

The advances outstanding are as follows :—

	Number.	Amount.	£	s.	d.
Not exceeding £1,000	10,330	2,497,853	0	11	
Exceeding £1,000, but not exceeding £2,000	596	804,108	13	2	
Exceeding £2,000, but not exceeding £3,000	111	252,645	9	2	
Total	11,037	£3,554,607	3	3	

The average amount of the advances now outstanding is £322.

	Number.	Amount.	£	s.	d.
On freeholds	6,670	2,740,747	5	6	
On leaseholds	4,206	738,441	11	6	
On freeholds and leaseholds (combined) ...	161	75,418	6	3	
Total	11,037	£3,554,607	3	3	

The average freehold advance is £411; the average leasehold advance is £175; and the average freehold and leasehold (combined) is £468.

The advances granted during the year ended the 31st March, 1907, are as follows :—

	Number.	Amount.	£	s.	d.
Not exceeding £500	1,476	319,925	4	7	
Exceeding £500, but not exceeding £1,000 ...	303	220,390	0	0	
Exceeding £1,000, but not exceeding £2,000	135	186,805	0	0	
Exceeding £2,000, but not exceeding £3,000	15	40,610	0	0	
Total	1,929	£767,730	4	7	

The average amount of the advances granted for the year is £398.

	Number.	Amount.	£	s.	d.
On freeholds	1,044	511,355	2	7	
On leaseholds	869	246,165	2	0	
On freeholds and leaseholds (combined) ...	16	10,210	0	0	
Total	1,929	£767,730	4	7	

For the year the average freehold advance is £490; the average leasehold advance is £283; and the average freehold and leasehold (combined) advance is £638.

Seventy-six 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 £3,560,000. Eleven thousand and thirty-seven mortgagors are now indebted to the Department to the extent of £3,554,607 3s. 3d. in respect of principal moneys, an increase during the year of 1,051 mortgagors, amounting to £427,619 13s. 3d.

The gross profits for the year ended 31st March, 1907, were £49,836 7s., and the total cost of management and expenses of the Department £4,864 14s. 5d., being 0·14 per cent., or 2s. 8d. per £100 on the capital employed. (The cost of the previous year was 0·13 per cent., or 2s. 7d. per £100.) The net profits amounted to £44,971 12s. 7d., an increase on the previous year of £10,924 3s. 5d., notwithstanding the additional expenses connected with the concessions granted to the mortgagors.

The loan-flotation charges have been further written down out of profits by the sum of £40,000. Next year this item will disappear altogether.

These eminently satisfactory results have been largely contributed to by the stoppage of the leakages in the shape of loss of interest on portion of the funds of the office, and consequently reaping the full benefit of all the funds of the office being employed in its own business; so that, notwithstanding the large amount—exceeding three-quarters of a million—of new business transacted during the year, the office has only had to resort to borrowing to the comparatively very small amount of £150,000.

Additional advances are now secured by further-charge mortgages prepared in accordance with the Act of last session, free of charge to the mortgagors, except the payment to the Deeds Office of the necessary 10s. registration fee. Four hundred and fifty of these mortgages were prepared and completed during the past year very satisfactorily and without difficulty.

Arrangements have now been made also whereby all mortgage-deeds securing loans will be prepared and completed free of charge to mortgagors, except the payment to the Deeds Office of a small fee of 10s. for registration. It is estimated that by this change a saving to mortgagors of fully £10,000 per annum in legal costs and fees will be effected. In addition to much time and trouble saved, far greater expedition will be given to the completion of loans, and much labour and expense saved to the Department.

Sixteen freehold and nine 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 no case has a loss been