

bodies not only to meet their commitments, as adjusted by their creditors, in full, but to carry on the normal maintenance-work and provide the usual amenities. The amalgamation of the Thames Harbour Board with the Borough Council represents a further step forward in the improvement of the financial position of these two local authorities.

FINANCE.

21. *Investment of Funds.*—The total investments completed during the year amounted to £2,077,864, compared with £1,401,151 for the year ended 31st March, 1936.

On the 31st March, 1937, the investments held by the Office, including special investments on behalf of estates and funds, totalled £36,211,293.

22. *Annual Accounts.*—As a result of the improved economic conditions, satisfactory realizations have been effected of many assets, including house and farming properties, which had been withheld from the market until conditions improved. This is reflected in the commission, which shows an increase of over 16 per cent. on that of the previous year. As an offset, however, to this improvement in the revenue of the Office, expenditure has increased in certain directions—principally in salaries, the “cuts” in which have now been wholly restored, and in various services rendered to the Office. The reintroduction of graduated land-tax also increased the expenditure under that heading by nearly £3,000.

Notwithstanding these increases in expenditure, however, it is satisfactory to be able to report that, after making provision for depreciation and for losses of interest on investments, the net profit for the year amounted to £21,892.

23. *Advances to Estates and Beneficiaries.*—The necessity frequently arises at an early stage in the administration of an estate, of providing funds to meet debts, death duties, and other immediate liabilities, and to meet living-expenses of dependants. This the Public Trustee is able to do by way of advance on the security of the assets of the estate. No legal charges are incurred, since the Public Trustee has a statutory charge over the assets of the estate as security for the advance, subject, of course, to any prior encumbrances. Additional features of this advantageous method of providing ready money are the low rate of interest payable on such advances and the fact that immediately moneys are received for application in reduction of the advance, the interest charge falls accordingly.

Particularly during recent years has the benefit of this method of accommodation been demonstrated. Not only has it been possible to provide financial assistance to estates whose assets, owing to adverse economic conditions, could have been realized only on an unfavourable market, but also beneficiaries in estates desiring advances on the security of their interest therein have been afforded immediate assistance. The amount of current advances to estates and beneficiaries at 31st March, 1937, was £609,205.

24. *Insurance Companies' Deposits.*—In pursuance of the provisions of the Insurance Companies' Deposits Act, 1921–22, and its amendments, cash deposits are required to be lodged with the Public Trustee by all foreign insurance companies carrying on business (except life, earthquake, and marine insurance) in New Zealand. The amount of the deposit required from a particular company varies according to the nature of the business conducted.

The capital amount of deposits held at 31st March, 1937, on behalf of thirty-seven companies was £1,110,000. During the year one company, having given notice of its intention to cease carrying on business in New Zealand, and upon satisfying the legal requirements relating to withdrawals of deposits, uplifted its deposit.

In terms of the Life Insurance Act, 1908, and its amendments, securities totalling £755,120 were also held by the Public Trustee on behalf of sixteen life-insurance companies.

25. *Local Bodies' Sinking Funds.*—During the year there were three cases where, through conversion of their loan indebtedness or other rearrangement of their finances, local bodies requested withdrawals from their sinking funds of very substantial amounts. As adequate notice was given in each case, the Public Trustee was able to meet these requests and, in the three cases referred to, a total of over £600,000 was released from the sinking funds concerned.