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-nine years, amounting to £2,478,494.

One hundred and sixty-nine retiring or other allowances were discontinued by death, and sixty-eight for other causes—viz., 1 pensioner retired as medically unfit recovered in health and reinstated, 6 widows remarried, and 61 children reached the age of fourteen years.

The annual amount payable at the close of the year was £499,869 0s. 1d., as shown in the statement attached.

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

	£
Members' ordinary contributions	306,981
Subsidy, Cook Islands and Samoan Administrations, &c.	738
Contributions from Government	163,930
Fines, &c.	343
Interest	142,831
Premium on conversion, local-body debentures	2,208
Total income for year	£617,031

Outgo.—The pensions paid during the year to contributors who have retired and to dependants of deceased contributors amounted to £498,676 10s. 3d.—viz., £455,620 15s. 4d. to members and £43,055 14s. 11d. to widows and children.

Refunds of contributions to contributors who have left the Service amounted to £28,291 11s. 5d., while the refunds under section 42 to personal representatives of deceased contributors and annuitants amounted to £16,269 15s. 10d.

Two contributors who were retired elected to accept a refund of their contributions under section 34, amounting to £1,082 17s. 5d., in lieu of retiring-allowances.

Six contributors were transferred to other funds in accordance with the provisions of section 120, and their contributions, amounting to £807 3s. 5d., were accordingly transferred to such funds. The salaries of the staff and other office expenses were £2,409 7s. 4d. and £2,085 12s. 11d. respectively.

The Board, acting under the provisions of section 77 of the Mortgagors and Lessees Rehabilitation Act, 1936, wrote down investments by £722 16s. 10d. Premium paid on purchase of inscribed stock amounted to £5,072 13s. 9d., and is to be written off during the currency of the stock; £370 17s. 8d. has been written off this year.

The total outgo for the year was £553,372.

Accumulated Funds.—These amounted at the end of the year to £2,997,898 9s.

Balance-sheet.—On the 31st March the total assets of the fund, which include provision for the outstanding accounts, amounted to £3,116,893 4s. 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:—

	£	s.	d.	£	s.	d.
New Zealand Government inscribed stock—						
3½ per cent.	210,530	0	0			
4 per cent.	466,560	0	0			
				677,090	0	0
Rural Advances bonds—						
5 per cent.*				236,155	10	0
Mortgage Corporation of New Zealand inscribed stock—						
3⅜ per cent.				50,000	0	0
Debenture securities—						
3½ per cent.	174,283	5	11			
4¼ per cent.	428,021	13	2			
5 per cent.†	1,980	0	0			
5¼ per cent.†	600	0	0			
6 per cent.†	33,500	0	0			
				638,384	19	1
Mortgage securities—						
3½ per cent.	4,000	0	0			
4¼ per cent.	304,954	12	6			
4½ per cent.	325,468	0	8			
5 per cent.	29,754	4	11			
5½ per cent.‡	4,225	12	9			
6 per cent.‡	601,660	7	10			
6½ per cent.‡	3,493	9	8			
				1,273,556	8	4
				£2,875,186	17	5

* 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 4¼ 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.