

BALANCE-SHEET

During the year there has been an increase of £5,600,000 in loan liability, which is offset by a corresponding increase in mortgage investments. The actual new investments during the year totalled £11,784,000, and of this £6,184,000 was found from principal repayments, a normal procedure which is a feature of lending on instalment mortgage. The General Reserve Fund shows an increase of £288,589, and in terms of the statutory obligation to keep the Reserve Fund fully invested in approved securities, there has been a corresponding increase in the investment in Government and local-body securities. There is an increase of £473,540 in sundry creditors, and this is almost entirely represented by amounts due to the Lands Department in respect of farm lands on which servicemen have recently been settled and in respect of which the adjustment of accounts has not been completed. It is expected that payment to clear this amount will be effected early in the present financial year.

A substantial increase of £246,017 in sundry debtors will be cleared by adjustments with the Housing Account, on behalf of which the Corporation has made substantial payments. The unusually large amounts of the cash balances aggregating £694,216 were held to meet current liabilities—mainly the payments due to the Lands Department as mentioned previously.

REVENUE ACCOUNT

Total interest receivable this year at £3,136,784 shows an increase of £264,462 on the previous year and is in line with the increase in investments. The contribution from Treasury in respect of interest concessions on rehabilitation loans during the year reached the substantial figure of £541,897. Total management expenses show an increase of only £14,955, which is very satisfactory considering the substantial expansion in business and the increase in salaries and other overhead expenses during the year.

As in previous years, no charge has been made against any Government funds for the costs of administering rehabilitation advances made on business, furniture, and tools of trade securities, the cost this year being £102,964.

After making full provision for taxation and reserves, a profit of £50,420 (an increase of £10,385 on last year) is being paid to Treasury, representing a return of approximately 5 per cent. on the authorized capital of £1,000,000.

T. N. SMALLWOOD, Chairman of Directors.	} Directors.
B. C. ASHWIN	
D. BARNES	
R. G. MACMORRAN	