The Revenue Account for the nine months ended the 31st December, 1913, is as follows:—

	£ s. d.		£ s. d.
Funds at 1st April, 1913	Nil.	Retiring-allowances	0 7 5
Members' contributions	2,450 15 9	Contributions refunded to members	36 14 10
Subsidy from Harbour Board (65 per cent. of members' contributions)	1,592 19 6	Accumulated funds at 31st December, 1913	4,059 19 7
Interest	53 6 7		
	£4,097 1 10		£4,097 1 10

The statistics of the fund show that at the end of the year there were 261 contributors, with annual salaries of £46,763 and annual contributions of £3,590.

At the end of the year there were only two pensions current, for £187 3s. per annum, of which £182 14s. per annum had been granted by the Harbour Board in the manner already explained, the balance of £4 9s. per annum being a liability of the fund.

The condition of the fund as disclosed by an actuarial valuation is shown in the following valuation balance-sheet:—

Liabilities.	£
Value of two pensions for £4 9s. per annum already granted	27
Value of prospective pensions (to present contributors) for back service since contributing	2,312
Value of prospective pensions (to present contributors) for future service	32,693
Value of prospective pensions to widows and children of present contributors	14,470
Value of return of contributions on death or withdrawal	5,991
Surplus	5,852
	£61,345

Assets.	£
Accumulated funds	4,060
Value of present contributors' future contributions	34,718
Value of Harbour Board's annual subsidy (65 per cent. of contributions)	22,567
	£61,345

The scheme was optional on the part of existing members, and consequently the subsidy was settled as 65 per cent. of contributions to allow for adverse selection on the part of employees when making their choice, but the actual selection has turned out to be slightly in favour of the Board. I should not, however, recommend any reduction of the subsidy until more experience of the actual working of the fund has been gained.

5. *Auckland Harbour Board Superannuation Fund.*—This fund was established on the 1st April, 1913, after it had been ascertained actuarially that an annual subsidy of 60 per cent. of the employees' contributions would be necessary from the Board to enable the benefits shown in the appendix to be granted.

The Revenue Account for the nine months ended the 31st December, 1913, is as follows:—

	£ s. d.		£ s. d.
Funds at 1st April, 1913	Nil.	Accumulated funds at 31st December, 1913	514 2 0
Members' contributions	319 11 9		
Subsidy from Harbour Board (60 per cent. of members' contributions)	191 15 0		
Interest	2 15 3		
	£514 2 0		£514 2 0

The statistics of the fund show that at the end of the year there were forty-four contributors, with annual salaries of £8,331 and annual contributions of £566. No pensions had been granted.

The condition of the fund as disclosed by an actuarial valuation is shown in the following valuation balance-sheet:—

Liabilities.	£
Value of prospective pensions (to present contributors) for back service since contributing	338
Value of prospective pensions (to present contributors) for future service	8,657
Value of prospective pensions to widows and children of present contributors	2,472
Value of return of contributions on death or withdrawal	872
Surplus	1,588
	£13,927

Assets.	£
Accumulated funds	514
Value of contributors' future contributions	8,383
Value of Harbour Board's annual subsidy (60 per cent. of contributions)	5,030
	£13,927