

In terms of the Insurance Companies Deposits Act, 1921–22, these deposits are invested in the Common Fund of the Public Trust Office.

Deposits aggregating £618,035, and representing the statutory deposits of thirteen life-insurance companies, were also held by the Public Trustee in terms of the Life Insurance Act, 1908, and its amendments. In compliance with the provisions of the Act, an additional sum of £5,000 was deposited during the year by one life-insurance company.

Of these deposits, £20,000 was represented by cash held in the Common Fund of the Office. The balance was represented by Government stock, local-body debentures, and other securities.

LOCAL BODIES' SUPERANNUATION FUNDS.

24. The amount held on behalf of local bodies' superannuation funds increased during the year from £243,264 to £267,911. The whole of the amount at credit of these funds is invested in the Common Fund of the Public Trust Office. It is in the administration of such funds that the advantages of the Common Fund are perhaps best illustrated. The contributions to the funds are comparatively small in amount, and it would be impossible to find, to the exact extent of them, investments available to a private trustee and returning an adequate rate of interest.

In the Common Fund the smallest amount begins to earn interest from the date of receipt by the Public Trustee. The rate of interest is $5\frac{1}{4}$ per cent., free of all deductions, and the security of both capital and interest is guaranteed by the State.

To meet the calls upon the superannuation funds as a result of retirements, &c., it is not necessary for the local authorities to retain uninvested cash balances. The whole of the moneys held by the Public Trustee are liquid, and are immediately available to meet calls made upon the funds in the course of administration.

LOCAL BODIES' SINKING FUNDS.

25. Another important capacity in which the Public Trustee acts is that of Sinking Fund Commissioner in respect of loans to local bodies. On the 31st March, 1931, 2,980 of such sinking funds were under administration, representing a net increase of 153 in number for the year.

DEPRECIATION FUNDS AND RESERVE FUNDS.

26. By section 48 of the Municipal Corporations Amendment Act, 1928, and section 21 of the Electric-power Boards Amendment Act, 1927, Municipal Corporations and Electric-power Boards respectively are authorized to invest their Depreciation Funds and Reserve Funds in the Common Fund of the Public Trust Office.

On the 31st March, 1931, the number of such funds so invested was thirty-six.

TRUSTEE FOR DEBENTURE-HOLDERS.

27. In suitable cases the Public Trustee is prepared to accept the position of trustee under deed of trust for the protection of debenture-holders. At the close of the financial year under review that position was held in thirty-nine instances, the total amount of the debenture issues concerned being £1,192,455.

This amount is not included in the value of estates and funds under administration at the 31st March, 1931.

OFFICE BUILDINGS.

28. Owing to the continued expansion of the business, it was found necessary during the year to extend the accommodation at Auckland and Gisborne. The accommodation at these Branches is now more in keeping with the volume of work conducted.

I am pleased to report that no serious damage was sustained by the buildings in Napier and Hastings in the severe earthquake which visited the Hawke's Bay District. These buildings, in common with all other Public Trust Office buildings, were insured against damage by earthquake-shock and fire resulting therefrom, and therefore the cost of repairing the damage will not fall on the Office.