

FINANCE.

15. The balances at credit of estates and funds whose moneys fall into the Common Fund for investment now amount to £21,943,047, and this sum is being steadily increased as additional estates and funds are accepted for administration. I have already shown in the report that, although some testators and settlors direct investment outside the Common Fund, the greater number prefer the solid advantages of this system as being more suitable to the requirements of themselves and their beneficiaries or dependants. The arrangements for investment of so large a sum, and the necessity of providing further investments to absorb accretions to the Common Fund and sums that become available on repayment of existing investments, call for very careful and constant attention. While provision must be made to meet the heavy commitments in connection with the distribution of estates and the payment of income to beneficiaries, it is important that the moneys in hand from time to time should be kept closely invested, so that the best possible results may be secured to clients.

The position regarding estimated receipts and commitments is constantly surveyed, so that the amount of the funds to become available may be ascertained so far as possible and suitable investments be arranged in advance. During the past year, notwithstanding the difficult conditions which prevailed towards the end of the year, all moneys were kept closely invested in satisfactory securities.

The rate of interest and the general conditions of investment in the Common Fund are so favourable to estates that a prompt investment of all moneys falling into it has been essential to ensure the continuance of these advantageous conditions, and to provide for the cost of management and reasonable contribution to the reserves against possible losses or depreciation of securities. The State has guaranteed the integrity of principal and interest of estate moneys held in the Common Fund, but it is only right that the system itself should provide, in return for this security, some safeguard against any possible claim on the general funds. It is gratifying to know that never since the inception of the Common Fund has such a claim been made. The present liberal rates of interest can, of course, be maintained only as long as the income earned by the Fund is sufficient to permit of this being done.

INVESTMENTS.

16. The investments completed during the year amounted to £3,190,642. A careful choice of farming, city, and residential securities has been made, but it is necessary to hold a proportion of the investments in readily realizable form. This requirement has been met by taking up appropriate parcels of Government securities. At the 31st March, 1929, the total investments, including special investments, amounted to £30,935,141.

ANNUAL ACCOUNTS.

17. The Profit and Loss Account reveals that the net profit on the year's operations, after making all usual adjustments and provision for depreciation on the Office property on a proper basis, amounted to £29,467 9s. 8d. In pursuance of the Office policy of sharing with clients the benefits accruing from successful working, the rates of interest allowed in respect of certain classes of estates have recently been increased, and other concessions have been granted to beneficiaries. Considering the substantial nature of the concessions made in recent years, and the fact that their full effect was felt in the year under review, the result of the year's operations is entirely satisfactory.

TOTAL VALUE OF ESTATES, ETC., UNDER ADMINISTRATION.

18. At the 31st March, 1929, the gross value of estates and funds under administration by the Public Trustee was £48,334,790. This figure represents a net increase of £4,179,242 during the year. For the past eight years the value of estates under administration has increased at an average rate of over £3,000,000 per annum, the total value at the 31st March, 1921, being £22,364,319. This is, however, the first year in which a net increase of over £4,000,000 has been recorded.