review approximately £4,000,000 was repaid in this way. When allowance is made for this the actual amount paid out during the year under the heading of "New Loans" approximated £11,000,000.

There is a corresponding increase on the Liabilities side of the balance-sheet in that the item "Stock and Debentures" has increased by £6,700,000, this amount being additional loan-moneys raised to meet the calls for new advances to clients.

Revenue Accounts

The expanding scale of lending operations has meant in its turn an increase in interest earned on mortgages and current accounts, and for the year under review this increase amounts to £288,240, while interest payable on loans raised by the Corporation also shows a corresponding increase of £185,405. Gross profit transferred to Profit and Loss Account was £570,792, as compared with £502,517 for the preceding year.

Management expenses including administration costs in connection with rehabilitation advances for business, tools of trade, and furniture loans have shown an increase of £14,916, and it is worth recording that, as in past years, the Corporation has continued to meet, without any claim on other Government funds, the total cost of administering the rehabilitation loans under the category mentioned above. This year the charge under this heading amounts to £87,735, as against £83,733 during the preceding year. Had this amount been recovered from the appropriate departmental account, the balance of profit payable to the Treasury would have been increased. A change has been made this year in the matter of provision for reserves. In the past the provision for reserves has been made in the Profit and Loss Account, but this year the charge has been carried down to Profit and Loss Appropriation Account, which accounts for the fact that the net profit for 1947–48 is shown at £165,353, as compared with £74,394 for 1946–47.

However, the important point is that, after making full provision for taxation and reserves, the balance in the Profit and Loss Appropriation Account available for payment to Treasury is £15,934 for 1947–48, as compared with £8,394 for 1946–47.

A. D. Park, Chairman of Directors.

T. N. Smallwood, Deputy Chairman of Directors.

B. C. Ashwin
D. Barnes } Directors.
R. G. Macmorran