

AVON PENSION FUND

Actuarial Valuation as at 31 March 2001

FORMAL REPORT

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Summary

1. Funding Plan

Using the valuation basis that I have agreed with the Administering Authority:

- At the valuation date the liabilities of the Fund exceeded the assets by £9.2 million, giving a funding level of 99.4%.
- The Common Contribution Rate (i.e. the rate in respect of future service only) is 10.2% of Pensionable Pay. This rate allows for administrative expenses to be paid from the Fund. Employee contributions are payable in addition to this rate.
- Allowing for removal of the past service deficit over a 15 year period the average employer contribution rate is 10.4% of Pensionable Pay. The equivalent average contribution rate from the 1998 valuation was 9.7% of Pensionable Pay. In practice, contribution rates will be reviewed regularly at future valuations so that, all other factors being neutral, a gradual revision of the average employer's contribution rate to the Common Contribution Rate may be expected.
- The recommended employer contribution rates for the period 1 April 2002 to 31 March 2005 are set out in the Certificate attached to this report.
- The next required actuarial valuation will be as at 31 March 2004, following which contribution rates will be revised with effect from 1 April 2005. Contribution rates may be revised prior to 1 April 2005 in certain circumstances, as prescribed by the Regulations governing the Local Government Pension Scheme. In particular, the contribution rates payable by "best value" admitted bodies may be subject to more frequent review.

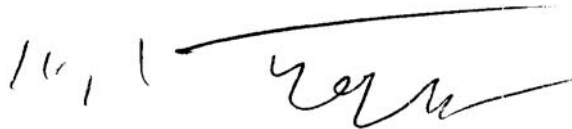
2. Maximum Funding Check

Contributions may be restricted, or other corrective action required, if there is an excessive surplus based on the prescribed assumptions under the Income and Corporation Taxes Act 1988. The valuation does not reveal an excessive surplus.

3. Funding Risk

The investment strategy pursued by the Administering Authority and reflected in the Statement of Investment Principles involves an element of risk. This risk arises due to the nature of the liabilities of the Fund, which are fundamentally fixed in real terms, and are effectively guaranteed. The assets of the Fund are predominantly made up of equity-type investments, and therefore are not matched to the nature or profile of the liabilities. We recommend that the investment objectives and strategy of the Fund should be reviewed regularly.

In the months since the valuation date, changes in investment markets and in real interest rates are likely to have acted to reduce the funding position, compared to that which would otherwise be expected. However, it should be borne in mind that the funding strategy is set by reference to a long-term timeframe reflecting the nature of the liabilities. The actual investment performance and experience of the Fund against the 2001 valuation assumptions, over the 3 year period following the valuation date, will be taken into account at the next actuarial valuation as at 31 March 2004.



Signature:

.....
S K Jacquest

Date of signing:

27 March 2002
.....

Qualification:

Fellow of the Institute of Actuaries

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Certificates

Contribution Certificate

Surplus Certificate

1. Results

Funding basis

- 1.1 Shown below are the results of the valuation using actuarial assumptions based on financial market yields on the valuation date ("current yield basis") and the longer term actuarial assumptions I have used to develop the Common Contribution Rate ("nominal yield basis") as appropriate.

Future service

- 1.2 The calculations in respect of future service are used to determine the Common Contribution Rate as required under the LGPS Regulations. The future service calculations take no account of any surplus or deficit in the Scheme.

The Common Contribution Rate, including an allowance for administrative expenses, is 10.2% of Pensionable Pay.

Past service

- 1.3 The position for service accrued to date is then determined on the funding basis:

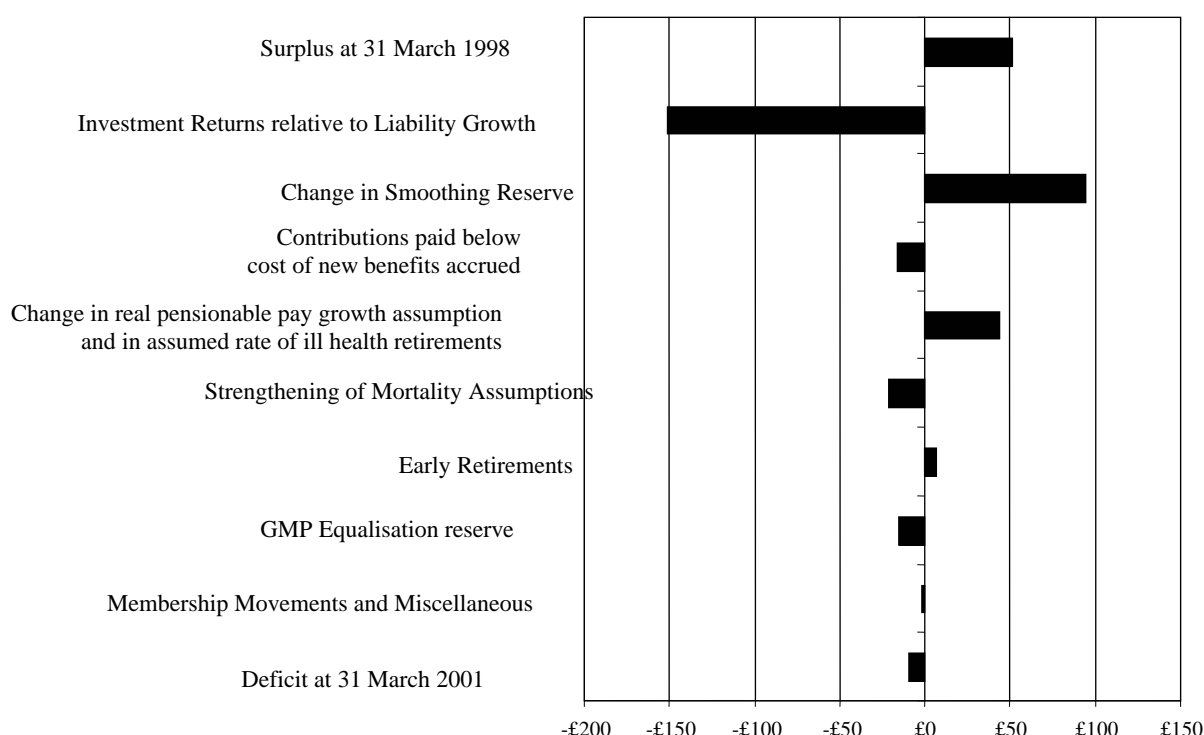
	£000s
Value of liabilities:	
(a) active members' accrued benefits	637,974
(b) deferred pensioners	182,006
(c) pensioners (including dependants)	681,464
(d) GMP equalisation reserve	<u>15,000</u>
(e) Total [(a) + (b) + (c) + (d)]	<u>1,516,444</u>
(f) Smoothing reserve	55,840
(g) market value of assets (excluding AVC funds)	1,563,068
Deficit = (e) - (f) - (g)	9,216
Funding Level = [(g) - (f)] / (e)	99.4%

- 1.4 Each employer's position is separately assessed. My certificate confirming the individual employer contribution rates payable is at the end of this Report.

Reconciliation to previous valuation

- 1.5 The previous actuarial valuation was carried out as at 31 March 1998. On the funding basis adopted at that time, the value of the assets exceeded the value of the accrued liabilities, and there was therefore a surplus in the Fund of £51 million.
- 1.6 The principal reasons for the change in the position between the two valuations are as follows:

Reconciliation of funding position (£m)



Statutory constraints

Maximum basis

- 1.7 The Inland Revenue require the funding position of the Fund to be assessed on a prescribed basis to ensure that it is not excessively funded. The surplus cannot exceed 5% of the liabilities on this prescribed basis without unfavourable taxation treatment being incurred.
- 1.8 The surplus at 31 March 2001 measured on the prescribed basis does not exceed 5% of the liabilities and no corrective action is needed. My certificate confirming the position is enclosed.

2. Purpose of the Valuation

- 2.1 I am the actuary to the Avon Pension Fund ("the Fund"). This is a report to the Administering Authority of the Fund on my actuarial valuation of the assets and liabilities of the Fund as at 31 March 2001. The last actuarial valuation of the Fund was at 31 March 1998.
- 2.2 The valuation has been undertaken in accordance with the Local Government Pension Scheme Regulations 1997 (as amended) ("the Regulations"). Under the Regulations, the contribution rates set for the various participating employers are determined by the actuary. The purpose of the valuation is to review the employers' contribution rates taking account of the funding objectives agreed with the Administering Authority.
- 2.3 The calculations in the report use methods and bases appropriate for the purpose described above. Figures required for other purposes, such as employer accounting, should be calculated in accordance with the specific requirements for such purposes and it should not be assumed that the figures provided here are appropriate. The report may be disclosed to other parties with the consent of the Administering Authority or under the disclosure legislation and regulations. Such parties may rely upon the results for the purpose described above or any other purpose agreed with the actuary at the time of disclosure. However, the report does not grant any rights either to members or third parties. William M. Mercer does not accept liability to any other third parties in respect of the contents of this report.
- 2.4 This report complies with the requirements in the appropriate version of Guidance Note 9 - 'Retirement Benefit Schemes - Actuarial Reports' (insofar as it applies to Local Government Schemes) issued jointly by the Institute of Actuaries and the Faculty of Actuaries. This report does not deal with the position of the Fund were it to be discontinued, given the statutory framework of the Local Government Pension Scheme.

3. Valuation Objectives and Method

Valuation Objectives

- 3.1 It is convenient to define a valuation objective in order to monitor the contribution requirement. This usually means setting a long-term funding target and adjusting the contribution rate to meet that target. The funding target set out below is in line with the approach set out in the Regulations.

Funding target: assets equal to the present value of benefits based on completed service but with provision for the effects of future salary growth and inflation up to the assumed retirement age.

- 3.2 This valuation objective is designed to represent a balance between providing a reasonable level of security in respect of accrued pension rights, and ensuring that the employer contributions to the Fund are realistic without being excessive.

Valuation Method

- 3.3 I have continued to use the same actuarial method, namely the Projected Unit method, at this valuation. The Projected Unit method is consistent with the long term funding target and is in common use for funding pension schemes in the United Kingdom.

- 3.4 The recommended contribution under the Projected Unit method consists of two parts:

3.4.1 The **Common Contribution Rate** required to meet the cost of benefits accruing for service after the valuation. The rate is calculated as the value of benefits expected to accrue to the membership in respect of one year's service based on projected pensionable salaries, with appropriate allowance for administrative expenses and members' contributions,

plus

3.4.2 The **contribution adjustment** required to correct (over an agreed future period) any imbalance between the assets of the Fund and the funding target.

- 3.5 For a given set of actuarial assumptions, the method has the following characteristics:

3.5.1 if the membership profile remains stable in terms of age, sex and average salary and the valuation assumptions are unchanged, then the Common Contribution Rate (as a percentage of Pensionable Pay) will remain stable. The method therefore implicitly allows for new entrants;

3.5.2 if the supply of new entrants to the Fund is cut off or declines, then the Common Contribution Rate will tend to rise at future valuations.

Selection of Assumptions

Common Contribution Rate

- 3.6 As described above, the Common Contribution Rate is based on the value of benefits expected to accrue to the membership in respect of one year's service based on projected pay. Theoretically, this value should take account of the investment return and other financial conditions at the time the contributions are invested. However, these will not be known at the valuation date and the actuary must make appropriate assumptions.
- 3.7 I have used longer-term actuarial assumptions ("nominal yield basis") rather than yields available in the market at the valuation date in order to calculate the Common Contribution Rate. This reflects the requirement in the Regulations to aim for a stable contribution rate.

Contribution adjustment

- 3.8 As described above, an adjustment is made to the Common Contribution Rate to correct (over an agreed future period) any imbalance between the assets of the Fund and the funding target (i.e. the present value of benefits based on completed service but with provision for the effects of future salary growth and inflation up to the assumed retirement age). To determine the adjustment, assets and liabilities must be calculated on a consistent basis.
- 3.9 I have used the current yield to calculate the funding target and have measured the assets at market value (which is, by definition, consistent with this yield). I have then made a smoothing adjustment in order to take some account of short-term variations in the price of equities compared to that of Government bonds.
- 3.10 Given recent investment market conditions, I have included a smoothing adjustment equivalent to a reduction of 5% of the Fund's equity holdings, i.e. approximately £56 million.

4. Valuation Assumptions

- 4.1 The valuation results depend on the assumptions used. There are two broad categories of assumptions:
- financial assumptions - such as the investment return that will be earned in the future and the rates at which earnings and pensions will increase; and
 - demographic assumptions - such as rates of mortality, retirement, and withdrawal from the Fund.

- 4.2 The financial and demographic assumptions are considered separately below. A number of changes have been made to the assumptions used for the last actuarial valuation. These have been noted below.

Financial Assumptions

- 4.3 I have prepared the valuation results on a market related basis as described in section 3.
- 4.4 I have derived the financial assumptions for past service from the long-term yield on Government bonds in the market at the valuation date (the "**current yield**").
- 4.5 In deriving the other financial assumptions there are two subjective elements of the basis as follows:
- The extent to which the Fund's investments are expected to outperform a portfolio of Government bonds ("asset outperformance assumption" - AOA). An AOA of 1.1% per annum has been assumed.
 - The expected rate of Pensionable Pay increase above price inflation ("real Pensionable Pay growth"). This has been assumed to be 1% per annum.

Future Service

- 4.6 In deriving the assumptions to be used for assessing the future service contribution rate (the Common Contribution Rate), I have taken account of the fact that contributions will be invested in market conditions applying at future dates which are unknown at the present time and which are not directly linked to market conditions at the valuation date. Further, the future service liabilities for which these contributions will be paid have a longer average duration than the past service liabilities. It is therefore appropriate to take a "long-term" view in setting the future service basis ("**nominal yield**") and I have adopted a somewhat more optimistic stance.

4.7 The following set of financial assumptions has therefore been adopted (1998 valuation assumptions shown in brackets):

	Past Service	Future Service
Rate of discount	5.7% (6.3%) per annum	6.5% (7.0%) per annum
Rate of Pensionable Pay inflation *	3.3% (4.2%) per annum	3.5% (4.5%) per annum
Rate of price inflation	2.3% (2.7%) per annum	2.5% (3.0%) per annum

* plus salary scale for certain employees.

Investment Strategy

- 4.8 In setting the financial assumptions described above, I have assumed that the Fund will continue to invest a significant portion of the assets in UK and overseas equities and that these will produce a future investment return that exceeds the current yield available on Government bonds.
- 4.9 Alternative investment strategies could be followed that, at least in theory, would minimise the risk of deterioration in the funding position. Such a strategy could be to invest the assets primarily in long-term fixed and index-linked bonds, substantially reducing the risk that changing economic conditions may cause a deterioration in the funding position and increases in employer contributions. It would also tend to produce a more stable contribution rate but at an overall level higher than I have recommended.
- 4.10 If such a strategy were adopted, this would lead directly to higher recommended contribution rates since it would no longer be appropriate to anticipate a higher investment return in excess of current bond yields. In common with most UK schemes, the Fund currently follows a higher risk equity based investment strategy, in the hope of reducing long-term contribution requirements.
- 4.11 I recommend that the Fund's investment objectives and strategy are reviewed regularly, having regard to the nature of the liabilities of the Fund. The broad purpose of such reviews should be to confirm the investment strategy remains appropriate, or otherwise to act as a stimulus for change.

Demographic Assumptions

- 4.12 As well as the financial assumptions, it is necessary to make a number of assumptions regarding membership movements such as retirements, deaths and other matters. The most important demographic assumptions are discussed below. An analysis of the actual experience as compared to some of the demographic assumptions adopted at the last valuation is set out in Appendix D.

4.13 The non-financial actuarial assumptions made to complete the valuation calculations include:

- Rates of early retirement
- Rates of ill health retirement
- Rates of mortality for pensionable employees in service, for preserved pensioners prior to retirement, and for pensioners and spouses in receipt of benefits
- Rates of withdrawal from active membership
- Proportions married
- Age difference between husband and wife

Early Retirement

4.14 As for the previous valuation, other than for ill health retirements, no allowance for early retirements before age 60 has been included in the valuation results.

Following the 1998 valuation employers were required to pay additional capital contributions in respect of the cost of these retirements as and when they occur. For those employers which are paying additional capital contributions we have allowed for any outstanding payments due in respect of those early retirements occurring in the period 1 April 1999 to 31 March 2001 by offsetting these sums against the equivalent liabilities. The valuation results assume, therefore, that these capital contribution payments will continue and are not included in the fund accounts at 31 March 2001.

Benefits arising from the award of compensatory added years which are recharged to the relevant employer have been excluded from the valuation.

Retirement in Ill Health

4.15 Having reviewed the ill-health experience to date, and taking account of the likely future policy on granting ill health retirement, I have decided to reduce the assumption to 64% of the allowance made at the 1998 valuation.

Mortality - Increased Longevity

4.16 Recent investigations suggest mortality rates are falling more quickly than previously anticipated. This means that schemes have to pay pensions for longer than before which in turn increases the liabilities of the Fund. The basis adopted incorporates some allowance for improved longevity for non-retired members. For these members the life expectancy assumed at age 65 is 17 years for males and 21 years for females. The mortality assumption will be reviewed at each valuation taking into account the experience of the Fund and national trends as published by the CMI bureau. If the trend to increasing longevity continues then the assumptions for both retired and non retired members will be further strengthened at subsequent valuations.

The effect of this change has been to increase the past service liability by £21 million and increase the future service contribution rate by 0.4% of pensionable pay.

GMP Equalisation

- 4.17 UK and European law require pension schemes to provide equal benefits to men and women in respect of service after 17 May 1990 (the date of the “Barber” judgement). There is still no general agreement on whether this applies to inequalities caused by guaranteed minimum pensions (GMPs) and, if it does, what adjustments have to be made to scheme benefits to correct these inequalities. The valuation includes a reserve of £15 million as a broad allowance for equalisation of these inequalities.

Other Assumptions

- 4.18 The other demographic assumptions adopted for this valuation are the same as those used for the last valuation of the Fund.

5. Valuation Data and Trends

5.1 The valuation is based on three key items of data:

- the membership of the Fund at the valuation date;
- the benefits promised by the Fund as set out in the Regulations; and
- the amount of assets held by the Fund on the valuation date.

Membership

5.2 Data in relation to members in service, former employees with deferred pensions and current pensioners were obtained from computerised records maintained by the Administering Authority.

5.3 A summary of the membership data at the valuation date, with figures at the previous valuation date shown for comparison, is included as Appendix A.

5.4 An analysis of the Fund's actual experience in relation to the demographic assumptions adopted at the last valuation is set out in Appendix D.

Benefits

5.5 The benefits provided by the Fund are set out in the Regulations. There have been a number of amendments made to the Regulations since the last valuation, but there have been no significant changes in the benefits payable.

Assets

5.6 Details of the assets held by the Fund and audited accounts covering the period ended 31 March 2001 were supplied by the Administering Authority. Details of the assets are given in Appendix B, with a summary of income and expenditure in Appendix C.

Appendix A

Summary of Membership Data

The valuation as at 31 March 2001 has been based on the following data (with the corresponding data as at the 1998 valuation shown for comparison):

Pensionable Employees	At 31.3.1998	At 31.3.2001	Increase (%)
Number	26,512	31,604	19.2
Annual Pensionable Pay (£)	269,564,180	364,415,057	35.2
Average Pensionable Pay (£)	10,168	11,531	13.4

Pensionable pay figures include actual pay for part-time employees.

Preserved Pensioners *	At 31.3.1998	At 31.3.2001	Increase (%)
Number	8,980	12,531	39.5
Annual Pensions Inclusive of Pension Increase (£)	11,491,062	15,108,657	31.5
Average Pension Including Pension Increase (£)	1,280	1,206	(5.8)

* including frozen refunds and leavers options pending

Appendix A (cont)

Current Pensioners	At 31.3.1998	At 31.3.2001	Increase (%)
Number	12,539	13,360	6.6
Annual Pensions Inclusive of Pension Increase (£)	45,513,350	50,704,996	11.4
Average Pension Including Pension Increase (£)	3,630	3,794	4.5
Current Widow/Widower Pensioners	At 31.3.1998	At 31.3.2001	Increase (%)
Number	2,518	2,616	3.9
Annual Pensions Inclusive of Pension Increase (£)	4,074,200	4,526,534	11.1
Average Pension Including Pension Increase (£)	1,618	1,730	6.9

In addition there were 209 dependant pensioners as at 31 March 2001.

Appendix B

Summary of Assets

Based on the information supplied, the market value of the assets of the Fund at the valuation date is made up as follows:

	£000s	%
UK Equities	785,423	50.2
Overseas Equities	331,379	21.2
Fixed Interest Securities	178,965	11.4
Index Linked Securities	85,516	5.5
Property		
Freehold	33,179	2.1
Leasehold	6,040	0.4
Short Term Deposits	122,845	7.9
Net Current Assets	19,721	1.3
Total	<u>1,563,068</u>	<u>100.0</u>

Additional Voluntary Contributions (AVC) investments have been excluded for the purposes of the valuation.

At 31 March 1998 for the purpose of the valuation the market value of assets was taken as £1,420,528,000. However in the audited fund accounts the market value of the Fund was £1,416,672,000. Therefore, the market value of the assets of the Fund has risen by 10.3 per cent over the three year period.

The average investment return (net of investment expenses) obtained based on assets at market value has been approximately 4.0 per cent per annum.

Appendix C

Summary of Income and Expenditure

INCOME	Year ending 31 March:			
	1999 £000s	2000 £000s	2001 £000s	Total £000s
Fund at beginning of year	1,416,672 ⁽¹⁾	1,516,565	1,706,744	1,416,672
Contributions to Fund:				
Employees	16,936	18,448	19,709	55,093
Employers	31,377	31,335	34,018	96,730
Transfer Values received	8,809	11,748	8,639	29,196
Investment income	41,514	46,381	41,658	129,553
Other Income	201	131	165	497
Change in market value of investments	76,607	148,629	-174,917	50,319
TOTAL:	1,592,116	1,773,237	1,636,016	1,778,060
EXPENDITURE	Year ending 31 March:			
	1999 £000s	2000 £000s	2001 £000s	Total £000s
Retirement and Spouses' Benefits	50,243	52,088	53,354	155,685
Retiring allowances and death gratuities	5,861	5,576	6,831	18,268
Refunds of contributions & CEPs	497	358	512	1,367
Transfer Values paid	15,787	5,287	8,757	29,831
Investment Expenses	1,883	2,037	2,242	6,162
Administration Expenses	1,280	1,147	1,252	3,679
Fund at end of period	1,516,565	1,706,744	1,563,068	1,563,068
TOTAL:	1,592,116	1,773,237	1,636,016	1,778,060

(1) This value has been taken from the audited accounts of the Fund. The market value of assets used at the 1998 valuation was £1,420,528,000.

Appendix D

Experience Analysis of the Membership of the Fund during the period 1 April 1998 to 31 March 2001

1. Ill Health Retirements

	Actual	Expected
Males	143	183
Females	262	451
Total:	405	634

2. Withdrawals

	Refund	Transfers	Preserved	Total Actual	Expected
Males	1,048	76	961	2,085	346
Females	3,396	125	2,814	6,335	2,071
Total:	4,444	201	3,775	8,420	2,417

3. Deaths

	Active Members		Pensioners and Widows/Widowers	
	Actual	Expected	Actual	Expected
Males	38	89	742	819
Females	30	109	697	681
Total:	68	198	1,439	1,500

Local Government Pension Scheme Regulations 1997

Rates and Adjustments Certificate issued in accordance with Regulation 77

Regulation 77(3)

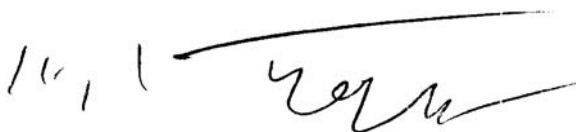
I hereby certify that, in my opinion, the Common Rate of employer's contributions payable in each year of the period of three years beginning 1 April 2002 should be at the rate of 10.2 per cent of Pensionable Pay.

I hereby certify that, in my opinion, the amount of the employer's contribution rate payable in each year of the period of three years beginning with 1 April 2002, as set out above, should be individually adjusted by the rate per cent of Pensionable Pay set out in the attached Schedule.

A further individual adjustment shall be applied in respect of each non-ill health early retirement occurring in the period of the Rates and Adjustments Certificate. This further individual adjustment will be calculated in accordance with guidance provided from time to time by the Fund's actuary to the Administering Authority.

Regulation 77(7)

As noted above, no allowance for non-ill health early retirements has been made in determining the results of the valuation, on the basis that the costs arising will be met by additional contributions. Allowance for ill health retirements has been included in each employer's contribution rate, on the basis of the method and assumptions set out in this report.



S K Jacquest

27 March 2002

Date of signing

Schedule to the Rates and Adjustments Certificate Dated 27 March 2002

Major Bodies	Individual Adjustment %	Total Contribution Rate %
Bath & North East Somerset Council	0.8	11.0
City of Bristol Council	-0.7	9.5
North Somerset Council	0.2	10.4
South Gloucestershire Council	0.5	10.7

Other Bodies	Individual Adjustment (%)	Total Contribution Rate (%)
University of Bath	-4.3	5.9
University of the West of England	0.6	10.8
Connexions West	2.3	12.5
Learning Partnerships Gloucester	2.0	12.2
Filton College	0.7	10.9
City of Bristol College	3.2	13.4
Norton Radstock College	0.3	10.5
Weston Super Mare College	3.0	13.2
Bath Spa University	0.5	10.7
Avon Fire Brigade	1.3	11.5
City of Bath Technical College	0.8	11.0
Somer Community Housing Trust	1.3	11.5
Ashley House Hotel	-3.0	7.2
Assessment and Qualifications Alliance	0.8	11.0
Centre for the Deaf – Bristol	1.0	11.2
Bristol Council for Racial Equality	-0.2	10.0
West Mendip Internal Drainage Board	5.3	15.5
Filton Parish Council	-2.7	7.5
Thornbury Town Council	7.3	17.5
Portishead and North Weston Town Council	0.3	10.5
Clifton Suspension Bridge Trust	-5.0	5.2
Long Ashton Parish Council	6.2	16.4
Yate Town Council	1.9	12.1
Area Museum Council for South West	-0.7	9.5
Norton Radstock Town Council	3.8	14.0
Holbourne of Menstrie Museum	-3.2	7.0
Nailsea Town Council	2.8	13.0
Patchway Parish Council	0.8	11.0
Stoke Gifford Parish Council	1.3	11.5
St Brendan's Sixth Form College	1.3	11.5
Keynsham Town Council	0.8	11.0
Frampton Cotterell Parish Council	-0.3	9.9
Paulton Parish Council	0.0	10.2
Saltford Parish Council	-1.5	8.7

Dodington Parish Council	3.8	14.0
Community Action	3.8	14.0
Backwell Parish Council	1.8	12.0
Off the Record Bath and North East Somerset	1.6	11.8
Woodspring Association for Blind People	2.8	13.0
Bradley Stoke Town Council	2.8	13.0
Care and Repair in Bath and North East Somerset	-1.2	9.0
Charter Trustees of the City of Bath	5.3	15.5
Bristol Education Action Zone	-0.7	9.5
Bath and North East Somerset Racial Equality Council	tba	tba
North Somerset Education Action Zone	tba	tba
Weston-Super-Mare Town Council	-3.7	6.5
Patchway and Bradley Stoke Community Development Project	-2.2	8.0
Shaw Homes	5.8	16.0
United Waste Services	7.3	17.5
The Brandon Trust	3.8	14.0

Other interested bodies with no Pensionable Employees

It has been assumed that for the following bodies with no pensionable employees the proportion of pension increases stated below will continue to be recharged.

Former Employer	Proportion of Pension Increases to be Recharged (%)
St Joseph's School	0
Bristol Waterworks	100
Bath Festival Society Limited	0
Bath Centre for Voluntary Properties Ltd	0
Sea Stag Club	0
Avon & Somerset Police Authority	100
Ex-National Health Service	100
Ex-Wessex Water Authority	100
Avon County Council	0
Central Bristol Citizens Advice Bureau	0
Bristol Development Corporation	0
Bristol Airport (deemed body)	0
Bristol Airport (admitted body)	0
Whitchurch Parish Council	0
Associated Examining Board	0
Bristol Council for Voluntary Service	tba
VOSCUR	0
Bristol Royal Society for the Blind	0
Avon Magistrates Courts Committee	0
Avon Probation Service	0

Notes:

Additional contributions may be paid on top of those set out above subject to the agreement of the Administering Authority and actuary where warranted by the circumstances of the body in question.

Actuarial Certificate

Surplus Certificate

The certificate is given to the Commissioners of Inland Revenue for the purposes of paragraph 2 of Schedule 22 to the Income and Corporation Taxes Act 1988.

Name of Scheme

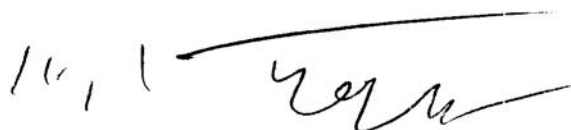
Avon Pension Fund

Inland Revenue Reference No.

PS 49/1897

A. I hereby certify that

- (1) In my opinion as at 31 March 2001 the value of the assets of the Fund did not exceed 105% of the value of the liabilities of the Fund;
- (2) The assets and liabilities to which paragraph (1) refers have been determined in accordance with principles and requirements prescribed by the Pension Scheme Surpluses (Valuation) Regulations 1987.



Signature

Name

S K Jacquest

Date of signing

27 March 2002

Address

William M. Mercer Limited
30 Exchange Street East
Liverpool
L2 3QB

Qualification

Fellow of the Institute of Actuaries