

*Balance-sheet.*—Taking the liabilities side, the authorized capital remains at £1,000,000. Stock and debentures outstanding show an increase of £2,935,520, bringing the total to £44,521,490, as compared with £41,585,970 outstanding at the 31st March, 1938.

The Contingent Liability Account shows a reduction of £274,040, due mainly to orders for reduction of mortgages in terms of the Mortgagors and Lessees Rehabilitation Act. The total now outstanding under this heading is £10,148,214. By the end of the current year it is anticipated that the full effect of the adjustments under the Mortgagors and Lessees Rehabilitation Act will be ascertainable as regards the amounts to be written off in terms of the Act.

The amount at the credit of the General Reserve Fund is increased by £132,635 to a total of £3,537,438.

On the assets side of the balance-sheet it will be observed that there has been little change in the total amount outstanding on loan in the mortgage section, from which it is apparent that the amount of new loans advanced during the year is about equal to the repayments made by mortgagors, plus the losses written off. Repayments in respect of mortgage investments amounted to £2,072,032 and in the local-body section £207,899.

The capital outstanding in respect of current loans under all sections amounts to £47,792,881, and the average loan in the respective classes of securities is :—

	£
Urban .. .. .	542
Rural .. .. .	1,208
Current Account .. .. .	406

There is an increase of approximately £1,000,000 in local-body investments. The book value of these investments, including interest accrued, is now approximately £6,213,000. The cash resources are fairly large, but against this commitments for loans not yet taken up must be set off.

The total assets of the Corporation now stand at £60,245,890 and show an increase of £1,792,116 over the previous year, and when it is realized that this sum embraces administration of no less than 69,833 accounts, under all headings, plus the administration of houses let under the State Housing Scheme, the part played by the Corporation in the financial structure of the Dominion will be evident.

#### STAFF.

It is pleasant to acknowledge and appreciate as we do the loyal and effective co-operation of administrative officers and staff. The year has been an exacting one in all sections, and the response has been very good.

A. D. PARK, Chairman of Directors.	
T. N. SMALLWOOD, Deputy Chairman of Directors.	
G. A. LEWIN	} Directors.
B. C. ASHWIN	
D. BARNES	