

*Annual Accounts.*—Mainly as a result of the operation for a full year of the new scale of charges which came into operation on 1st October, 1947, the revenue for the year under review increased by some £23,000 to £539,574, but as an offset the Office was faced with further heavy expenditure under the headings of salaries and of subsidy of the staff's contributions to the Government Superannuation Fund. The amount involved in those two items alone, including the provision for arrears of the recently granted general salary increase, had the effect of transforming what would have been a satisfactory profit on the year's working into a loss of £5,801, which, in accordance with the provisions of section 24, Finance Act, 1929, has been charged to the Office Assurance and Reserve Fund. In that connection it is appropriate to observe that, under the legislation referred to, when the Office Profit and Loss Account for any year discloses a profit, one-half thereof is payable to the Consolidated Fund, but if in any year there is a deficiency, the whole of such deficiency must be met out of the Office Assurance and Reserve Fund. The result has been that since 1929 the Office has paid to the Consolidated Fund the sum of £89,160, representing one-half of the profits made in various years, but in the few years when working losses have been sustained such losses have been wholly borne by the Office Reserves. It is hoped that, in view of the difficult conditions which have operated during the past few years, some relief from the provisions of the existing legislation will be given in the near future.

*Advances to Estates and Beneficiaries.*—In those estates where it is necessary to provide funds for the payment of debts or death duties or for the financial accommodation of beneficiaries, the Public Trustee is, subject to the security being adequate, able to make advances 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. Other features of this advantageous method of providing ready money are the low rate of interest payable on such advances, the avoidance of forced realizations, and the fact that immediately moneys are received for application in reduction of the advance interest ceases thereon.

On 31st March, 1949, the total amount of current advances by the Office to estates and beneficiaries was £476,000.

*Local Bodies' Sinking Funds.* The Public Trustee is Sinking Fund Commissioner of a considerable number of local bodies' sinking funds, and is called upon each year to provide substantial sums from these funds to meet debentures maturing either annually or in one sum on the maturity of the loan. In addition, this year, to meet the requests of several local bodies who desired to take advantage of the favourable exchange situation in order to redeem loans domiciled in Australia, the Public Trustee, as Sinking Fund Commissioner, released additional funds amounting to approximately £220,000. In none of these cases had the loans fallen due for repayment, but, to assist the local bodies concerned to rearrange their finances under favourable circumstances, the Public Trustee arranged for the release of the sinking funds on dates suitable to each local body.

*Safe-deposit Lockers.* The advantages of keeping negotiable securities and other valuables in safe custody are fully recognized by the many clients of the Office who have taken leases of these lockers. At the Head Office and at many of the branches of the Department, safe-deposit lockers, designed to guard against theft or fire, are installed in the Office vaults or strong-rooms. The rental of these lockers is moderate, and access to them may be obtained by lessees at any time during ordinary business hours.

*Deposits under the Insurance Companies' Deposits Act.*—In terms of the Insurance Companies' Deposits Act, 1921–22, and its amendments, the Life Insurance Act, 1908, 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 earthquake or marine insurance). The maximum amount of the deposit required by each company varies in accordance with the nature of the business conducted.