FINANCE.

9. The strictest attention has been given to the investment of the available funds to ensure that, on the one hand, the moneys falling into the Common Fund shall be closely invested, and, on the other, that there shall be sufficient provision for the heavy demands for funds made by the distribution of estates, the payment of income, the maturity of sinking funds, and the innumerable payments associated with the administration of so many estates and funds and the management of the Office itself. With estates and funds under control to the value of over £44,000,000, it will be realized how important this matter has become. The Department is so well organized, however, that the difficulties inseparable from such a volume of business are systematically dealt with, and the operations of the year under review have been as smoothly and successfully conducted as in past years, when the transactions were very materially less in number and in the amounts involved.

As far as it is possible to do so, forecasts are made of the amount that is likely to become available for investment months ahead of the actual receipt of the money, and of the liabilities that will probably have to be met. Of course, these calculations cannot be formed with any degree of certainty, since from the nature of the business unexpected sums become available and unforeseen calls materialize, but it has been found practicable to estimate the position from time to time with sufficient exactness to enable the investment of funds to be arranged as they come to hand and to make full provision for the outgoings.

10. The terms upon which interest is credited on moneys invested in the Common Fund are now so liberal and the charges for the administration of estates so moderate that the margin left to provide for working-expenses is entirely dependent on the close investment of funds, which, therefore, is a matter of the utmost importance to the welfare of the Office and its clients. The interest on the moneys invested in the Common Fund is guaranteed at the rates fixed, but these rates can be maintained only so long as the working of the Office is successful. Losses arising from funds lying uninvested would soon result in a compulsory reduction of the Common Fund rates of interest.

11. The provision in the Office Acts authorizing the Public Trustee to arrange for a bank overdraft greatly facilitates the close investment of the moneys in the Common Fund. Indeed, without such provision it would be almost impossible to carry on the business successfully, for it would then be imperative to retain large sums on current account to meet not only the known liabilities, but those that might from the conditions on which a great part of the trust funds are held at any time arise. It will be seen from the annual accounts that as the result of meeting heavy commitments due on the last day of the year an overdraft existed on the 31st March last. The absence of authority to arrange such an overdraft would have necessitated the prior accumulation of the requisite funds and the consequent loss of interest.

Investments.

12. As has been indicated, the volume of investments completed during the year has been very heavy, totalling in all £3,065,524. This total, however, does not include investments amounting to £104,331 made during the year on behalf of estates the funds of which do not fall into the Common Fund. On the 31st March last the investments of the Office amounted to £28,465,963.

Value of Estates, etc., under Administration.

13. The gross value of estates and funds under administration by the Public Trustee on the 31st March, 1928, amounted to £44,155,548, representing an increase of £3,112,025 for the year. On the 31st March, 1921, the value was £22,364,319, and so for the last seven years the figure has increased at an average annual rate of more than £3,000,000.

New Estates accepted.

14. Last year, in presenting to Parliament the report on the working of the Public Trust Office, the Right Hon. the Prime Minister stated that it was anticipated that new business exceeding £6,000,000 in value would be reported for administration for the year 1927–28. This anticipation has been more than fulfilled, for