

in the gross earnings of the Office for the financial year under review. On the other hand, most items of expenditure were heavier, the main one being salaries, due to the general salary increase of £25 per annum to the Public Service from the 1st October, 1947. The final result of the year's working, after making provision for depreciation on Office property, &c., was a loss of £2,446, which, in view of the fact that the increased Office charges applied for only half of the year, can be regarded as satisfactory. The loss has, in accordance with the provisions of the Finance Act, 1929, been charged to the Office Assurance and Reserve Fund.

*Advances to Estates and Beneficiaries.*—Full advantage continues to be taken of the facilities whereby, under statutory provisions, the Public Trustee is able to advance money to estates and beneficiaries on the security of the assets of, or of a vested interest in, an estate administered by him. Subject to the security being adequate, this provision enables any immediate liability in an estate to be satisfied without making a hurried realization of assets which it may be desired to retain. Some of the benefits which accrue to estates and beneficiaries when this method of finance is adopted are the absence of legal costs, the low rate of interest, the promptness with which the advance is made, and the right of repayment without notice.

For land-tax purposes, an advance by the Public Trustee to an estate which owns land is treated in all respects as though it were secured by a registered mortgage, a certificate by the Public Trustee regarding the amount advanced being accepted by the Commissioner of Taxes as sufficient evidence of the advance.

On 31st March, 1948, the total amount of current advances by the Office to estates and beneficiaries was £505,710.

*Local Bodies' Sinking Funds.*—The Public Trustee is the Sinking Fund Commissioner for a large number of loans raised by various local bodies, the total amount held at credit of the sinking funds at 31st March, 1948, being £3,869,497. In many cases a consolidated sinking fund established under a conversion order made in terms of the Local Authorities Interest Reduction and Loans Conversion Act, 1932–33, is encroached upon each year in order to supplement the annual contribution by the local body concerned for the purpose of redeeming some of its debentures. In other cases the sinking fund is accumulated in order to provide a fund for the redemption of a loan the whole of which matures on one date. Under either of these, the advantages of investment in the Common Fund are most pronounced. The regular additions to the sinking fund are credited with interest from the date of receipt, the funds are available in liquid form on the date on which they are required to redeem debentures, and are credited with interest up to the date on which they are disbursed. In some instances, very large sums are required to be made available, necessitating careful planning in relation to the investment of the moneys in the Common Fund.

*Safe-deposit Lockers.*—Inquiries for the leasing of safe-deposit lockers, which are installed at the Head Office and at many of the branches of the Department, continued steadily during the year. The rental of these lockers is moderate and lessees may gain access at any time during business hours.

Every precaution is taken to afford clients a full measure of protection, and with the risk of fire and burglary in private houses and insecure premises, the safe-deposit-locker system for the storage of documents and other valuables possesses outstanding advantages.

*Deposits under the Insurance Companies' Deposits Act.*—In terms of the Insurance Companies' Deposits Act, 1921–22, and its amendments, deposits in cash or approved securities are required to be lodged with the Public Trustee by all insurance companies carrying on business in New Zealand (other than those incorporated under the Mutual Fire Insurance Act, 1908, or those concerned solely in life, earthquake, or marine insurance). The maximum amount of the deposit required by each company varies in accordance with the nature of the business conducted.