

Under section 27 of the Finance Act, 1925, the statutory allowances to widows and children were increased from £18 to £31 per annum, and from 5s. per week to 10s. per week respectively. The additional expenditure on this account is recovered from the Consolidated Fund. Under section 29 of the Finance Act, 1925, which provides for the inclusion of the value of board and lodging in salary for superannuation purposes, existing allowances, other than to widows and children, were increased during the year by £73 12s. per annum.

Those officers who retired during the year and who possessed compensation rights under the Civil Service Act, 1866, would have been entitled to receive the sum of £4,303, the amount of compensation accrued to the date when they joined the Superannuation Fund had they not become participants in the benefits of the fund. The total amount of such compensation for which the fund became liable since the initiation of the scheme is £547,361. To this amount must be added accretions to the date of retirement, approximately £130,000, for which the Consolidated Fund would otherwise have been liable, and the whole may be fairly set against the total subsidies paid to the fund during the past nineteen years, amounting to £1,290,500.

Eighty retiring-allowances were discontinued by death, and sixty-two for other causes—viz., five widows remarried, and fifty-seven children reached the age of fourteen.

The annual amount payable at the close of the year was £330,001 13s. 8d., as shown in the statement attached.

*Income.*—The total income for the year was made up as follows:—

	£
Members' ordinary contributions ... ..	246,635
Subsidy, Cook and Samoa Administration ... ..	1,226
Contributions from Government ... ..	99,444
Fines, &c. ... ..	328
Interest ... ..	140,268
<b>Total income for year ... ..</b>	<b>£487,901</b>

*Outgo.*—The pensions paid during the year to contributors who have retired and to dependants of deceased contributors amounted to £322,758 13s.—viz., £292,774 4s. 2d. to members, and £29,984 8s. 10d. to widows and children.

Refunds of contributions to contributors who have left the Service amounted to £35,182 17s. 9d., while the refunds under section 42 to personal representatives of deceased contributors and annuitants amounted to £9,248 16s.

Three contributors who were retired elected to accept a refund of their contributions under section 38, amounting to £909 1s. 5d., in lieu of retiring-allowances.

Five contributors were transferred to other funds in accordance with the provisions of section 48 of the Amendment Act of 1908, and their contributions, amounting to £28 4s. 5d., were accordingly transferred to such other funds. The salaries of the staff and other office expenses were £2,820 3s. 7d. and £1,520 8s. 2d. respectively. The Public Trustee's commission on interest collected amounted to £3,484 5s. 2d. Medical fees for reports under section 36 amounted to £56 14s. The total outgo for the year was £376,009 1s. 8d.

*Accumulated Funds.*—These amounted at the end of the year to £2,429,290 7s. 11d.

*Balance-sheet.*—On the 31st March the total assets of the fund, which include provision for the outstanding accounts, amounted to £2,522,038 10s. 6d. The balance-sheet appended gives full particulars as to the liabilities and assets.

*Investment of the Fund.*—The total investments of the fund at each rate of interest were as follows:—

	£	£
<b>Inscribed stock:—</b>		
5 per cent. ... ..	5,506	
5½ per cent. ... ..	164,000	
5¾ per cent. ... ..	146,350	
6 per cent. ... ..	40,000	
<b>Debenture securities:—</b>		
4½ per cent. ... ..	15,000	
5 per cent. ... ..	33,763	
5½ per cent. ... ..	15,423	
6 per cent. ... ..	362,075	
6½ per cent. ... ..	5,000	
		787,117
<b>Mortgage securities:—</b>		
5 per cent. ... ..	2,762	
5½ per cent. ... ..	13,147	
6 per cent. ... ..	1,415,822	
6½ per cent. ... ..	231,521	
		1,663,252
<b>Total ... ..</b>		<b>£2,450,369</b>

The above total includes £19,415 invested on Stipendiary Magistrates' account.

The average rate of interest earned for the financial year on the mean funds was £6 1s. per cent., as compared with £6 1s. 5d. per cent. for the previous year.