

had raised loans from the Public Trustee and which were entitled to apply for conversion, 242 exercised their right. The great majority of the conversions have now been completed, and the assistance which the Public Trustee has been able to afford many local bodies in carrying out the required formalities and in reducing to a minimum the work involved has been appreciated. The improvement in the position of the Thames Borough and the Matakaoa County under Commissioner control, which was mentioned in my last report, has been satisfactorily maintained.

FINANCE.

26. *Investment of Funds.*—The investments available to the Public Trustee were insufficient to absorb all available funds. As there were no new issues of Government securities and comparatively few loans were raised by local bodies, the principal trustee investments offering were mortgages upon rural securities and town properties. As most other financial institutions were also meeting with difficulty in placing their available funds, competition for such investments as were offering was keen, and although there has been a steady flow of applications for loans on mortgage it has not been sufficient to check the accumulation of uninvested funds.

The investments completed during the year totalled £1,401,151. On the 31st March, 1936, the investments held by the Office, including special investments on behalf of estates and funds, totalled £35,324,321.

27. *Annual Accounts.*—Although there is a large accumulation of assets, especially those comprising house and farming properties, realization of which has been deferred at the request of the beneficiaries in the hope that prices will increase, it is satisfactory to report that the commission and other earnings of the Office have shown a further improvement. The increase in revenue, however, was substantially offset by the higher expenditure, due principally to the partial restoration of the salary cuts, which affected not only the direct charge for salaries of staff, but also the cost of services rendered to the Office by other Government Departments and by commercial firms.

The net profit for the year, after making allowance for bad debts, amounted to £5,419.

28. *Advances to Beneficiaries and to Estates.*—One of the material advantages which the Public Trustee is able to offer in the administration of estates is the power to grant financial accommodation to estates and to beneficiaries at times when funds are immediately required and when the assets could be realized only at a sacrifice. During the year substantial sums were advanced to estates and to beneficiaries in need of financial assistance. A feature of these advances is the low rate of interest combined with the fact that they are repayable as soon as funds become available in the estate for application in reduction of the amount advanced. Current advances to estates and funds as at the 31st March, 1936, amounted to £582,050.

29. *Insurance Companies' Deposits.*—In pursuance of the provisions of the Insurance Companies Deposits Act, 1921–22, and its amendments, all foreign insurance companies carrying on business in New Zealand, excepting those the operations of which do not extend beyond life, earthquake, and marine insurance, are required to lodge with the Public Trustee deposits varying in amount according to the nature of the business conducted. The capital amount of deposits held at 31st March, 1936, on behalf of thirty-eight companies was £1,137,500.

During the year one insurance company gave notice that it was ceasing to carry on business in New Zealand and desired to withdraw its deposit of £27,500. A refund of the deposit will be made as soon as the statutory requirements relating to withdrawals of deposits have been satisfied.

In terms of the Life Insurance Act, 1908, and its amendments, securities and cash totalling £750,355 were also held by the Public Trustee on behalf of sixteen life-insurance companies.