

1944

NEW ZEALAND

PUBLIC TRUST OFFICE

(REPORT OF THE) FOR THE YEAR ENDED 31st MARCH, 1944

Presented to both Houses of the General Assembly in accordance with Section 47 of the Public Trust Office Amendment Act, 1913

PURSUANT to section 47 of the Public Trust Office Amendment Act, 1913, I have the honour to lay before Parliament the report on the working of the Public Trust Office for the year ended 31st March, 1944.

It is satisfactory to record that, notwithstanding the many difficulties resulting from war conditions, the figures for new business have been well maintained. Although the number of new wills was not as great as last year (when the figures were a record), the reduction is largely accounted for by the decrease in the number of soldiers' wills.

The value of estates and funds under administration at 31st March, 1944, was £66,788,292, whilst 125,343 wills of living persons were held on deposit by the Public Trustee at that date.

These figures afford convincing evidence that the office continues to enjoy the public confidence.

H. G. R. MASON,

Minister in Charge of the Public Trust Office.

Wellington, 18th July, 1944.

REPORT ON THE WORKING OF THE PUBLIC TRUST OFFICE FOR THE YEAR ENDED 31st MARCH, 1944

Public Trust Office, Wellington C.1, 11th July, 1944.

SIR,

I have the honour to submit a report on the working of the Public Trust Office for the financial year ended 31st March, 1944.

NEW BUSINESS

1. During the year 3,715 estates and funds, of a total value of £6,413,364, were accepted for administration, as compared with 3,695, of a value of £7,283,693, in the previous year.

2. The administration of 3,671 estates was completed during the year.

3. At the close of the year the total number of estates and funds remaining under administration was 21,039, of an aggregate value of £66,788,292, as against 20,995, valued at £66,777,793, at the end of the previous year. These figures do not include cases where the Public Trustee is required by statute to examine and report upon the accounts of persons other than the Public Trustee who are administering the estates of mental patients and aged and infirm persons, or where the Public Trustee's duties are not of an active character—e.g., trusteeships for debenture-holders. The value of the estates and funds, &c., of these latter classes is £2,279,897, an increase of £113,911 upon the previous year's figures.

4. In the course of the year 7,357 new wills appointing the Public Trustee executor were placed on deposit, compared with 11,059 for the previous year.

5. At the end of the year 125,343 wills were on deposit with the Public Trustee, representing an increase of 4,239 over the number held at the beginning of the year.

6. To provide for alterations desired by testators, 4,961 wills were redrafted in the course of the year, as against 4,811 in the previous year.

7. Visits to military camps and Air Force stations were continued during the year for the purpose of preparing wills for members of the Forces desiring to appoint the Public Trustee their executor.

ENEMY PROPERTY EMERGENCY REGULATIONS 1939

8. During the year the Public Trustee, as Custodian of Enemy Property, has carried out the duties cast upon him by the Enemy Property Emergency Regulations 1939. Funds representing enemy property collected or realized by the Public Trustee and now held amount to £282,396.

Enemy property, together with the income therefrom, controlled by the Custodian of Enemy Property is held in trust for all persons having any interest in such property. The money is invested in accordance with the directions of the Minister of Finance.

INVESTMENTS FROM THE COMMON FUND

9. *Lending Operations.* The difficulty of obtaining suitable securities for loans on mortgage, mentioned in previous reports, has continued. A number of mortgagors intimated on their mortgages maturing that they did not desire renewal, but would rely on the protection of the Mortgages Extension Emergency Regulations. In a number of other cases renewals were requested and granted in a reduced amount. Including these, mortgages amounting to £427,300 were renewed.

10. *Collection of Interest.* During the year the amount of interest in arrear has been substantially reduced.

FINANCE

11. *Annual Accounts.* It is satisfactory to record that gross revenue showed an increase on that of previous years. Against that, however, working-expenses also increased, but, under war conditions, that must be expected. For instance, war-damage-insurance premiums on office buildings and other property, and on mortgage securities where the Public Trustee as mortgagee is required to contribute towards such premiums, amounted to £8,465.

After making provision for bad debts, depreciation on office buildings and other property, and income-tax, &c., the year's operations resulted in a net profit, subject to audit, of £12,608.

12. *Investment of Funds.* Disregarding short-term deposits, new investments totalling £1,760,339 were completed during the year. Including investments made by the Public Trustee on behalf of estates and funds under his administration, the investments held by the Office on 31st March, 1944, amounted to £40,646,198, an increase of £289,895 compared with the corresponding figure at 31st March, 1943.

13. *Advances to Estates and Beneficiaries.* Full advantage continues to be taken of the facilities whereby, under statutory provisions, the Public Trustee is able to advance money to estates and beneficiaries on the security of the assets of, or of a vested interest in, an estate administered by him. Features of this method of providing financial assistance to estates are the absence of legal charges, the reasonable rate of interest payable on such advances, and the fact that immediately moneys are received for application in reduction of the advances the interest charge falls accordingly. Advances to estates and beneficiaries current at the 31st March, 1944, totalled £577,441.

14. *Local Bodies' Sinking Funds.* In terms of the provisions of the conversion orders 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 the maturing loans. In the capacity of Commissioner of a large number of sinking funds, the Public Trustee is called upon each year to make available the necessary cash from the relative sinking funds to meet maturing debentures. During the past year, in addition to the recurring redemptions, two large loans matured where the Public Trustee, as Sinking Fund Commissioner, was called upon to provide in cash a total of over £342,000, while in another case where the loan indebtedness was rearranged the sum of £129,000 was released.

As at the 31st March, 1944, the total amount held by the Public Trustee in the sinking funds of various local bodies was £4,489,760.

LEGAL DIVISION

15. During the year administration was obtained in 2,786 estates. Other Court applications for leave to take steps necessary in administration, but not authorized by the will or by statute, numbered 62, while in one case it was necessary to file a certificate under Part IV of the Administration Act electing to administer the estate concerned as insolvent. In addition, 25 exemplifications of probate or administration granted abroad and 79 exemplifications of New Zealand grants were sealed, and 51 powers of attorney issued, to enable assets situated outside the countries in which the original grant was made to be dealt with.

An important function of the Legal Division is investigating the possibility of claims for compensation under the Workers' Compensation Act in respect of estates administered by the Public Trustee, obtaining orders for the apportionment of compensation which has been awarded or paid, and furnishing the Court with reports on applications for apportionment made by other persons.

INSPECTIONS AND AUDITS

16. Through shortage of trained staff owing to war conditions it has not been possible to carry out more than a limited number of inspections of branches during the year.

The continuous internal audit in respect of cash transactions, securities, and deeds has been maintained. The supplementary check of cash transactions by the Audit Department has been carried out. Both systems of audit have been co-ordinated by the Chief Inspector.

CONCLUSION

17. I desire once more to record my appreciation of the loyal co-operation of the Assistant Public Trustees, the zeal and energy of the staff generally and of the agents of the Office throughout the Dominion, who have all worked untiringly and whole-heartedly to render faithful service to the Department and its clients, and who have contributed in no small measure to the success of the Office.

Cordial thanks are also due to the members of the Investment Board for assistance given throughout the year in the consideration of applications for loans, the renewal of mortgages, and other incidental matters relating to the investments of the Office.

I have, &c.,
W. G. BAIRD,
Public Trustee.

The Hon. the Minister in Charge of the Public Trust Office.

Approximate Cost of Paper.—Preparation, not given; printing (1,092 copies), £3 10s.