

TABLE showing the Total Worth of the SICK AND FUNERAL FUNDS of 516 Lodges as on the 1st January, 1907, and the 31st December, 1907, inclusive of the Accumulations held by the Central Bodies; also the Amount and Average Rate of Interest earned.

| Name of Society.     | Total Worth of Sick and Funeral Fund as on— |                    | Amount of Interest. | Average Rate per Cent. |
|----------------------|---|--------------------|---------------------|------------------------|
|                      | January 1, 1907.                            | December 31, 1907. |                     |                        |
|                      | £   | £                  | £                   | £                      |
| M.U.I.O.O.F. .. .. . | 451,737                                     | 477,009            | 21,002              | 4·63                   |
| I.O.O.F. .. .. .     | 51,095                                      | 55,699             | 2,242               | 4·29                   |
| N.I.O.O.F. .. .. .   | 4,488                                       | 4,226              | 126                 | 2·93                   |
| B.U.O.O.F. .. .. .   | 1,960                                       | 2,086              | 105                 | 5·33                   |
| A.O.F. .. .. .       | 255,638                                     | 269,235            | 12,099              | 4·72                   |
| A.O.S. .. .. .       | 1,167                                       | 1,207              | 51                  | 4·39                   |
| U.A.O.D. .. .. .     | 87,082                                      | 97,349             | 4,285               | 4·76                   |
| I.O.R. .. .. .       | 50,396                                      | 53,237             | 2,782               | 5·52                   |
| S.D.T. .. .. .       | 13,126                                      | 13,910             | 712                 | 5·41                   |
| H.A.C.B.S. .. .. .   | 13,231                                      | 13,924             | 589                 | 4·43                   |
| P.A.F.S.A. .. .. .   | 13,997                                      | 14,734             | 652                 | 4·64                   |
| R.E.B.S. .. .. .     | 2,914                                       | 2,468              | Nil                 | ..                     |
| Total .. .. .        | 946,831                                     | 1,005,084          | 44,645              | 4·68                   |

The interest earnings credited during 1907 showed a slight drop as compared with 1906, and in this connection I have had occasion lately to warn several societies against the practice of holding large sums in banks rather than investing their money on sound mortgage. As there is a tendency in some circles to encourage this unproductive method of investment, I cannot too strongly emphasize the bad results likely to accrue—viz., the earning of a lower rate of interest than the societies' tables require, and consequent deficiencies.

#### ACTUARIAL VALUATIONS.

This work was well maintained during the year, there having been eighty-four societies and branches valued, with a membership of 10,101. The steady application of the Actuary and his staff for the last two years has done much to catch up past arrears, and there should be no difficulty in conducting the work satisfactorily in the future.

The practice of requiring lodges who apply to appropriate surplus capital to furnish a certified valuation of the society's assets has been successfully established, and is a much-needed precaution against overvaluing.

It is satisfactory to note that the officers of societies are showing an increasing desire to consult the Department on actuarial matters, and the Actuary's advice has been frequently sought and acted upon with the best results.

#### AUDIT.

The following new appointments of public auditors under section 5 of the 1882 Act were made during the year:—

| Name.                       | Place.      |
|-----------------------------|-------------|
| H. Grocott .. .. .          | Oamaru.     |
| W. E. C. Reid .. .. .       | Dunedin.    |
| C. Grater .. .. .           | Dunedin.    |
| J. G. Patterson .. .. .     | Dunedin.    |
| J. F. C. McClelland .. .. . | Wellington. |

It is to be hoped that the increased number of public auditors will lead to a greater demand for their services than the societies have hitherto evinced.

#### SETTLEMENT OF DISPUTE *re* DISSOLUTION.

Section 27 of "The Friendly Societies Act, 1882," was for the first time in New Zealand brought into operation on the application of the Board of Directors, M.U.I.O.O.F., and the South Rakaia branch of that Society, to the Registrar to hear a dispute between these bodies.

As the question of the rights of branches to dissolve at will is of considerable importance to the affiliated societies, I append hereto my reasons for the decision arrived at.

#### *Application of a Branch for the Consent of the Central Body to Dissolution.*

This is a dispute between the South Rakaia Lodge of the Ashburton District, M.U.I.O.O.F., and the Board of Directors or Central Body of the New Zealand Branch, M.U.I.O.O.F., and as the interests involved are of considerable importance, especially to affiliated societies, I propose to set out at length the reasons for arriving at my decision. In 1906 the lodge, having decided on dissolution, applied to the central body for its consent to that step. This was granted on condition that the lodge paid to the District Fund, in accordance with General Rule 27, the sum of £291, being the amount assessed as required to leave the district finances in as good a position as before. The lodge appealed against this decision of the directors, under Rule 99 (G), and the dispute was subsequently referred by the Investigation Committee to the Annual Movable Committee of the society, whose decision according to the rule would be final and conclusive. The Annual Movable Committee, however, came to no conclusion, but referred the matter for legal opinion and to the Registrar for assessment, and subsequently the whole dispute was, by consent of the parties, referred to me in terms of section 27 of "The Friendly