for medical unfitness for duty, £4,009 7s. to 32 members; to 1 Police contributor injured on duty, £238 per annum; to widows and children of deceased members, £2,635 per annum to 85 widows, and £1,248 per annum to 48 children.

Under section 114 of the Public Service Superannuation Act, 1927, 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.

Civil Service Act, 1866: Compensation Rights.—The total amount of such compensation for which the fund became liable since the initiation of the scheme is £561,134. To this amount must be added accretions to the date of retirement, approximately £143,000, 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 twenty-eight years, amounting to £2,333,333.

One hundred and seventeen retiring or other allowances were discontinued by death, and fifty-seven for other causes—viz., four widows remarried and fifty-three children reached the age of fourteen years.

The annual amount payable at the close of the year was £497,763 19s. 10d., as shown in the statement attached.

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

	£
Members' ordinary contributions	256,425
Subsidy, Cook Islands and Samoan Administration, &c.	561
Contributions from Government	147,952
Fines, &c.	391
Interest	151,599
Premium on conversion, local-body debentures	8,379
Total income for year	£565,307

Outgo.—The pensions paid during the year to contributors who have retired and to dependants of deceased contributors amounted to £494,988 6s. 9d.—viz., £453,687 9s. to members and £41,300 17s. 9d. to widows and children.

Refunds of contributions to contributors who have left the Service amounted to £35,700 5s. 10d., while the refunds under section 42 to personal representatives of deceased contributors and annuitants amounted to £8,180 17s. 11d.

Four contributors who were retired elected to accept a refund of their contributions under section 34, amounting to £923 3s. 2d., in lieu of retiring-allowances.

Three contributors were transferred to other funds in accordance with the provisions of section 120, and their contributions, amounting to £305 8s. 6d., were accordingly transferred to such funds. The salaries of the staff and other office expenses were £2,233 16s. 10d. and £2,000 13s. 6d. respectively. The total outgo for the year was £548,518 19s. 8d.

Accumulated Funds.—These amounted at the end of the year to £2,934,239 19s. 9d.

Balance-sheet.—On the 31st March the total assets of the fund, which include provision for the outstanding accounts, amounted to £3,028,433 1s. 7d. 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 follow:—

	£ s. d.	£ s. d.
New Zealand Government inscribed stock—		
4 per cent.		596,162 13 9
Rural Advances bonds—		
5 per cent.*		236,155 10 0
Mortgage Corporation of New Zealand inscribed stock—		
$3\frac{3}{8}$ per cent.		50,000 0 0
Debenture securities—		
$3\frac{1}{2}$ per cent.	100,000 0 0	
$4\frac{1}{4}$ per cent.	385,308 18 1	
5 per cent. †	5,250 0 0	
$5\frac{1}{4}$ per cent.†	3,045 0 0	
6 per cent.†	75,400 9 8	
		569,004 7 9
Mortgage securities—		
$4\frac{1}{4}$ per cent.	128,155 0 0	
$4\frac{1}{2}$ per cent.	196,589 10 5	
5 per cent.	39,586 2 3	
$5\frac{1}{2}$ per cent.‡	4,032 3 8	
6 per cent.‡	982,243 14 3	
$6\frac{1}{2}$ per cent.‡	4,093 9 8	
		1,354,700 0 3
		£2,806,022 11 9

* Subject to an interest-tax at the rate of 20 per cent. charged on all interest on and from 1st April, 1933. *Vide* section 6, Finance Act, 1932–33.

† Interest on and from 1st April, 1933, 20 per cent. lower than the rate prescribed by the securities or to the rate of $4\frac{1}{4}$ per cent. per annum, whichever rate is the higher. Section 5, Local Authorities Interest Reduction and Loans Conversion Act, 1932–33.

‡ Subject to a reduction of 20 per cent., but not to be reduced below the rate of 5 per cent. per annum. Part III, National Expenditure Adjustment Act, 1932.