1909.
NEW ZEALAND.

GOVERNMENT ADVANCES TO SETTLERS OFFICE
(REPORT BY THE SUPERINTENDENT OF THE) FOR THE YEAR ENDING 31ST MARCH, 1909.

Presented to both Houses of the General Assembly by Command of His Excellency.

FIFTEENTH ANNUAL REPORT AND BALANCE-SHEET.

A FURTHER record has been established this year in the amount of business transacted, the applications numbering 4,471, amounting to £2,050,252, as against 3,183 applications, amounting to £1,668,135, for the previous year—an increase of 1,288 applications for £382,117. The advances actually granted during the year numbered 3,043, amounting to £1,493,835 12s., which exceeds those of the previous year by 672, amounting to £296,419 2s. 11d. The Board had up to the 31st March, 1909, authorised 25,534 advances, amounting to £9,206,925. Applicants to the number of 2,794 declined the grants offered them, amounting to £1,139,810, so that the net advances authorised to the 31st March, 1909, numbered 22,740, and amounted to £8,067,115. The total amount of advances actually paid over during the year for both the Advances to Settlers and Advances to Workers Departments was £1,792,019 18s. sterling.

Classified according to provincial districts, the total advances authorised to date are :—

Provincial District.	Number of Applications.	Amount of Advances authorised. £
Auckland	6,435	2,011,663
Taranaki	3,649	1,636,409
Hawke's Bay	1,236	367,135
Wellington	6,567	2,475,478
Marlborough	781	321,305
Nelson	348	110,620
Westland	534	127,530
Canterbury	2,191	716,000
Otago	1,690	673,455
Southland	2,103	767,330
Total	25,534	£9,206,925

Classified according to provincial districts, the advances authorised during the year ended 31st March, 1909, are :—

Provincial District.	Number of Applications.	Amount of Advances authorised. £
Auckland	953	304,380
Taranaki	348	185,860
Hawke's Bay	123	46,860
Wellington	908	389,800
Marlborough	105	41,445
Nelson	64	20,205
Westland	66	12,250
Canterbury	280	112,845
Otago	111	45,395
Southland	120	43,955
Total	3,078	£1,202,995

The advances outstanding are as follows :—

	Number.	Amount. £	s.	d.
Not exceeding £500	10,059	2,049,807	12	6
Exceeding £500 but not exceeding £1,000 ..	2,017	1,476,684	3	2
Exceeding £1,000 but not exceeding £2,000 ..	892	1,225,370	6	9
Exceeding £2,000 but not exceeding £3,000 ..	142	366,179	1	11
Total	13,110	£5,118,041	4	4

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.

Government Advances to Settlers Office, Wellington, 26th May, 1909.

ADVANCES TO WORKERS BRANCH.

Second Annual Report and Balance-sheet.

The Government Advances to Workers Act was passed on the 29th October, 1906. Applications for loans were first considered by the Board at its meeting on the 8th January, 1907, and for the year ended 31st March, 1909, the applications dealt with numbered 1,784, and amounted to £472,989, as against 1,310 applications, amounting to £351,610, for the previous year, an increase of 474 applications, for £121,379. The advances actually granted during the year numbered 1,116, for £298,184 6s., which exceeds those of the previous year by 336 for £94,206 3s. 10d. Up to the 31st March the Board had authorised 2,399 advances, amounting to £603,800. Applicants to the number of 142 declined the grants offered them, amounting to £32,590, so that the net advances authorised to the 31st March, 1909, numbered 2,257, and amounted to £571,210.

Classified according to provincial districts, the advances authorised are as under:—

Provincial District.	Number of Applications.	Amount of Advances authorised. £
Auckland	610	144,965
Taranaki	67	15,600
Hawke's Bay	123	31,615
Wellington	549	145,155
Marlborough	80	19,525
Nelson	75	16,680
Westland	96	20,285
Canterbury	522	142,735
Otago	196	50,265
Southland	81	16,975
Total	2,399	£603,800

Classified according to provincial districts, the advances authorised during the year ended 31st March, 1909, are:—

Provincial District.	Number of Applications.	Amount of Advances authorised. £
Auckland	321	73,695
Taranaki	31	7,030
Hawke's Bay	54	14,180
Wellington	281	75,875
Marlborough	41	10,625
Nelson	53	11,895
Westland	25	5,705
Canterbury	264	71,575
Otago	106	26,905
Southland	44	10,010
Total	1,220	£307,495

The advances outstanding are as follows:—

	Number.	Amount. £ s. d.
On freeholds	1,681	463,053 2 8
On leaseholds	118	19,495 0 0
Total	1,799	£482,548 2 8

The average freehold advance is £275, and the average leasehold advance is £165.

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

	Number.	Amount. £ s. d.
On freeholds	1,022	282,259 6 0
On leaseholds	94	15,925 0 0
Total	1,116	£298,184 6 0

For the year the average freehold advance is £276, and the average leasehold advance is £169.

The total sum raised by the Government on debentures for investment on mortgage is £473,500.

One thousand seven hundred and ninety-nine mortgagors are now indebted to the Department to the extent of £482,548 2s. 8d. in respect of principal moneys, an increase during the year of 1,042 mortgagors, amounting to £279,392 7s.

It was predicted in last year's report that the result of this year's operations would produce profits sufficient to cover the deficiency arising from preliminary expenses, and leave a surplus. These anticipations have been realised, so that there is a credit balance to carry forward amounting to £1,542 4s. 6d., after making the necessary provision for sinking fund.

The gross profits for the year ended 31st March, 1909, were £4,394 7s. 8d., and the cost of management and expenses of the Department £637 7s. 5d., being 0·18 per cent., or 2s. 8d. per £100 on the capital employed. The net profits amounted to £3,757 0s. 3d.

A sum of £1,552 17s. has been appropriated out of profits to the establishment of a sinking fund as required by section 56, (1), of "The Government Advances to Settlers Act, 1908."

Under the provisions of the Act, all mortgages are prepared in the office free of cost to mortgagors, and the work has been done in a most satisfactory manner and without difficulty.

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

Government Advances to Settlers Office, Wellington, 26th May, 1909.

BALANCE-SHEET.

STATEMENT of LIABILITIES and ASSETS at 31st March, 1909.

Liabilities.

	£ s. d.	£ s. d.
3-per-cent. loans, redeemable 1st April, 1945, "A" and "B"	2,000,000 0 0	
Sundry loans ..	2,223,800 0 0	
Advances on account of loans	935,000 0 0	
		5,158,800 0 0
Accrued interest payable on deposits ..		19 16 11
Accrued interest payable on account of loans		15,743 6 8
Reserve Fund		50,000 0 0
Sinking Fund		44,189 18 8
Suspense Account		2,221 4 1
Advances Suspense Account		24,798 18 5
Fire Loss Suspense Account		2,190 7 2
Profit and Loss Account		50,742 15 5
		£5,348,706 7 4

Assets.

	£ s. d.	£ s. d.
Investment Account—		
Advances on mortgage	8,248,540 0 0	
Less repayments ..	3,134,239 16 6	
		5,114,300 3 6
Mortgage instalments receivable—overdue		3,741 0 10
Interest receivable—overdue		14,325 1 8
Interest receivable—accrued		42,860 8 11
Bills receivable		128 10 7
Office Furniture Account		156 19 8
Insurance Premiums Account ..		106 13 8
Amounts transferred to Workers Branch		145,000 0 0
Cash in hand and in bank	29,834 19 1	
Less unpresented cheques	1,747 10 7	
		28,087 8 6
		£5,348,706 7 4

Government Advances to Settlers Office,
Wellington, 21st May, 1909.

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

W. N. HINCHLIFFE, Accountant.

Examined and found correct, subject to the remark that the Sinking Fund shown as a liability has not been established by being set apart from the moneys of the Advances to Settlers Account and accounted for as a separate fund, the moneys required for such Sinking Fund not having been paid out of the Advances to Settlers Account, as directed by section 22 (*e*) of the Act.

J. K. WARBURTON,
Controller and Auditor-General.

[The simple explanation of this is that the Sinking Fund is clearly accounted for in the books and balance-sheet of the Department as a separate fund, and that a transfer of an amount from one account to another account in the books is equivalent to a transfer of cash. It is, moreover, impossible to transfer the cash for the amount to be paid according to the Act out of Interest Account into Sinking Fund Account within the year, because the amount, being 10 per cent. of the total interest received, cannot be ascertained until after the year has closed.—P. HEYES, F.S.A.A. Eng., Superintendent.]

STATEMENT of PROFIT AND LOSS ACCOUNT for the Year ended 31st March, 1909.

Dr.	£ s. d.	Cr.	£ s. d.
To Management Expenses Account ..	9,969 11 7	By Interest Account—gross profits ..	71,574 15 7
Loan-flotation charges for the year ended 31st March, 1909, written off	782 7 5	Insurance premiums to 31st March, 1908, recovered	91 8 1
Loss on realisation of security ..	92 0 5	Premium on sale of debentures ..	3,013 15 0
Balance—net profits for the year ended 31st March, 1909 ..	63,835 19 3		
	£74,679 18 8		£74,679 18 8
Transfer to Sinking Fund.. ..	20,530 18 8	Balance as at 31st March, 1908 ..	7,437 14 10
Balance—net profits carried forward	50,742 15 5	Net profits for the year	63,835 19 3
	£71,273 14 1		£71,273 14 1

Statement of Interest Account for the Year ended 31st March, 1909.

Dr.	£ s. d.	£ s. d.
To Interest paid on loans	134,784 3 2	
Less accrued interest at 31st March, 1908 ..	11,210 1 8	
		123,574 1 6
Interest paid on deposits	43 0 10	
Less accrued interest at 31st March, 1908 ..	20 3 8	
		22 17 2
Accrued interest payable on deposits at 31st March, 1909		19 16 11
Accrued interest payable on loans at 31st March, 1909		15,743 6 8
Balance of interest gross profits transferred to Profit and Loss Account ..		71,574 15 7
		£210,934 17 10

Cr.	£ s. d.	£ s. d.
By Interest received on mortgages ..	205,309 6 7	
Interest received on bank balances ..	275 4 3	
Interest received on amounts transferred to Workers Branch	803 11 0	
		206,388 1 10
Less interest overdue and accrued at 31st March, 1908		52,638 14 7
		153,749 7 3
Interest receivable—	£ s. d.	
Overdue at 31st March, 1909 ..	14,325 1 8	
Accrued at 31st March, 1909 ..	42,860 8 11	
		57,185 10 7
		£210,934 17 10

Statement of Management Expenses Account for the Year ended 31st March, 1909.

Dr.	£ s. d.
To Audit Department	200 0 0
Court costs	39 5 5
Petty general expenses	11 0 0
Postages and telegrams	751 18 0
Post Office services	500 0 0
Printing and stationery	475 13 7
Registration and search fees.. ..	860 3 6
Salaries	6,945 5 4
Sundries	19 10 5
Telephones	18 5 11
Travelling-expenses	50 7 0
Valuation Department—Agency work ..	1,000 0 0
	£10,871 9 2

Cr.	£ s. d.
By Consent fees	20 10 6
Mortgage fees	288 10 0
Production fees	314 15 3
Release fees	278 1 10
Balance transferred to Profit and Loss Account	9,969 11 7
	£10,871 9 2

Statement of Receipts and Expenditure for the Year ended 31st March, 1909.

Dr. *Receipts.*	£ s d.
To Cash in hand and in bank at 31st March, 1908	1,126 9 7
Advances Suspense Account ..	200 0 0
Bills Receivable Account	105 18 6
Consent fees	20 10 6
Court costs	42 10 9
Fire Loss Suspense Account ..	4,029 9 0
Insurance Premiums Account—premiums refunded	497 13 4
Interest on bank balances.. ..	275 4 3
Interest on mortgages	205,309 6 7
Interest on amounts transferred to Workers Branch	803 11 0
Mortgages and instalments repaid ..	559,163 9 11
Mortgage fees	288 15 0
Production fees	316 19 3
Postages refunded	2 2 0
Registration and search fees ..	730 8 6
Profit and Loss Account—insurance premiums, as at 31st March, 1908, transferred	91 8 1
Profit and Loss Account—premium on sale of debentures	3,013 15 0
Release fees	278 11 10
Sundries	54 6 3
Suspense Account	70,741 7 0
Temporary advances on account of loan	1,048,800 0 0
Valuation fees	6,987 7 10
Workers Branch refunds	600 0 0
	£1,903,479 4 2

Cr. *Expenditure.*	£ s. d.	£ s. d.
By Advances on mortgage		1,493,835 12 0
Advances Suspense Account ..		27,574 19 7
Audit Department		200 0 0
Court costs		81 16 2
Fire Loss Suspense Account ..		3,261 17 0
Insurance Premiums Account—premiums paid		604 7 0
Interest on loans		134,784 3 2
Interest on deposits		43 0 10
Loan-flotatation Charges Account ..		782 7 5
Mortgage fee refunded		0 5 0
Office Furniture Account		89 15 4
Petty general expenses		11 0 0
Postages and telegrams		854 0 0
Post Office services		500 0 0
Printing and stationery		475 13 7
Profit and Loss Account—loss on realisation of security ..		92 0 5
Production fees refunded		2 4 0
Release fees refunded		0 10 0
Registration and search fees ..		1,590 12 0
Salaries		7,445 5 4
Suspense Account		50,032 9 5
Telephones		18 5 11
Sundries		73 16 8
Temporary advances to Workers Branch		145,000 0 0
Travelling-expenses		50 7 0
Valuation Department—	£ s. d.	
Fees	4,887 18 8	
Agency work ..	1,000 0 0	
		5,887 18 8
Valuation fees refunded and transferred		2,099 9 2
Cash in hand and in Bank at 31st March, 1909		28,087 8 6
		£1,903,479 4 2

Government Advances to Settlers Office,
Wellington, 21st May, 1909.
W. N. Hinchliffe, Accountant.

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

Examined and found correct.—J. K. Warburton, Controller and Auditor-General.

WORKERS BRANCH.—BALANCE-SHEET.

STATEMENT of LIABILITIES and ASSETS at 31st March, 1909.

Liabilities.	£	s.	d.
Advances on account of loan	328,500	0	0
Advances from Settlers Branch.. ..	145,000	0	0
Accrued interest payable on account of advances	2,682	1	8
Suspense Account	77	14	9
Advances Suspense Account	7,015	17	8
Fire Loss Suspense Account	250	0	0
Sinking Fund Account	1,552	17	0
Profit and Loss Account	1,542	4	6
	£486,620	15	7

Assets.	£	s.	d.	£	s.	d.
Investment Account—						
Advances on mortgage ..	507,652	8	2			
Less repayments ..	25,216	0	8			
				482,436	7	6
Mortgage instalments receivable—overdue				111	15	2
Interest receivable—overdue				537	11	10
Interest receivable—accrued				2,934	15	11
Insurance Premiums Account				4	1	10
Cash in hand and in bank	746	3	4			
Less cheques not presented	150	0	0			
				596	3	4
				£486,620	15	7

Government Advances to Settlers Office,
Wellington, 21st May, 1909.
W. N. HINCHLIFFE, Accountant.

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

Examined and found correct.—J. K. WARBURTON, Controller and Auditor-General.

STATEMENT of PROFIT AND LOSS ACCOUNT for the Year ended 31st March, 1909.

DR.	£	s.	d.	CR.	£	s.	d.
To Management Expenses Account ..	637	7	5	By Interest Account gross profits ..	4,394	7	8
Balance net profits for the year ..	3,757	0	3				
	£4,394	7	8		£4,394	7	8
Balance at 31st March, 1908	661	18	9	Net profits for the year	3,757	0	3
Transfer to sinking fund	1,552	17	0				
Balance net profits carried forward ..	1,542	4	6				
	£3,757	0	3		£3,757	0	3

STATEMENT of INTEREST ACCOUNT for the Year ended 31st March, 1909.

DR.	£	s.	d.	£	s.	d.
To Interest paid on loans ..	8,902	4	11			
Less accrued interest at 31st March, 1908	1,524	13	2			
				7,377	11	9
Accrued interest payable on loans at 31st March, 1909				2,682	1	8
Interest paid on amounts transferred from Settlers Branch				803	11	0
Balance Interest Account—gross profits transferred to Profit and Loss Account				4,394	7	8
				£15,257	12	1

CR.	£	s.	d.	£	s.	d.
By Interest on mortgages ..	13,152	17	4			
Interest on bank balances	74	16	11			
	13,227	14	3			
Less interest overdue and accrued at 31st March, 1908	1,442	9	11			
				11,785	4	4
Interest receivable—						
Overdue at 31st March, 1909	537	11	10			
Accrued at 31st March, 1909	2,934	15	11			
				3,472	7	9
				£15,257	12	1

STATEMENT of MANAGEMENT EXPENSES ACCOUNT for the Year ended 31st March, 1909.

DR.	£	s.	d.	CR.	£	s.	d.
To Court costs	0	6	0	By Consent fees	0	10	0
Postages and telegrams	100	0	0	Production fees	11	1	9
Printing and stationery	26	7	0	Release fees	6	15	0
Salaries	500	0	0	Balance transferred to Profit and Loss Account	637	7	5
Solicitors' costs	28	15	6				
Sundries	0	5	8				
	£655	14	2		£655	14	2

STATEMENT of RECEIPTS and EXPENDITURE for the Year ended 31st March, 1909.

Dr. Receipts.	£	s.	d.	Cr. Expenditure.	£	s.	d.
To cash in hand and in bank 31st March, 1908	10,007	9	5	By Advances on mortgage	298,184	6	0
Consent fees	0	10	0	Court costs	1	1	0
Court costs	0	15	0	Insurance premiums paid	15	0	5
Insurance premiums refunded ..	10	18	7	Interest on loans	8,902	4	11
Interest on bank balances	74	16	11	Interest on amount transferred from Settlers Branch	803	11	0
Interest on mortgages	13,152	17	4	Postages and telegrams	100	0	0
Mortgages and instalments of principal repaid	18,791	19	0	Printing and stationery	26	7	0
New titles	6	0	0	Registration and search fees, new titles, and stamp duty paid ..	444	18	9
Production fees	11	1	9	Salaries	500	0	0
Registration and search fees ..	427	11	3	Solicitors' costs	28	15	6
Release fees	6	15	0	Sundries	0	10	0
Stamp duty	11	7	6	Suspense Account	22,727	3	10
Sundries	0	4	4	Advances Suspense Account ..	29,119	10	2
Suspense Account	49,945	1	5	Fire Loss Suspense Account ..	247	6	11
Advances Suspense Account	1	10	0	Valuation Department fees	887	12	6
Fire Loss Suspense Account ..	748	1	4	Valuation fees refunded and transferred	214	1	7
Temporary advances on account of loan	123,500	0	0	Cash in hand and in bank 31st March, 1909	596	3	4
Temporary advances from Settlers Branch	145,000	0	0				
Valuation fees	1,101	14	1				
	£362,798	12	11		£362,798	12	11

Government Advances to Settlers Office,
Wellington, 21st May, 1909.

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

W. N. HINCHLIFFE, Accountant.

Examined and found correct.—J. K. WARBURTON, Controller and Auditor-General.

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