

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, and the fact that immediately moneys are received for application in reduction of the advance the interest charge falls accordingly.

With accommodation of this nature available the Office is also able to postpone the realization of assets in cases where the market is unfavourable, or where for other reasons it is undesirable to attempt to sell. The amount so advanced during the year totalled £171,229, and the total of current advances to estates and beneficiaries at 31st March, 1946, was £613,430.

**22. Annual Accounts.**—As a result of the favourable market conditions which obtained during the year, satisfactory realizations of assets of estates where realization was necessary or desired by the beneficiaries have been effected. This is reflected in the earnings of the Office for the year, which disclose an increase when compared with those for the previous year. As an offset, however, to this improvement in the revenue, expenditure has also increased, due principally to the general increase in salaries which became effective as from 30th June, 1944. Thus a full year's charge at the increased rates has been included in the expenditure for the year 1945–46.

After making provision for bad debts, depreciation on Office premises and other property, anticipated losses on mortgages, deferred maintenance expenditure, income-tax, &c., the net profit for the year amounted to £8,254.

**23. Safe Deposit Lockers.**—That clients who have taken advantage of the safe-deposit-locker system for the safe custody of their documents and other valuables appreciate the service is amply evidenced by the continued and increasing demand for such lockers. These lockers, housed in the Office strong-rooms, are installed at many branches of the Office and afford, at moderate cost, security against loss by fire or theft. Access to their lockers may be gained by lessees at any time during ordinary 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 use of these lockers for storage of documents and other valuables is confidently recommended to the public.

**24. Local Bodies' Sinking Funds.**—In terms of the provisions of the conversion orders made in terms of the Local Authorities Interest Reduction and Loans Conversion Act, 1932–33, of many local bodies, annual reductions are required to be made in the loan indebtedness of local bodies, portions of such reductions being met from the sinking funds established to meet maturing loans. In other cases the sinking fund is accumulated in order to provide for the redemption of a loan the whole of which matures on one date. In the capacity of Sinking Fund Commissioner of a large number of sinking funds, the Public Trustee is called upon each year to make available substantial sums from the relative sinking funds to meet maturing debentures. During the past year, in addition to the recurring redemptions, one large loan matured where the Public Trustee, as Sinking Fund Commissioner, was called upon to provide in cash a sum of over £195,000.

As at 31st March, 1946, the total amount held in the sinking funds of various local bodies was £4,209,434.

**25. Accounting Work.**—In recent years there has been a marked increase in the volume of the accounting work of the Office. Some of the factors contributing to this increase are the reduced exemptions for death duties which have resulted in more estates becoming liable for duty, changes in the law relating to income-tax, the obligation of trustees to file returns of income and to arrange payment of social security charge and national security tax in respect of income derived by beneficiaries in estates. The operation of the