

	£	s.	d.
Total for which the office was liable to account ...	5,407,356	3	3
Less funds specially invested ...	173,948	13	10
Balance ...	£5,233,407	9	5
Disposed of as follows,—			
Investments—	£	s.	d.
Mortgages ...	4,411,893	15	1
Government securities ...	122,758	0	0
Local bodies' debentures ...	260,925	5	0
Land Settlement Finance Act debentures ...	153,136	17	3
Advances to estates by way of overdraft ...	72,997	5	1
Fixed deposits in bank ...	1,062	18	0
	5,022,774	0	5
Other assets—			
Office premises and furniture ...	73,869	17	3
Mortgage securities acquired ...	5,765	8	5
Interest accrued due but not received ...	£57,709	16	2
Interest overdue ...	2,006	2	9
	59,715	18	11
Advances to Agents by way of imprest ...	1,350	0	0
Unauthorized expenditure to be refunded out of Profit and Loss Account ...	82	11	11
Cash in hand ...	69,849	12	6
	£5,233,407	9	5

STATEMENT showing the Amounts invested and the Respective Rates of Interest on 31st March, 1912.

Debentures—£174,378 at 4 per cent.; £379,533 at $4\frac{1}{2}$ per cent.; £2,800 at $4\frac{3}{4}$ per cent.; £67,325 at 5 per cent.; £639 at 6 per cent.

Mortgages—£1,817,465 at $4\frac{1}{2}$ per cent.; £457,600 at $4\frac{3}{4}$ per cent.; £1,733,207 at 5 per cent.

Fixed deposits—£531 at 5 per cent.

Totals—£174,378 at 4 per cent.; £2,196,998 at $4\frac{1}{2}$ per cent.; £460,400 at $4\frac{3}{4}$ per cent.; £1,801,065 at 5 per cent.; £639 at 6 per cent.: total, £4,633,480.

From 31st March, 1912, until 21st January, 1913, the uniform rate asked by the office on all investments on mortgage was 5 per cent. This was raised to $5\frac{1}{2}$ per cent. on the date last mentioned.

With regard to securities submitted for loans, these are reported upon by the District Manager or Agent from whom they come. They are then specially valued by a Government Valuer. If the amount to be lent is £10,000 or upwards an additional valuation is obtained from an outside valuer. They are then submitted to the Board, usually consisting of the Public Trustee, the Government Life Insurance Commissioner, the Superintendent of the New Zealand State-guaranteed Advances Department, gentlemen familiar with the business of appraising mortgage securities; and these have the occasional assistance of the Surveyor-General.

No advance is made beyond three-fifths of the valuation, and in many instances that came under our notice not more than half was lent. The period of the loan is limited to five years, and if not paid off then the loan is only renewed on a fresh valuation.

Testing the character of the securities by the cases of the exercise of the power of sale or of entry into possession or legal proceedings for the recovery