

The average amount of the advances now outstanding is £390.

	Number.	Amount.		
		£	s.	d.
On freeholds	7,886	3,833,595	5	4
On leaseholds	5,036	1,170,776	11	8
On freeholds and leaseholds (combined)	188	113,669	7	4
Total	13,110	£5,118,041	4	4

The average freehold advance is £486, the average leasehold advance is £232, and the average freehold and leasehold (combined) is £605.

	Number.	Amount.		
		£	s.	d.
On rural land	8,240	3,422,028	1	11
On urban and suburban land	4,870	1,696,013	2	5
Total	13,110	£5,118,041	4	4

The average rural advance is £415, and the average urban and suburban advance is £348.

The advances granted during the year ended 31st March, 1909, are as follows :—

	Number.	Amount.		
		£	s.	d.
Not exceeding £500	2,147	617,010	12	0
Exceeding £500 but not exceeding £1,000	637	478,255	0	0
Exceeding £1,000 but not exceeding £2,000	229	322,775	0	0
Exceeding £2,000 but not exceeding £3,000	30	75,795	0	0
Total	3,043	£1,493,835	12	0

The average amount of the advances granted for the year is £491.

	Number.	Amount.		
		£	s.	d.
On freeholds	1,916	979,050	12	0
On leaseholds	1,108	493,625	0	0
On freeholds and leaseholds (combined)	19	21,160	0	0
Total	3,043	£1,493,835	12	0

For the year the average freehold advance is £511, the average leasehold advance is £446, and the average freehold and leasehold (combined) is £1,114.

Eighty-five per cent. of the advances made during the year was for loans not exceeding £500. The total sum raised by the Government on debentures for investment on mortgage is £5,158,800 out of £6,000,000 authorised under the Act. Thirteen thousand one hundred and ten mortgagors are now indebted to the Department to the extent of £5,118,041 4s. 4d. in respect of principal moneys, an increase during the year of 1,397 mortgagors, amounting to £932,021 1s. 8d.

The gross profits for the year ended 31st March, 1909, were £74,679 18s. 8d., and the cost of management and expenses of the Department £9,969 11s. 7d., being 0.19 per cent., or 3s. 10d. per £100 on capital employed (the cost of the previous year was 0.18 per cent., or 3s. 7d. per £100).

The net profits amounted to £63,835 19s. 3d., an increase on the previous year of £12,450 16s. 11d., notwithstanding the large concessions granted to the mortgagors.

A sum of £20,530 18s. 8d. has been added to the sinking fund established under section 27 of "The Government Advances to Settlers Act, 1908," bringing the total amount standing to the credit of that account to £44,189 18s. 8d. appropriated out of profits.

Mortgages under "The Land Transfer Act, 1908," and further charge mortgages are prepared and completed in the office at the nominal cost, including disbursements, of 5s. About 3,249 mortgages have been so completed. This effects a large annual saving to mortgagors, and avoids a very considerable loss of valuable time for settlers, owing to the money being paid over at the nearest money-order post-office free of exchange.

Seventeen freehold and eleven leasehold securities have for various reasons been realised by the Department up to the present time. In most cases fairly good surpluses over and above the advances owing to the Department have been obtained and refunded. In one case this year a loss of £92 has been made. It is the first since the inception of the Department. There are, however, on the Department's hands two securities which are not satisfactory and may ultimately prove a small loss, but it is not possible yet to predict what may be the final result.

Mortgagors continue to meet their half-yearly payments of interest and principal in a manner creditable to themselves and highly satisfactory to the Department, the stringency in the money-market apparently not affecting their ability to meet their payments to any noticeable extent.

The total amount of interest collected for the year amounted to £206,388 1s. 10d., an increase on the previous year of £34,327 14s. 11d. The total amount of interest collected to the 31st March, 1909, amounted to the sum of £1,422,319, in addition to the repayments of principal £3,130,498, making a grand total of £4,552,817, besides a large sum for insurance premiums, fees, &c., only a very trifling loss having been incurred; at the same time the amounts collected average only about £12 of principal and interest combined per annum from each mortgagor.

The volume of business transacted during the year, including the Workers Branch, has, like the preceding few years, been very large, and a word of praise is due to the staff and to the Valuers for the care and attention given by them to their work, which has contributed largely to the very satisfactory results of the operations of the year.

P. HEYES, F.S.A.A. Eng.,
Superintendent.