

MONEY FOR INVESTMENT.

28. Immediately preceding the commencement of the last financial year a large payment was received from the Treasury by way of instalments of the Government sinking funds. In addition, there was a steady flow of surplus from estates and funds under administration throughout the Dominion. Further, a considerable number of loans were repaid as a result of the favourable terms offered by the State Advances Department to the small farmer offering a good security.

As a result of these circumstances the Office was able to advance during the year the large amount of £2,198,185, including £327,584 on behalf of the Public Service Superannuation Fund.

The funds of the Office are invested chiefly on the security of rural properties or in debentures issued by local authorities, and the large volume of business now transacted by the Office assures a constant source of money for those purposes, and as that volume continues to expand the Office must play a larger part in fostering the development of the country's resources.

INVESTED PROFITS.

29. The greater part of the accumulated profits earned by the Office have been invested in providing and equipping permanent business premises in the main centres and large inland towns.

As time goes on it becomes increasingly difficult to lease suitable premises, and even when they are obtained it is impossible to make provision for the growth of later years. The only satisfactory solution lies in obtaining permanent premises owned by the Office itself.

Premises are now owned at the following places: Whangarei, Auckland, Gisborne, Napier, Dannevirke, New Plymouth, Stratford, Hawera, Wanganui, Palmerston North, Masterton, Waipukurau, Wellington, Blenheim, Nelson, Greymouth, Christchurch, Timaru, Dunedin, and Invercargill.

Those at Whangarei, Stratford, Dannevirke, Waipukurau, and Christchurch are not yet ready for occupation.

In planning the buildings provision has been made as far as possible for increasing business, and arrangements made in the meantime for letting the portions not immediately required.

Reference to the annual accounts will show that adequate provision is made for the depreciation of the buildings and fittings.

LOCAL BODIES' RENEWAL FUNDS.

30. Municipal Corporations who carry on trading undertakings are authorized by section 114 of the Municipal Corporations Act, 1920, to make appropriations from the revenue of the undertaking to provide a renewal fund.

Section 117 of the same Act prescribes the modes in which such funds may be invested, one of the modes being "In any other securities that may from time to time be authorized by the Governor-General in Council."

By Order in Council published in the *New Zealand Gazette* of the 17th April, 1924, authority has been given for the investment of such funds in the Common Fund of the Public Trust Office. Several local bodies have availed themselves of this mode of investment.

The interest allowed on the amounts at credit of the funds is at the rate provided in the Public Trust Office Regulations for local bodies' sinking funds.

ADVANCES TO ESTATES AND BENEFICIARIES.

31. The special advantages of the Office in having money available for advances to estates and beneficiaries in suitable cases are of great value to clients.

It was pointed out in the previous report that the effect of this advantage in many cases had been to obviate the realization of assets in an unfavourable market, with consequent loss of capital. This has been further exemplified during the year under review, and there is no doubt that the system is exceedingly helpful to the beneficiaries of the estates under administration.