

FINANCE.

18. *Investment of Funds.*—The investments completed during the year totalled £1,794,121, which represents an increase of £327,190 on the corresponding figure for the previous year. The total investments completed by the Office and still held at 31st March, 1939, inclusive of special investments on behalf of estates and funds, amounted to £37,654,612, which represents an increase of £870,305 compared with those held at 31st March, 1938. These figures are exclusive of those investments which comprise assets of estates at the time they came under the Public Trustee's administration and which are still held as assets of those estates.

19. *Annual Accounts.*—It is satisfactory to record that gross revenue has increased while ordinary expenses of management have decreased, when compared with the corresponding figures for the previous year.

During the year, however, as a result of orders made pursuant to the Mortgagors and Lessees Rehabilitation Act, 1936, certain reductions were made in the principal of mortgages and, in addition, expenditure by way of legal expenses, &c., was incurred in dealing with applications made to the Court by mortgagors for adjustment of their liabilities in terms of that Act.

After these losses and expenses had been charged, and after provision had been made for bad debts and depreciation on office property, &c., the Profit and Loss Account disclosed a small profit of £266.

20. *Deposits under the Life Insurance Act, 1908.*—In pursuance of the provisions of the Life Insurance Act, 1908, and its amendments, every company carrying on the business of life insurance in New Zealand is required to deposit with the Public Trustee money or certain classes of securities to a value varying in accordance with the total amount assured by its policies, but with a maximum of £50,000 for any one company. During the year one new company was registered and lodged a cash deposit with the Public Trustee. The total amount of cash and securities deposited with the Public Trustee on the 31st March, 1939, in accordance with this Act was £768,870, the number of companies concerned being seventeen.

By virtue of an amendment to the Life Insurance Act, 1908, contained in the Statutes Amendment Act, 1938, the legal position regarding the classes of persons for whose protection these deposits are held has now been made clear—viz., that the deposits are held for the benefit of all policyholders in respect of policies issued in New Zealand and for the time being in force.

21. *Deposits under the Insurance Companies' Deposits Act.*—The Insurance Companies' Deposits Act, 1921–22, applies to all companies incorporated out of New Zealand which are carrying on in New Zealand any class of insurance business (other than life, earthquake, and marine insurance). Subsequent amendments to the Act have the effect of bringing within the scope of the principal provisions of the Act New Zealand agents of foreign underwriters or of foreign insurance companies.

During the year one company gave notice to the Public Trustee of its intention to cease carrying on business in New Zealand. Before, however, a deposit can be released, it is necessary to take certain prescribed steps in order to satisfy the Public Trustee that provision has been made for all outstanding claims. Preliminary action in this direction was taken, but as the company then went into liquidation it was decided to defer taking any further action until the liquidation of the company had neared completion.

During the year, also, a deposit of £20,000 was lodged on behalf of a British underwriter on whose behalf an agent had commenced business in New Zealand.

On the 31st March, 1939, the total amount held as deposits under this Act on behalf of thirty-eight companies was £1,130,000.