th December, 1954.

Mr. Hughes claims that since his first wife has died and he is over 60 years of age he is entitled to benefit under Rule 10.

If Rule 6 were ignored it might be that Mr. Hughes's literal interpretation of Rule 10 could be upheld, although it would seem that the intention of Rule 10 was to confer the right to benefit at age 60 only upon those members who at that age had no wife. Rule 6 cannot however be ignored. It states that Rule 10 lays down the conditions subject to which Rule 6 operates. In order therefore to qualify under Rule 10 the member must also qualify under Rule 6. The latter rule states expressly that to be entitled to benefit at age 60 the member must

either be a widower or a bachelor. Mr. Hughes is not a bachelor. Is he a widower? A widower is defined in the Shorter Oxford English Dictionary as a man whose wife is dead and who has not married again. I am satisfied that that is the meaning which ought to be attached to the word as used in Rule 6.

My award must therefore be that Mr. Hughes is not entitled to benefit.

#### 5. Retirement Annuities in excess of £104

Friendly Societies are now allowed by virtue of section 26 of the Finance Act, 1956, to assure certain retirement annuities in excess of £104 without losing the exemption from Income Tax, which they enjoy under section 440 of the Income Tax Act, 1952.

The retirement annuities in question must be assured under contracts approved by the Commissioners of Inland Revenue and must be payable wholly in return for contributions paid by a person who when the contributions are payable is, or would but for an insufficiency of profits or gains be, chargeable to tax in respect of "relevant earnings" from a trade, profession, vocation, office or employment carried on or held by him.

The conditions which a contract must satisfy in order to obtain the approval of the Commissioners of Inland Revenue are set out in subsections (2) and (3) of section 22 of the Finance Act. The more significant of these conditions are that the annuity must in general be payable between the ages of 60 and 70; that no other sum but an annuity is payable to the annuitant or his or her surviving spouse; that in the event of no annuity being payable to the annuitant or his or her surviving spouse only the contributions and reasonable interest thereon and any bonus out of profit are payable to the annuitant's personal representative; and that there is a provision in the contract making the annuity incapable of surrender, commutation or assignment.

The term "relevant earnings" mentioned above is defined in subsection (8) of section 22 of the Finance Act 1956 as income which is either -

- (a) income arising in respect of remuneration from an office or employment of profit held by him other than a pensionable office or employment; or
- (b) income from any property which is attached to or forms part of the emoluments of any such office or employment of profit held by him; or
- (c) income which is chargeable under Schedule B or Schedule D and is immediately derived by him from the carrying on or exercise by him of his trade, profession or vocation either as an individual or, in the case of a partnership, as a partner personally acting therein; or
- (d) income treated as earned income by virtue of paragraph (d) (which relates to patent rights) of subsection (2) of section five hundred and twenty-five of the Income Tax Act, 1952;

but does not include any remuneration as director of an investment company (as defined in section two hundred and fifty-seven of the Income Tax Act, 1952) of which he is a controlling director (as defined in subsection (1) of section three hundred and ninety of that Act).

A friendly society assuring these retirement annuities under approved contracts which goes into dissolution must not pay any sum to the annuitant or person entitled to the benefit of the contract in respect of the annuity. This is provided for in subsection (2) of section 26 of the Finance Act, 1956. Instead, the society must use any sum which would have been payable to him but for this prohibition in buying an annuity similar to the original annuity.

In order to enable friendly societies to undertake the assurance of retirement annuities in excess of £104 it will, of course, be necessary for them to amend their rules so as to give themselves the power to do so. The department drafted two provisions for the use of any societies wishing to amend their rules for this purpose. These draft provisions were not intended to be exhaustive. They are set out hereafter:-

"(1) An annuity whether exceeding £104 per annum or not may be assured under a contract approved by the Commissioners of Inland Revenue under Section 22 of the Finance Act, 1956, provided that it is payable wholly in return for the payment of contributions (as set out in Table ..... ) by a member who, when the contribution is payable, is, or would but for an insufficiency of profits or gains be, chargeable to tax in respect of relevant earnings (as defined in Section 22 of the aforesaid Act) from a trade, profession, vocation, office or employment carried on or held by him.

(2) If, in the event of the dissolution of the society, an annuity of the kind mentioned in paragraph (1) of this rule ceases to be paid, or any contract for the payment of such annuity fails in whole or in part, no payment shall be made to the annuitant or other person entitled to the benefit of the contract out of the funds of the society in respect of the annuity but any sum which but for this paragraph would have been paid to him shall be used in purchasing for the annuitant an annuity for the like term and subject to the like conditions as the original annuity from a person lawfully carrying on in the United Kingdom a business of granting annuities on human life."

If a society has a provision in its rules permitting the surrender, commutation or assignment of any of its policies, such provision must also be negatived with regard to the retirement annuities.

Amendments for this purpose have been made by a few of the larger friendly societies, some under the stop-gap provisions contained in subsection (4) of section 26 of the Finance Act, 1956, which at the time of the issue of this Report can no longer be used. All such amendments must now be made in the ordinary way.

One of the conditions which has been mentioned above as requiring to be satisfied before a contract can be given approval is that if no annuity becomes payable, i.e. by the death of the annuitant and his widow, nothing must be payable except to the annuitant's personal representative by way of return of contributions, reasonable interest thereon and bonus out of profits. From this would seem to follow the result that no monies in respect of the annuity can be paid under a nomination because such money would be payable to a person other than the personal representative. The department has, therefore, agreed to accept for registration any rule which excludes from the power to nominate any money payable on death in respect of the retirement annuities above-mentioned. It should be added here that it is the Finance Act, 1956, which impliedly authorised the registration of such a rule and that in no other case could this department register a rule purporting to exclude these provisions from applying to a friendly society.

## 6. Examination of Annual Returns

### (A) Defalcations, etc.

*Platts Common Working Men's Club and Institute.* During 1956 deficiencies were discovered as a result of investigations that were instituted when a cheque made out by the treasurer on behalf of the club was returned to drawer. Stocktakings disclosed deficiencies totalling £523. The steward was prosecuted for stealing sums amounting to £366 and altering documents with intent to defraud. At the preliminary hearing it was alleged that an arrangement had been made with



the treasurer for the steward to bank the moneys of the club and that alterations had been made by the steward to certain paying-in slips. The steward was eventually discharged conditionally, no order being made for the repayment of the amount of the deficiencies, which was written off in the annual return for 1956.

*Tamworth Miners Welfare Club and Institute.* Deficiencies amounting in all to £580 occurred during 1955 and 1956. During the relevant period the former secretary of the club was responsible for collecting the takings weekly from the steward and banking them. It appears that the amount of the takings was not always paid weekly into the bank although the secretary's cash book showed it as so paid, and that the amount of the deficiency represented about ten weeks' takings. Proceedings against the former secretary were taken by the club under section 87(3) of the Friendly Societies Act, 1896, for withholding the amount found deficient, and as a result he was ordered by the Court to repay £300 by instalments. It is understood that he defaulted with his first instalment and that a judgment summons was issued under which he is paying.

*Victoria Working Men's Club and Institute.* In a special report on the accounts for 1955 the auditor stated as follows:-

"2. On five occasions the amounts banked were (on each occasion) £100 less than the amounts available. The paying-in counterfoils and bank statements show alterations apparently designed to conceal the deficiencies.

3. On one occasion in December the amount banked was £500 less than the amount available. The bank statement for this period shows numerous alterations and the balance at 31st December, 1955 was shown as £2,521. The correct balance, as shown in a duplicate statement obtained from the bank, was £1,565.

4. It appears that little or none of the cash received from members' subscriptions, entrance fees, associate and pass cards was paid into the Club. The record of weekly taking was, however, altered on several occasions by reducing the amount of the bar takings and entering the amount of the reduction as members' subscriptions. The amount of these alterations was £443.

5. Three cheques amounting to £310 were drawn in favour of the Secretary and one cheque for £84 10. 0. in favour of a third party. No evidence has been received that these cheques were authorised or relate to the Club's affairs and the members of the Committee whose names appear thereon disclaim knowledge of them.

6. A cheque for £41 14. 0. was drawn in settlement of Income Tax deducted from wages. This amount should have been met from cash already drawn for the purpose.

7. A cheque for £74 was drawn in settlement of a liability of the Club for £27 10. 0. and a liability of an associated Cricket Club for £46 10. 0. I am informed that the latter item should have been met from cash in the secretary's hands.

8. Cash was drawn for National Insurance stamps but at the date of the audit the cards were unstamped for considerable periods. The extent of this deficiency has been estimated at £150 pending agreement with the Ministry of National Insurance.

9. Cash was drawn for sundry payments amounting to £98 for which there is no satisfactory evidence, and an amount of £20 received has not been accounted for.

"The total deficiency arising from the items detailed in paragraphs 2 to 9 is £2,194."

The Secretary was relieved of his duties during the course of the audit, but a further cash deficiency of £197, arising during the period prior to his dismissal, was disclosed by the audit of the 1956 accounts.

The ex-secretary was charged on five counts of forgery, which related to £1,000 of the total deficiency of £2,391. He pleaded guilty, but claimed that he had used about £600 in meeting deficiencies of the Cricket Club, and after evidence had been heard on this he was given a conditional discharge. Application was then made by the club under section 87(3) of the Friendly Societies Act, 1896, as a result of which he was ordered by the Court to repay the £2,391 and to pay £50 costs.

#### (B) Other matters

*Inefficient Audit.* In the case of a branch of which the annual return for 1955 was signed by two lay auditors, one of the auditors, having been asked to state how she verified the existence of the assets shown in the balance sheet, replied as follows:-

"Mr.\_\_\_\_ had a list of figures which seemed to correspond but I actually never had anything to do with the actual auditing. I am not sure if I signed for that year in question but I have certainly not signed since as my husband objected to my signing this paper without the books being seen by me and so I informed Mr.\_\_\_\_ that I would not sign and he must seek someone else."

An auditor is responsible for verifying the annual return with the relevant accounts and vouchers and ascertaining whether or not it is correct, duly vouched and in accordance with law. If these duties are properly performed it is to be expected that any defalcation or other irregularity will be discovered, and the auditor has thus a very important part to play in protecting the interests of the members. A society that is not obliged by law to appoint an approved auditor should therefore be careful to avoid appointing any persons as auditors who are not fully capable of carrying out efficiently duties which involve some knowledge of accounting procedure, and should ensure that before any persons accept such appointment they are thoroughly aware of their responsibilities and duties. Where suitable persons willing to act as auditors cannot be found among its members a society should employ an approved auditor.

*General.* The following extracts from the special report of an approved auditor on the accounts of a recently registered club may be of general interest:-

"1. It has been the practice of the Steward to make payments in cash out of his takings. For the majority of these payments a signature has been obtained but I consider that a proper form of receipt should be obtained as a mere signature by someone who cannot be identified at a later date or who is unknown either to the officials or to me, as Auditor, is not satisfactory. I would particularly mention the payments which are made to entertainers and would suggest that a proper receipt should be obtained from the respective entertainers giving the date of payment and some short description on the receipt to show what the payment is actually made for. Payments are also made by the Steward to Committee Members in respect of their honoraria and in respect of expenses. Proper receipts should be obtained for these and they should be properly authorised by the Finance Committee.

"In my opinion it is undesirable for the Steward to make any payments at all out of his cash takings. Such payments should be made by the Treasurer and I would suggest that if it is at all possible to make arrangements on these lines, it would be much more satisfactory.

"2. The method of banking bar takings is, in my view, not altogether satisfactory. I appreciate that the bank is some distance from the Club and that it may not be possible for the Steward or the Treasurer to travel to the bank at regular intervals but I do think that the Committee should seriously consider devising some means whereby much more regular bankings are made so as to avoid the practice which prevails of the Steward having to be responsible for substantial amounts of cash for several days at a time."

"4. I would repeat ..... in connection with Loans to Members that the making of such advances is contrary to the provisions of Rule 18(3) of the Club's rules.

"5. I would suggest that all accounts for payment should be submitted by the Treasurer to the Finance Committee and approved by that Committee for payment. A record of such accounts passed should be kept in the Minutes of the Committee by the Secretary. As regards payments which have had to be made before they could be approved by the Committee, I suggest that these should be confirmed by the Committee and a record kept in the Minutes. In this connection I would particularly refer to the expenses of the members of the Committee and also to the cost of refreshments supplied to them free of charge."

The club was asked what action had been taken and it is understood that accounts now have to be submitted to the finance committee before payment, that arrangements have been made for takings to be banked weekly and that the making of loans to members has been discontinued.

## 7. Valuations - Orders and their Branches

In Part 2 of my Report for 1954 the results of the most recent valuations of societies without branches were reviewed. As full information was not then available a similar review of the valuations of the Orders and their branches was not given and, for the same reason, this subject was only dealt with partially in the Report for 1955 by way of a review of the individual valuation results of certain of the Orders.

Recent valuations of all the Orders and their branches have now been received with the exception of those which are exempt from valuation under the provisions of Section 28(5) of the Friendly Societies Act, 1896, and a few small Orders and branches for which the valuations have not yet been completed. The omissions are relatively unimportant from the point of view of the number of members and funds involved.

The dates as at which the valuations were made are within the period 31st December 1948 to 31st December 1955, the great bulk of the valuations having been made as at 31st December in one of the four years 1950, 1951, 1952 and 1953.

The following table gives a summary of the results of these valuations:-

Table 1

	Number of valuations	Member-ship covered (000's)	Present value of		Benefit Funds and other assets (net) (£000's)	Surpluses (£000's)	Deficiencies (£000's)
			Future benefits (£000's)	Future contribution income for benefits (£000's)			
Totals for Branches (including District and Order Reassurance funds)	8,016	1,551	52,282	20,152	43,096	11,392	426
Centralised Order Funds	177	118	3,767	1,604	2,470	309	2
Total for Great Britain, 1956 (35 Orders)	8,193	1,669	56,049	21,756	45,566	11,701	428
- do. - 1935 (80 Orders)	12,131	2,487	68,399	(not given)	(not given)	6,921	3,038

The above figures have been obtained from the consolidated valuation balance sheets given by the actuaries in their general reports on the valuations of the larger Orders, and from individual reports on the remainder.



Full particulars of "Sums Assured" are not given in the actuaries' general reports but an examination of the "Present Value of Benefits" leads to the following approximate analysis according to type of benefit:-

Table 2

	1956 (£000's)	1935 (£000's)
Present value of:-		
Sickness Benefits	36,467	51,750
Death Benefits	12,064	14,750
Annuity Benefits	3,532	1,350
Other Benefits	3,986	549
Totals	56,049	68,399

The last occasion on which a similar review was made of the valuations of the Orders and their branches was in Part 2 of the Report for 1935, covering valuations made as at 31st December in each of the five years 1929 to 1933, and the totals for Great Britain given on page 58 of that report are reproduced in the above tables for ease of comparison. Two of the items now given for the latest valuations, viz. "Present Value of future contribution income for benefits" and "Benefit Funds and other Assets", were not given in the 1935 Report.

The nature of the benefits provided by the Orders, and the methods and bases of valuation employed, are broadly the same as in the societies without branches, and were described on pages 19-20 of Part 2 of the Report for 1954.

It will be seen from Table 1 that the number of valuations has fallen from 12,131 to 8,193 over a period of approximately twenty years, the number of members included in the valuations having fallen during the same period from 2,487,000 to 1,669,000. These decreases represent a contraction of about one-third both in units valued and in membership, and reflect the difficulties at present facing the whole friendly society movement. The reduction in the number of units valued has been brought about partly by dissolutions, and partly by amalgamations within the various Orders of branches which had become too small to remain effective independent units.

Although a comparison of "Present Values of Benefits" at successive points of time does not afford a reliable guide to the secular trend of the volume of business under each type of benefit, there seems little doubt from a comparison of the figures in Table 2 for "Other Benefits" viz. £549,000 in 1935 and £3,986,000 in 1956, that there has been large expansion in this group, which consists mainly of endowments and endowment assurances. This expansion, which has taken place mainly in the large Orders, corresponds to the increase in endowment assurance and similar business which has been a feature of the business of life assurance companies.

It appears probable from a comparison of the figures in Table 2 that there has also been an increase in the annuity business of the Orders since 1935.

Gross valuation surpluses total £11,701,000, the corresponding figure at the 1935 review being £6,921,000. There has thus been a large increase in the amount of surplus despite substantial appropriations for various purposes during the intervening period. Gross valuation deficiencies have decreased from a total of £3,038,000 at the 1935 review to the relatively small amount of £428,000. The total net surplus is thus £11,273,000 (about one-quarter of the benefit funds) compared with £3,883,000 at the 1935 review.

The main factors in the substantial improvement in the financial position of the Orders disclosed by the figures now presented are common to the whole friendly society movement, and are referred to in the reviews of valuation of friendly societies given in Part 2 of the Reports of 1954 and 1955, and in later sections of this report where individual Orders are dealt with.

It is to be noted that an important contributory factor in the improvement in the financial position of friendly societies is the numerous voluntary

cessations of membership which have taken place, largely as a result of the National Insurance Act, 1946, which commenced to operate in 1948. Although in most cases these cessations have had a favourable effect on solvency because of the consequent release of the valuation reserve, they have also contributed to the regrettable decline in membership of friendly societies and have sometimes created administrative difficulties owing to the consequent diminution in the income of the management funds.

The five Orders referred to below are by far the largest and account for about seven-eighths of the membership, funds and liabilities for the whole of the 35 Orders included in Table 1.

Table 3

Order	Valuation dated 31st December	Number of valuations (Branches and Order Funds)	Member-ship covered (000's)	Present value of		Benefit Funds and other assets	Surpluses	Deficiencies
				Future benefits	Future contribution income for benefits (all in £ thousands)			
I.O.O.F.M.U.	1950-53	3,375	599	25,901	8,893	20,992	4,071	87
A.O.F.	1950-55	2,407	362	13,626	5,534	11,776	3,705	21
I.O.R.S.U.	do.	402	226	5,179	2,601	3,981	1,409	6
O.S.T.	1950	22	141	2,851	1,125	2,427	702	1
L.O.A.S.A.U.	do.	244	118	1,679	748	1,132	284	83
Totals	-	6,450	1,446	49,236	18,901	40,308	10,171	198

The valuation results of the I.O.O.F.M.U. and of the L.O.A.S.A.U. were reviewed individually in the Report for 1955. The following is a survey of the valuation results of the three other Orders which appear in the above table.

*Ancient Order of Foresters Friendly Society*

The latest valuations of the districts and courts of the Order were made in four sections, the respective valuation dates being 31st December of each of the four years 1950-53.

The following is a summary of the valuation balance sheets of the courts as given in the report on the valuation by the Order's actuaries.

<u>Liabilities</u>		<u>Assets</u>	
	£		£
Present value of Benefits	12,900,295	Benefit Funds	9,441,166
"    "    "    Reassurance Contributions	900,323	Present value of Contributions	5,125,146
Share of deficiencies in District Death Funds	5,469	"    "    "    Sums Reassured	2,339,424
Other Liabilities	28,947	Share of surpluses in District Death Funds	538,844
Surpluses	£3,660,977	Other Assets	30,549
less Deficiencies	£ 20,882		
	3,640,095		
	<u>£ 17,475,129</u>		<u>£ 17,475,129</u>

The number of courts included in the valuation was 2,402, of which 2,308 were comprised in 90 districts, 94 being courts out of district.

2,340 courts had surpluses amounting to £3,660,977, while the remaining 62 courts had deficiencies amounting to £20,882. The corresponding figures for the previous quinquennial valuation are 2,330 courts with surpluses of £3,448,446 and 464 courts with deficiencies of £246,293.

The average annual rates of interest earned on the funds of the courts during the inter-valuation period are summarised in the following table:-

Average rate of interest earned	Under 3 per cent.	3 to 3½ per cent.	3½ to 4 per cent.	4 to 4½ per cent.	4½ per cent. and over
Number of courts	153	514	1,100	513	122
Percentage of all courts	6.4	21.4	45.8	21.3	5.1

As on the previous occasion, the rate of interest assumed in the valuation for discounting future receipts and payments was 3½ per cent. per annum.

The actuaries state that the mortality experience of the courts has continued to improve. As a result there has been a further considerable strengthening of the valuation bases in many courts by the adoption of the mortality table known as the Eastern Counties Rural Districts (1921 Census - Males) instead of the heavier mortality rates of the I.O.O.F.M.U. experience, 1893-97, Area 1. Nearly 90 per cent. of the membership was valued by the Eastern Counties Rural Districts table, and it is anticipated that at the next valuation further similar changes in the mortality bases will be made. Provision for such changes has been made in appropriate cases by the setting up of special reserves in the valuation balance sheets.

The standard table of sickness rates based on the experience of Group A.H.J. of the I.O.O.F.M.U. experience, 1893-97, adjusted where appropriate in the light of past experience, was again used for valuing the liabilities for future sickness benefit payments. Over the whole Order actual sickness claims during the inter-valuation period were well within the claims expected on the basis of the unadjusted rates.

Grants were made from the Order Contingencies Fund to those courts in deficiency at the previous valuation, of an amount sufficient to extinguish the deficiencies then revealed.

In many cases surplus certified by the actuaries as disposable at the last valuation was transferred to a Valuation Surplus Distribution Account and the actuaries state that the same action is being taken by nearly all courts in respect of the present valuation.

The actuaries remark upon the improved position shown by the latest valuation, notwithstanding the adoption of more stringent bases of valuation in many courts and the substantial appropriations of surplus which have taken place. They mention as two of the main factors in this improvement, the substantial profit from lapses following the commencement of the National Insurance Scheme in 1948, and the light sickness claims experience in relation to the provision made in the valuations.

Valuations of certain Order funds have also been received; the results are summarised below:-

Fund	Date of Valuation 31st Dec.	Amount of Fund £	Amount of Surplus £
High Court Life and Endowment Assurance Fund	1953	231,196	24,834
High Court Sick and Death Fund	1953	20,988	4,497
High Court Permanent Allowance Fund	1955	15,783	1,317
High Court Family Provident Fund	1955	9,517	934
High Court Juvenile Death and Endowment Fund	1955	85,657	12,947

*Independent Order of Rechabites, Salford Unity, F.S.*

The latest valuations of the districts and tents of the Order were made in four groups, the respective valuation dates being 31st December of each of the four years 1950-53.

The following is a summary of the results as shown in the report on the valuations by the Order actuary, the corresponding figures for the previous valuations (for the years 1945-48) being also shown.

#### Sick Funds

	31st December 1950-53	31st December 1945-48
	£	£
Total Sick Funds	2,500,536	2,443,919
Present value of future contributions	1,848,270	3,004,323
Total Assets	4,348,806	5,448,242
" Liabilities	3,362,817	4,772,839
" Surpluses	990,722	709,233
" Deficiencies	4,733	33,830
Net Surplus	£ 985,989	£ 675,403

#### Death Benefit Funds

	£	£
Total Death Benefit Funds	1,188,012	1,124,807
Present value of future contributions	566,717	831,695
Total Assets	1,754,729	1,956,502
" Liabilities	1,376,311	1,604,518
" Surpluses	379,664	355,450
" Deficiencies	1,246	3,466
Net Surplus	£ 378,418	£ 351,984

The total number of units valued in all four groups was as follows:-

Sick Funds	290
Death Benefit Funds	87
Sickness and Provident Schemes	20
Profit Sharing Schemes	3
Married Women's Fund	1
Total number of units	401

The total membership included in the valuations, together with the corresponding totals for 1945-48, were as follows:

	31st December 1950-53	31st December 1945-48
Insured for sickness benefits - Males	123,226	
	23,667	
Females	146,893	220,088
Insured for death benefits - Males	153,573	
	68,161	
Females	221,734	304,422

The valuations have again been based on the sickness and mortality tables derived from the experience of the Order during the five years 1926-30. These tables consist of four separate experiences, viz:-

Table A	Male members in agricultural districts
" B	" " " industrial
" H	" " " hazardous
" F	Female members insured for sickness benefits.

An investigation of the sickness and mortality experience during the inter-valuation period shows that the actual claims for sickness benefits were, in total, 90 per cent. of those expected on the basis of the above tables. The actual total number of deaths in the sick funds was 89 per cent. of those expected, the corresponding percentage in the death benefit funds being 86.

The actuary remarks on the steady improvement in both the sickness and the mortality experience of the Order over a period of 22 years, as evidenced by successive investigations into the experience, and states that the improvement in mortality is in general accord with the experience of the whole population. The progressive reduction in the rates of sickness claim, he remarks, is particularly gratifying and bears testimony to the efficiency of administration of the sickness claims in the various districts and tents of the Order.

A valuation was made as at 31st December 1955 of the Order Insurance and Superannuation Fund. This disclosed a surplus of £38,189, the fund being £292,164.

*Order of the Sons of Temperance Friendly Society*

A valuation of each of the twenty-one Grand Divisions of the Order was made as at 31st December 1950, and the combined results are shown in the following consolidated valuation balance sheet taken from the report on the valuation by the Order's actuary.

<u>Liabilities</u>		£	<u>Assets</u>		£
Present value of:			Total Benefit Funds		2,255,543
Adult Members'			Present value of future contributions		1,018,238
Sickness Benefits	1,611,024		Other Assets ..		174
Death	768,414				
Other	31,178				
	2,410,616				
Cadet Members'					
Endowments, Death Benefits,		197,660			
etc.		2,608,276			
Surpluses	£666,457				
less Deficiencies	£ 778	665,679			
		£ 3,273,955			£ 3,273,955

The salient points emerging from a comparison of this valuation with the previous valuation made as at 31st December 1945 are summarised below:-

	1950	1945
Number of Grand Divisions valued	21	33
Membership:- Adults	105,753	128,311
Cadets	32,273	48,029
Total	138,026	176,340
Total Benefit Funds	£2,255,543	£2,037,348
Gross Surpluses	£ 666,457	£ 409,300
" Deficiencies	£ 778	£ 22,615
Net Surplus	£ 665,679	£ 386,685

The average annual rate of interest earned on the funds of the Order during the inter-valuation period was £3.14s.0d. per cent., a decline of 10s.3d. compared with the yield for the previous quinquennium. The rate of interest adopted in the 1950 valuation for discounting future receipts and payments was 3¼ per cent. in fifteen Grand Divisions and 3 per cent. in the remaining six.

The mortality tables incorporated in the valuation basis were, as before, the Central Counties Rural Districts (1921 Census - Males) table for adult members, and English Life Table No.8 (Males) for cadet members. A comparison of the actual number of deaths during the inter-valuation period with the number expected on the above bases showed that the mortality experience had been relatively light, both for adults and cadets.

The rates of sickness of the non-hazardous occupation group A.H.J. of the I.O.O.F.M.U. experience, 1893-97, were again adopted as the basis of valuation. A comparison on this basis of actual and expected sickness claims during the inter-valuation period showed that the total actual claims were well within



those expected, the ratio of actual to expected total expenditure having declined from 82 per cent. in the previous quinquennium to 78 per cent. in the past quinquennium.

The actuary states that the increase in total net surpluses shown above has taken place notwithstanding the appropriation for various purposes of substantial amounts of surplus during the inter-valuation period. The principal sources of profit contributing to this increase are stated to be the favourable sickness claims experience, and the interest in excess of valuation requirements earned on the total funds. He goes on to say that it is a matter for regret that a considerable part of the financial progress has been due to the release of liabilities arising from the numerous withdrawals from membership which he ascribes to a large extent to the commencement of the National Insurance Scheme in 1948.

He remarks that there must be a large proportion of the population for whom the State benefits cannot be regarded as adequate for their needs during periods of sickness, and increasing experience of the National Scheme may lead to a greater appreciation of the need for recourse to friendly societies for the provision of supplementary benefits.

A valuation as at 31st December 1952 of the Higher Assurance Fund of the Order disclosed a surplus of £35,512, the benefit fund being £171,059.

## 8. Friendly Societies without Branches - Quinquennial Abstract

A special abstract was made for the year 1956 of the membership, income and expenditure, funds, liabilities and assets of friendly societies without branches. The results are given below with the corresponding figures for 1946 and 1951, the two last occasions on which such abstracts were prepared.

### MEMBERSHIP

Year	No. of Societies at end of Year	No. of Members at end of Year				
		Adult Males	Adult Females	Juveniles	Widows (a)	Total
1946	2,425	4,154,680	1,160,268	713,084	15,679	6,043,711
1951	1,574	3,734,085	869,780	327,033	18,593	4,949,491
1956	1,235	3,663,052	813,251	303,864	16,723	4,796,890

(a) Widows whose rights to membership derive from the membership of their deceased husbands. Such widows are not usually regarded by societies as being members for all purposes and they have accordingly been excluded from the figures of membership shown in the tables on pages 24 to 26.

### COMPOSITE INCOME AND EXPENDITURE ACCOUNT

	Income			Expenditure			
	1946	1951	1956	1946	1951	1956	
	£000's	£000's	£000's	£000's	£000's	£000's	
Contributions	12,554	12,534	15,145	3,327	3,483	3,352	
Interest	4,751	5,156	6,136	1,192	1,381	1,461	
Other Income	858	628	568	1,090	443	705	
				1,856	2,134	2,274	
				984	1,177	1,811	
				377	350	293	
				2,327	3,065	3,591	
				602	467	363	
				<b>Total Benefits</b>	<b>11,755</b>	<b>12,500</b>	<b>13,850</b>
				Other Expenditure from			
				Benefit Funds	227	1,488	814
				Management Expenses	1,358	1,775	2,225
				<b>Total Expenditure</b>	<b>13,340</b>	<b>15,763</b>	<b>16,889</b>
<b>Total Income</b>	<b>18,163</b>	<b>18,318</b>	<b>21,849</b>				
Funds at beginning of year	131,961	145,556	159,939	Funds at end of year	136,784	148,111	164,899
	150,124	163,874	181,788		150,124	163,874	181,788

COMPOSITE BALANCE SHEET

Funds and Liabilities				Assets			
	1946	1951	1956		1946	1951	1956
	£000's	£000's	£000's		£000's	£000's	£000's
Funds	136,784	148,111	164,899	British Government Securities	54,995	62,100	57,854
General Reserve for Depreciation	2,481	1,545	3,807	British Municipal Securities	30,550	27,151(b)	32,839
Loans and Other Liabilities	828	1,715	1,437	Mortgages	14,510	22,153	25,767
				Land and Buildings	8,201	8,984	9,604
				Other Investments (a)	24,445	24,926(b)	38,039
				Savings Banks	2,348	1,366	1,026
				Other Banks and Cash in Hand	2,807	2,423	2,749
				Other Assets	2,237	2,268	2,265
	140,093	151,371	170,143		140,093	151,371	170,143

(a) British Government Guaranteed Stocks have been included in "Other Investments". The total amount of such stocks in 1956 was £20,079,000.

(b) Corrected figure

In the following table the various assets are expressed as percentages of the total:-

Assets	Percentage of Total Assets		
	1946 %	1951 %	1956 %
British Government Securities	39.2	41.0	34.0
British Municipal Securities	21.8	18.0(a)	19.3
Mortgages	10.4	14.6	15.2
Land and Buildings	5.9	5.9	5.6
Other Investments (b)	17.4	16.5(a)	22.4
Savings Banks	1.7	0.9	0.6
Other Banks and Cash in Hand	2.0	1.6	1.6
Other Assets	1.6	1.5	1.3
	100.0	100.0	100.0

(a) Corrected figure.

(b) British Government Guaranteed Stocks included. In 1956 these represented 11.8 per cent. of total assets.

## 9. Statistics

### (A) General

A detailed abstract of membership particulars and of income and expenditure of friendly societies without branches has been made from the annual returns for 1955 and 1956. The results are set out in eleven groups in the table on pages 24 and 25 which also includes such comparative figures as are available for all societies without branches for the years 1946-1954.

On page 22 will be found an abstract of certain information from the annual returns of the twenty-seven friendly societies without branches which on 31st December, 1956 had over 25,000 members.

The latest year for which statistics for Orders and Branches are available is 1955. In the table on page 23 individual figures are given for the eight Orders having more than 25,000 members on 31st December, 1955. Totals so far as they are available are given for the years 1945-1955.

In the tables on page 26 the statistics of all friendly societies and of all societies registered under the Friendly Societies Act are combined.

## (B) Orders and Branches

The decline in membership continued during 1955. Adult membership decreased by 48,000 to 1,363,000 and juvenile membership by 14,000 to 230,000. The corresponding decreases during 1954 were 19,000 and 6,000 respectively. None of the largest Orders showed an increase in total membership, but the juvenile membership of the Ancient Order of Foresters increased slightly. This Order admitted 22,000 out of 48,000 new members (adult and juvenile) admitted by all Orders during the year. The membership of one Order registered in Scotland, the Sons of Scotland Temperance Friendly Society, has risen since the end of 1951 from 7,159 to 7,654, the increase during 1955 being 153. Taking an average of all Orders, for every 100 members at the beginning of 1955 2.9 members were admitted and 6.7 ceased to be members.

In the five largest Orders the corresponding percentages were as follows:-

	Per Cent.	
	Admitted	Ceased
Independent Order of Odd Fellows Manchester Unity	1.5	5.4
Ancient Order of Foresters	6.1	7.7
Independent Order of Rechabites Salford Unity	1.4	6.4
Loyal Order of Ancient Shepherds, Ashton Unity	2.6	8.8
Order of the Sons of Temperance	4.1	7.3

Payments of sickness benefit were £29,000 less than in 1954 but £15,000 more was paid out in death benefits. Total funds increased by £322,000.

## (C) Friendly Societies without Branches

### (i) Sickness Benefit Societies

(i) *Classification.* In the Summary Tables sickness benefit societies are sub-divided, according to their method of working, into the following groups:-

*Deposit.* These allocate annually all or the greater part of their funds to the individual credit of the members to be subsequently withdrawn by them as the rules provide.

*Accumulating.* These accumulate their funds on a mutual basis.

*Dividing.* These make a periodical cash division among the members of all or a large part of the funds remaining after meeting all claims up to the date of the division. Most societies maintain small funds to meet any claims accruing after the division, and a few accumulate substantial reserves. Death payments are usually met by special levies upon the members or are separately assured in a fund which is not divided.

In the deposit group are included the societies known as "Holloway" Societies. These are named after the founder of the scheme under which they operate and they differ from the other societies in the group in that the contributions paid by their members, instead of remaining fixed, increase as the members, after reaching age 30, grow older so that they will cover (without recourse to reserves) the increasing cost of their benefits.

(ii) *Membership.* The total membership of the accumulating societies has increased each year since 1948; the increase in 1956 was 4,000 or 0.3 per cent. and was attributable in the main to a few of the larger societies within the group - most of the remainder, with the exception of those societies associated with members' employment, suffered falls in membership. Membership of both deposit and dividing societies declined during 1956, the former by 38,000 or 2.5 per cent. and the latter by 11,000 or 7.1 per cent.



The number of juvenile members admitted to deposit, accumulating and dividing societies was 5,000 less during 1956 than during the previous year, and juvenile membership of these societies fell by 14,000. At the end of 1956 juveniles accounted for only 9.0 per cent. of the total membership compared with 9.3 per cent. at the end of 1955 and 11.4 per cent. at the end of 1948.

The following table shows the number of members admitted and ceased during 1956 per 100 members at the beginning of the year:-

Class of Society	Adult Members		Juvenile Members		All Members	
	Admitted (excluding transfers)	Ceased	Admitted	Ceased (excluding transfers)	Admitted	Ceased
	per cent.	per cent.	per cent.	per cent.	per cent.	per cent.
Deposit	1.7	4.7	7.3	7.0	2.2	4.9
Accumulating	7.8	7.5	13.1	8.5	8.4	7.6
Dividing	2.2	7.8	8.5	10.8	2.3	7.8
All Sickness Benefit Societies	4.3	6.1	10.1	7.7	4.8	6.2

(iii) *Income and Expenditure.* The contribution income of accumulating societies was £241,000 higher than in 1955, but in both deposit and dividing societies it was lower, by £34,000 and £16,000 respectively. Taking interest and other sources of income into account, however, only the dividing societies showed a decrease in total income, the net increase being £292,000 in accumulating societies and £119,000 in deposit societies. Contributions averaged £3.11.6 per member for the year.

Expenditure on benefits totalled £9,939,000 (£399,000 more than in 1955) and represented an average of £3.10.8 per member. Sickness benefit was higher by £46,000, death benefit by £57,000, medical aid by £37,000, endowments by £68,000 and withdrawals of deposits by £222,000, superannuation benefits, amounts divided and other benefits being less than in 1955. Expenses of management, which totalled £1,905,000, exceeded those incurred in 1955 by £86,000, or 4.7 per cent. and were equivalent to 3s. 9d. of every £ contributed by members.

(iv) *Funds.* Total funds of sickness benefit societies increased by £2,620,000 to £116,536,000 during 1956.

(v) *Individual Societies.* Figures for the fourteen sickness benefit societies that had 25,000 or more members at the end of 1956 appear in the table on page 22.

## (2) Societies for the provision of institutional treatment

The membership of these societies showed a net increase during 1956 of 30,000. Of the total membership of 999,000 the four societies shown in the table on page 22 account for 963,000. The two largest of them, the Industrial Orthopaedic Society and the Civil Service (formerly Post Office) Sanatorium increased their membership by 17,000 and 13,000 respectively. The average contribution and benefits per member are much lower in these societies than in sickness benefit societies, being 14s.1d. and 12s.2d. respectively during 1956.

## (3) Societies for the provision of annuities and pensions

As a result of amendments by regulations made pursuant to the Local Government Superannuation Act, 1953, to schemes established under local Acts, seven of the nineteen superannuation schemes set up by the Corporation of London and certain Metropolitan boroughs that were registered as friendly societies at the end of 1955 were removed from the register during 1956. The contribution income of this group increased during 1956 by £152,000 to £2,026,000 (an average of £30.1s. per member) and superannuation benefits by £23,000 to £1,375,000.

#### **(4) Endowment Societies**

Membership increased during 1956 by 20,000, or 8.3 per cent., the four societies shown in the table on page 22 being responsible for 18,000 of the increase. Contributions were £226,000 more than in the previous year, amounting to £1,786,000 - an average of £7. 0. 7d. per member. Expenditure on each type of benefit paid was higher than in 1955, the amount paid on maturity of endowments increasing by £121,000 to £726,000. Funds rose during 1956 by £928,000 and at the end of the year totalled £11,252,000.

#### **(5) Juvenile Societies**

The number of these societies on the register and their total membership decreased during 1956 by 8 and 2,000 respectively. The total funds also decreased, from £243,000 to £238,000. Since 1946 the number of these societies has been reduced from 453 to 104 and their total membership from 134,000 to 26,000. Most of them were formed in connection with adult societies and branches and on termination have amalgamated with their parent bodies under section 70(5) of the Friendly Societies Act, 1896.

#### **(6) Death and Burial Societies**

The membership of these societies was 247,000 at the end of 1956, 5,000 less than at the end of the previous year. £109,000 was paid out in death benefits during 1956 (£3,000 more than during 1955) and £40,000 was divided among the members. Funds increased by £63,000 to £2,596,000.

### **(D) Other Societies registered under the Friendly Societies Acts**

#### **(1) Working Men's Clubs**

As the operations of working men's clubs registered under the Friendly Societies Act are similar to those of clubs registered under the Industrial and Provident Societies Act, detailed statistics and comment on both types of club will be found in Part 3 of my Report for 1956 (pages 11 and 19) published in September 1957.

#### **(2) Benevolent Societies**

Most of these societies are comparatively small but the Civil Service Benevolent Fund had 174,000 members at the end of 1956 or over half of the total membership of the group.

#### **(3) Specially Authorised Societies**

Seven societies which combine specially authorised objects with the payment of friendly society benefits are treated for statistical purposes as friendly societies without branches. One is included in the Summary Tables with sickness benefit societies and the remaining six with miscellaneous friendly societies.

In the Summary Table on page 26 the remaining specially authorised societies are divided into two groups, loan societies and miscellaneous. The former were all registered before 15th August, 1917 under special authorities that were then revoked. The authority of that date extends only to loan societies formed "for the purposes of agriculture, arboriculture or horticulture". Of the miscellaneous specially authorised societies, five are the only societies registered under their particular authority. The others are registered under the authorities mentioned in the following table:-

Date of Special Authority	Title of Special Authority	Number of Societies	Number of Members	Total Funds
23rd March, 1877	Promoting agriculture, arboriculture or horticulture	33	11,600	£ 285,753
31st January, 1878	Guaranteeing pursuant to the Friendly Societies Act, the performance of their duties by officers of Friendly Societies or branches and guaranteeing the moneys or properties of Friendly Societies or branches against loss by robbery or embezzlement	3	14,080	17,029
3rd July, 1876	Promoting science, literature and the fine arts	25	8,271	57,534
3rd October, 1879	Promoting a knowledge of music	17	6,162	12,396
1st June, 1882 (a)	The receipt of the funds of friendly societies and branches thereof and the investment of the same for their benefit	12	906	1,441,969
15th January, 1883	Promoting thrift among the labouring classes by affording them the opportunity of depositing their savings and receiving interest on the same	12	25,107	1,026,671
10th April, 1890	Promoting education	14	70,640	68,614
4th March, 1891	Promoting the science and art of cookery	2	1,569	2,026
8th May, 1893	Mutually protecting and promoting the interests of friendly societies	2	36	1,678
17th July, 1913	Promoting lawful sports and games	20	11,421	37,366
15th December, 1952	Carrying out, under rules approved by the Coal Industry Welfare Organization, social welfare activities within the provisions of the Miners' Welfare Act, 1952	(b) 22	11,625	413,295

(a) No longer available.

(b) Including societies registered under an earlier authority for miners' welfare.

#### (4) Shop Clubs

The Shop Clubs Act, 1902, provides that it shall be an offence if any employer shall make it a condition of employment that any workman shall join a "shop club" or "thrift fund" unless the club or fund is registered under the Friendly Societies Act and certified under the Shop Clubs Act. It also lays down the conditions under which the Registrar may certify a "shop club" or "thrift fund", terms which are defined by section 7 of the Act as "every club and society for providing benefits to workmen in connection with a workshop, factory, dock, shop or warehouse".

At the end of 1956, six societies were so registered and certified. Their total membership amounted to 22,000, or 1,000 more than at the end of 1955. Contribution income was £120,000 and expenditure on benefits totalled £64,000. The principal benefits paid were sickness (£22,000) and superannuation (£29,000). Two societies account for all but 3,000 of the total membership. Pilkington Bros., Ltd., Workmen's Pension Fund had 11,000 members at the end of 1956 and paid out £29,000 as superannuation benefit during the year. London Transport (Country Buses and Coaches) Employees Friendly Society had 7,000 members and paid out £17,000 as sickness benefit.

## (E) Abstracts and Summary Tables

## (1) Abstract of Annual Returns of Friendly Societies without branches having 25,000 or more members at the end of 1956

Register No.	Name (Abbreviated) (a)	Members			Contributions £000's	Benefits			Total Funds £000's
		Admitted	Ceased	At end of year		Sickness Benefit £000's	Death Benefit £000's	Other Benefits £000's	
<i>Sickness Benefit Societies (b)</i>									
233 London	National Deposit (SP)	5,719	34,143	676,890	1,715	767	234	761	23,110
62 London	Hearts of Oak Benefit (SSP)	52,754	39,269	545,604	1,567	583	170	899	18,122
1379 Kent	Tunbridge Wells Equitable (SP)	6,850	5,536	156,325	618	172	56	245	5,016
1710 Warw.	Ideal Benefit (SP)	6,337	6,304	113,092	391	103	30	179	4,391
296 London	Teachers' Provident (SSP)	5,060	5,640	104,624	1,491	188	65	1,231	12,685
1769 London	Imperial Chemical (Workers) (S)	6,396	7,197	55,632	73	51	9	-	352
453 Wilts.	Wiltshire Working Men's Conservative Benefit (SP)	2,001	2,447	54,549	142	49	17	73	2,020
524 Lanark	Foremen and Staffs Mutual Benefit (S)	3,323	1,711	52,680	687	49	75	329	10,366
1099 Devon	Exeter and Western Counties Hospital Aid (S)	3,245	2,727	48,992	54	25	-	10	62
1899 Lancs.	Rational Association (SSP)	162	2,052	35,618	32	55	23	6	1,548
1097 Glos.	Gloucester and West of England Holloway (SP)	1,525	1,246	33,845	101	25	11	75	1,644
1478 London	London Transport (Central Road Services) Employees (S)	6,065	3,641	33,481	239	63	60	99	2,027
48 Hants.	Hampshire and General (SSP)	533	1,566	26,428	32	12	5	37	901
4384 York	Sheffield Equalized Independent District (S)	404	1,534	25,204	31	63	16	2	1,525
<i>Death and Burial Societies</i>									
1610 London	Provident Benefit Fund of the U.C.T.A. Assoc. of Great Britain & Ireland	2,837	3,718	32,648	12	-	10	-	216
<i>Societies for the provision of Institutional Treatment</i>									
1712 London	Industrial Orthopaedic	21,734	4,736	417,644	174	-	-	182	700
1823 London	Civil Service (formerly Post Office) Sanatorium	25,160	12,227	289,920	244	-	-	176	789
1569 Ches.	L.M. and S. Railway Hospital Fund	14,115	16,165	202,609	239	55	(c)	163	232
1494 London	Printers Medical Aid Sanatoria	3,382	2,207	53,054	12	2	-	7	26
<i>Endowment Societies</i>									
1337 London	Post Office Insurance	12,872	6,278	99,158	682	-	35	423	4,147
2314 Warw.	Police Mutual Assurance	11,719	3,852	61,428	436	-	20	234	2,431
2130 Surrey	U.K. Civil Service Benevolent	3,884	1,743	42,956	325	-	26	115	2,122
1505 Warw.	L.M. and S. Railway Enginemen's Assurance Fund	4,176	2,501	25,144	102	11	8	30	963
<i>Accident Societies</i>									
393 N'bld.	N'bld. and Durham Miners Permanent Relief Fund	319	510	88,636	119	62	2	22	372
1046 Derby	Midland District Miners Fatal Accident Relief	1,235	-	79,751	34	-	1	29	415
6204 Lancs.	Lancs. and Cheshire Miners Permanent Relief	454	545	34,136	59	46	(c)	13	394
<i>Miscellaneous Societies</i>									
1843 London	U.C.T.A. Samaritan Fund	2,837	3,718	32,648	4	-	-	6	36

(a) The words "Friendly" and "Society" have been omitted wherever they occur.

(b) The letters which follow the names of sickness benefit societies denote:

SP: Deposit Society.

SSP: Society with members contributing to a separate sickness accumulating fund as well as deposit members.

S: Accumulating Society.

(c) Less than £500.

(2) Summary Tables - Annual Returns

(A) ORDERS AND BRANCHES

Name of Order	Number on the Register		Number of Members						Sickness Benefit	Death Benefit	Other Benefits (a)	Total Funds	
	Orders	Branches	Adults			Juveniles							
			Admitted	Ceased	At end of year	Admitted	Ceased	At end of year					
Independent Order of Odd Fellows Manchester	1955	-	-	4,077	22,723	442,122	3,727	4,557	47,126	859	181	189	26,379
Unity Friendly Society	1954	-	-	3,644	23,736	459,019	4,741	4,181	49,705	871	175	174	26,386
Ancient Order of Foresters Friendly Society	1955	-	-	13,564	20,423	307,307	8,426	7,302	45,031	451	136	55	19,436
	1954	-	-	11,992	18,721	313,223	9,682	5,178	44,850	448	133	64	19,333
Independent Order of Rechabites Salford	1955	-	-	759	11,127	193,061	2,761	5,241	49,108	149	44	116	6,787
Unity Friendly Society	1954	-	-	865	13,003	201,286	3,099	5,400	53,731	149	44	130	6,701
Loyal Order of Ancient Shepherds Ashton Unity Friendly Society	1955	-	-	2,463	9,290	111,463	1,566	4,227	32,583	74	45	76	3,043
	1954	-	-	1,725	8,538	116,827	1,669	2,982	36,707	77	41	68	3,012
Order of the Sons of Temperance Friendly Society	1955	-	-	2,113	5,799	93,386	2,821	3,072	24,197	54	24	95	2,577
	1954	-	-	2,794	5,248	95,862	2,893	2,920	25,658	64	23	47	2,532
Grand United Order of Oddfellows Friendly Society	1955	-	-	480	1,823	30,794	189	179	7,340	22	12	7	1,036
	1954	-	-	383	1,975	32,089	260	655	7,378	23	13	9	1,015
British Order of Ancient Free Gardeners Friendly Society	1955	-	-	496	1,145	21,239	269	359	9,441	12	13	26	690
	1954	-	-	548	1,287	21,773	297	466	9,646	13	9	26	699
National Independent Order of Oddfellows Friendly Society	1955	-	-	389	1,864	23,813	142	425	6,568	22	17	13	773
	1954	-	-	400	1,594	25,243	180	430	6,896	22	16(c)	26(c)	802
Totals of Orders with 25,000 or more members	1955	-	-	24,341	74,194	1,223,185	19,901	25,362	221,394	1,642	472	577	60,722
	1954	-	-	22,351	74,102	1,265,322	22,021	22,212	234,571	1,667	451	558	60,480
Totals of other Orders	1955	-	-	3,473	10,083	139,928	453	918	8,167	152	77	58	4,793
	1954	-	-	2,994	9,948	145,408	379	955	8,807	156	81	56	4,712
Grand Totals (b)	1955	43	11,042	27,814	84,277	1,363,113	20,354	26,280	229,561	1,794	549	635	65,515
	1954	43	11,290	25,345	84,050	1,410,730	23,200	23,167	243,378	1,823	534(c)	599(c)	65,192
	1953	46	11,728	22,351	90,666	1,463,370	25,097	28,250	251,954	1,925	561	556	65,073
	1952	48	12,209	24,818	88,590	1,529,552	22,470	26,575	262,189	1,889	555	517	64,650
	1951	49	12,730	24,926	117,194	1,586,673	23,850	35,136	276,241	2,090	616	516	64,127
	1950	55	13,479	32,337	136,719	1,674,771	27,845	55,424	298,631	2,098	576	534	63,912
	1949	58	13,977	20,784	179,118	1,782,611	21,909	71,846	322,702	2,150	584	448	63,455
	1948	68	14,717	19,367	174,881	1,921,599	25,605	151,610	382,496	2,050	548	540	63,563
	1947	73	15,571	(d)	(d)	2,060,307	(d)	(d)	523,510	2,210	601	421	62,550
	1946	74	15,794	(d)	(d)	2,117,919	(d)	(d)	523,583	2,304	589	399	61,192
	1945	74	15,943	(d)	(d)	2,151,129	(d)	(d)	535,707	2,306	618	350	60,280

(a) All benefits other than Sickness and Death.

(b) The figures for 1956 have not yet been compiled.

(c) Corrected figure.

(d) Not available.

## (2) Summary Tables -

## (B) FRIENDLY SOCIETIES

Class of Society	Year	Number on Register	Number of Members						
			Adults			Juveniles			
			Admitted (excluding transfers)	Ceased	At end of year	Admitted	Ceased (excluding transfers)	At end of year	
(1) Sickness Benefit Societies									
(i) Deposit Societies	1956	75	23,421	64,501	1,349,344	9,683	9,218	122,012	
	1955	75	28,601	65,574	1,376,366	10,867	8,633	132,495	
(ii) Accumulating Societies	1956	442	83,885	80,866	1,080,054	16,820	10,883	125,643	
	1955	463	86,366	78,587	1,073,494	20,765	12,269	128,618	
(iii) Dividing Societies	1956	242	3,239	11,719	139,607	231	294	2,608	
	1955	259	4,070	10,949	150,313	246	389	2,725	
(2) Death and Burial Societies	1956	210	6,816	12,336	240,216	429	558	7,019	
	1955	211	7,118	11,997	244,640	662	453	7,404	
(3) Societies for the provision of Institutional Treatment	1956	10	66,929	35,876	995,683	42	452	2,819	
	1955	12	52,186	43,577	965,666	942	178	3,229	
(4) Societies for the provision of annuities and pensions	1956	47	5,494	5,863	66,683	11	7	20	
	1955	56	5,694	6,001	68,110	10	3	21	
(5) Endowment Societies	1956	15	35,023	16,219	249,402	2,119	515	14,934	
	1955	15	27,716	16,284	230,648	2,030	437	13,330	
(6) Accident Societies	1956	18	5,255	5,082	270,262	329	4	2,533	
	1955	18	10,603	5,468	270,067	82	3	2,226	
(7) Other Societies									
(i) Juvenile Societies	1956	104	-	-	-	1,256	1,955	25,719	
	1955	112	-	-	-	1,397	2,102	27,745	
(ii) Widows and Orphans Societies	1956	37	555	827	20,436	4	3	19	
	1955	36	563	1,089	20,565	7	1	18	
(iii) Miscellaneous Societies	1956	42	5,139	5,609	91,394	-	-	538	
	1955	50	5,556	4,844	87,911	-	-	1,164	
All Friendly Societies without branches	(a) 1956	1,235	235,759	238,547	4,476,303	30,924	23,889	303,864	
	1955	1,295	228,473	244,070	4,460,467	37,008	24,468	318,975	
	1954	1,344	239,970	252,581	4,468,105	38,293	24,863	319,920	
	1953	1,398	212,679	311,564	4,468,374	45,816	21,852	327,569	
	1952	1,477	299,707(c)	305,008(c)	4,574,427	(d)	(d)	349,057	
	1951	1,574	285,430(c)	346,412(c)	4,603,831	(d)	(d)	327,067	
	1950	1,692	222,708(c)	364,492(c)	4,665,502	(d)	(d)	340,896	
	1949	1,933	195,531(c)	538,019(c)	4,769,299	(d)	(d)	378,776	
	1948	2,148	168,086(c)	661,112(c)	4,998,326	(d)	(d)	508,147	
	1947	2,314	(d)	(d)	6,026,439(c)	(d)	(d)	(d)	
	1946	2,425	(d)	(d)	6,028,032(c)	(d)	(d)	(d)	

(a) Totals adjusted to allow for Sickness Benefit societies that have both accumulating and deposit sections.

(b) Less than £500.



Annual Returns - continued

WITHOUT BRANCHES

Income			Expenditure										Funds at end of year
Contributions	Interest	Other Income	Sickness Benefit	Death Benefit	Medical Aid	Superannuation	Endowments	Amounts divided	Deposits withdrawn	Other Benefits	Other Benefit Fund Expenditure	Expenses of Management	
£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
4,801	2,259	67	1,656	533	42	2	10	9	2,490	51	200	923	58,585
4,835	2,124	49	1,653	483	34	2	13	9	2,313	52	64	930	57,393
4,798	2,124	93	1,374	528	126	746	1,065	35	661	167	86	922	56,966
4,556	2,040	128	1,323	524	97	769	994	32	619	169	82	830	55,540
468	39	10	131	78	(b)	(b)	6	209	17	2	2	60	984
484	36	13	139	76	(b)	(b)	6	217	13	2	4	58	983
146	96	8	-	109	(b)	(b)	(b)	40	4	5	21	29	2,596
146	90	3	-	107	(b)	-	(b)	37	4	4	19	27	2,534
693	37	199	58	(b)	523	-	-	-	-	17	63	105	1,845
665	32	145	59	1	473	-	-	-	-	16	35	95	1,690
2,026	980	161	(b)	59	(b)	1,375	1	(b)	224	36	244	18	27,134
1,873	944	138	(b)	60	16	1,352	1	(b)	214	36	220	17	26,519
1,786	411	3	11	104	-	-	726	-	169	6	136	99	11,252
1,560	359	5	9	92	(b)	-	604	-	141	5	25	85	10,324
252	66	1	121	30	1	66	-	-	-	8	(b)	40	1,927
254	63	(b)	121	33	1	66	-	-	-	9	1	38	1,874
12	9	1	1	(b)	(b)	-	3	(b)	4	1	5	5	238
12	9	1	1	(b)	(b)	-	3	(b)	1	3	3	5	243
67	79	12	-	15	-	77	-	(b)	(b)	22	50	9	2,353
68	78	9	-	15	-	75	-	(b)	2	5	115	8	2,382
96	35	14	(b)	2	12	8	-	(b)	23	46	6	16	1,009
76	32	23	-	3	7	8	-	(b)	21	43	5	14	959
15,145	6,136	568	3,352	1,461	705	2,274	1,811	293	3,591	363	815	2,225	164,899
14,531	5,807	514	3,305	1,393	629	2,272	1,621	296	3,329	346	574	2,107	160,441
14,241	5,731	626	3,230	1,335	602	2,235	1,534	300	3,332	343	2,411	1,966	159,259
13,679	5,587	727	3,420	1,355	575	2,118	1,359	335	3,279	352	1,321	1,892	155,811
13,085	5,373	(a)	3,202	1,273	(a)	2,141	(a)	335	2,933	(a)	(a)	1,824	151,869
12,534	5,156	(a)	3,483	1,381	(a)	2,134	(a)	350	3,065	(a)	(a)	1,775	148,111
12,113	5,133	(a)	3,326	1,270	(a)	2,095	(a)	357	3,145	(a)	(a)	1,663	145,858
11,912	(a)	(a)	3,324	1,256	(a)	(a)	(a)	481	3,642	(a)	(a)	1,611	144,236
12,337	(a)	(a)	2,989	1,164	(a)	(a)	(a)	434	3,842	(a)	(a)	1,563	142,679
(a)	(a)	(a)	3,174	1,207	(a)	(a)	(a)	(a)	(a)	(a)	(a)	(a)	141,181
(a)	(a)	(a)	3,327	1,192	(a)	(a)	(a)	(a)	(a)	(a)	(a)	(a)	136,784

(c) Adults and juveniles  
 (d) Not available.

## (2) Summary Tables - Annual Returns - continued

## (C) FRIENDLY SOCIETIES - COMBINED STATEMENT

Class of Society	Number on the Register	Number of Members			Benefits			
		Adults	Juveniles	Total	Sickness	Death	Other Benefits (a)	Total Funds
ORDERS AND BRANCHES	1956 10,813 1955 11,085	(b)	(b)	(b)	£000's (b)	£000's (b)	£000's (b)	£000's (b)
		1,363,113	229,561	1,592,674	1,794	549	635	65,515
FRIENDLY SOCIETIES WITHOUT BRANCHES								
(1) Sickness Benefit Societies (c)	1956 747 1955 785	2,542,048 2,572,860	250,263 263,838	2,792,311 2,836,698	3,161 3,115	1,140 1,083	5,639 5,343	116,536 113,916
(2) Other Societies	1956 488 1955 510	1,934,255 1,887,607	53,601 55,137	1,987,856 1,942,744	191 190	321 310	3,399 3,150	48,363 46,525
TOTAL (d) (e)	1956 12,048 1955 12,380	5,839,416 5,823,580	533,425 548,536	6,372,841 6,372,116	5,145 5,099	2,010 1,942	9,672 9,128	230,414 225,955

## (D) ALL SOCIETIES REGISTERED UNDER THE FRIENDLY SOCIETIES ACTS

Class of Society	Number on the Register	Number of Members	Total Funds
Friendly Societies (d) (e)	1956 12,048 1955 12,380	6,372,841 6,372,116	£000's 230,414 225,955
Collecting Societies (f)	1956 100 1955 102	32,850,942(g) 32,972,495(g)	256,767 243,957
Working Men's Clubs (h)	1956 2,406 1955 2,406	(j) 1,168,528	(j) 7,591
Specially Authorised Societies			
(1) Loan Societies	1956 82 1955 85	86,917 86,713	1,184 1,148
(2) Miscellaneous	1956 167 1955 167	165,295 166,914	3,535 3,381
Benevolent Societies	1956 112 1955 111	294,994 294,890	2,686 2,649
Shop Clubs	1956 6 1955 6	21,692 20,608	1,843 1,734
Cattle Insurance Societies	1956 22 1955 23	505 614	11 9
Total	1956 14,943 1955 15,280	40,961,714(k) 41,082,878	504,031(k) 486,424

(a) All Benefits other than Sickness or Death Benefit.

(b) The compilation of these figures has not yet been completed.

(c) These figures have been adjusted to allow for societies that have both accumulating and deposit sections.

(d) Including 7 specially authorised societies that pay friendly society benefits.

(e) Apart from "Number on the Register", the total figures for 1956 include the 1955 figures for Orders and Branches.

(f) Collecting societies have been included in this table in order to give complete figures for societies registered under the Friendly Societies Acts. For further information reference should be made to the Report of the Industrial Assurance Commissioner (see cover).

(g) Assurances.

(h) Fuller statistics in regard to these clubs were given on page 19 of Part 3 of the Report of the Chief Registrar for 1956 (see cover).

(j) No figures have been prepared for 1956.

(k) These totals include the 1955 figures for Orders and Branches and Working Men's clubs.

CECIL CRABBE,

Chief Registrar

Registry of Friendly Societies,  
17, North Audley Street,  
London, W.1.

18th November, 1957.

20886  
6/10/57



REPORTS RELATING TO  
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