

20. Another pleasing feature has been the number of present mortgagors who have applied to the Public Trustee for further advances. In many cases these further advances have been raised in order to repay second mortgages or to reduce stock accounts and thus obtain the benefits of more stable finance and lower interest rates.

### FINANCE

21. *Investment of Funds.*—Disregarding short-term deposits, the new investments completed during the year on behalf of the Common Fund and those estates and funds whose moneys are required to be specially invested totalled £2,260,826, an increase of £100,100 compared with the corresponding figure for the previous year. The total investments completed by the Office and still held at 31st March, 1947, inclusive of special investments on behalf of estates and funds, amounted to £41,918,697.

22. As evidence of the steady increase in the value of investments held from time to time, notwithstanding occasional heavy repayments which may have the effect of a temporary decline in a particular year, the following table is of interest :—

Year.						Investments held.
						£
1937	..	..	..	..	..	36,211,293
1942	..	..	..	..	..	39,501,833
1947	..	..	..	..	..	41,918,697

All of the foregoing figures are exclusive of those investments which comprised assets of estates at the time they came under the Public Trustee's administration and which are still held as assets of those estates. A feature of the investments made last year and one which has become more evident in recent months is the increased activity in local bodies' loans work. It is anticipated that as building and development work which had of necessity to be postponed during the war years is undertaken in increasing volume by local authorities, the scope for further investments of this nature will be extended.

23. *Annual Accounts.*—The gross earnings of the Office for the year showed little variation from those of the previous year, but unfortunately working-expenses increased appreciably. In an Office such as this where the work is of a highly specialized nature, calling for personal attention to the affairs of thousands of clients, approximately four-fifths of the total running-expenses comprises staff salaries. In keeping with the general trend in recent years, it has been necessary to grant substantial increases in salaries not only as the result of the increased cost of living, but also arising from the general regrading of the Public Service as at 1st April, 1946. Further, the past year has borne a substantial financial load in rehabilitating a large number of the staff who had served with the Armed Forces and who in many cases required considerable training before they could undertake duties in keeping with their salaries. While it is freely acknowledged that every returned serviceman is entitled to full rehabilitation and assistance, and, indeed, the Office has gladly undertaken that duty, it must be borne in mind that such an undertaking must have an adverse effect financially for the time being. In reference to working-expenses other than salaries, a close control has been exercised, but, while a considerable saving was effected in overtime payments, other expenses such as repairs, maintenance, and cleaning of Office premises, &c., more than offset that saving. As a result of these factors, the year's Profit and Loss Account, after making provision for depreciation on Office property, &c., discloses a loss of £10,563. This loss has, in accordance with the provisions of the Finance Act, 1929, been charged to the Office Assurance and Reserve Fund.

24. The indications are that working-expenses generally will probably increase still further, and it has therefore been decided that the time has arrived when steps should be taken to bring the Office revenue into line with present-day costs. The scale of Office charges for its services in connection with the administration of estates has not been revised since 1925, and every endeavour has been made to avoid increasing that