(D) Profit and Loss Account for the Year ended 31st March, 1937.

	£ s. d.		£ s. d.
Interest Account	4,154 4 6	Revenue of rented properties	1,409 11 10
		Revenue of properties sold under agreement for sale and purchase	1,199 4 11
		Balance—Loss for the year	1,545 7 9
	£4,154 4 6		£4,154 4 6

	£ s. d.		£ s. d.
Balance as at 31st March, 1936	82,463 18 8	Transfer Reserve for bad debts	10,612 1 5
Loss for the year	1,545 7 9	Balance	73,397 5 0
	£84,009 6 5		£84,009 6 5
Balance	£73,397 5 0		

Balance-sheet as at 31st March, 1937.

Liabilities.	£ s. d.	£ s. d.	*Assets.*	£ s. d.	£ s. d.
Loan liability	492,820 0 0		Principal owing under agreements for sale and purchase	143,537 5 5	
Interest due and unpaid to Treasury	20,650 6 3		Advances to local authorities	1,375 0 0	
Interest accrued	6,252 4 11				144,912 5 5
		519,722 11 2	Instalments of principal overdue		7,497 16 3
					152,410 1 8
Liability to Consolidated Fund in terms of section 22, Finance Act, 1926		100 0 0	Dwellings let		438,538 19 4
Liability to Discharged Soldiers Settlement Account		*316,336 8 11	Freehold land		66,714 0 1
Sundry creditors		5,600 18 2	Factories and Plant Capital Account		38,476 18 8
Insurance Fund		9,994 6 9	Motor-vehicle		248 9 0
Sinking Fund		1,808 6 4	Furniture and equipment		826 13 4
			Construction Branch preliminary expenses		9,093 4 11
			Sinking-fund investment held by Public Debt Redemption Fund		5,163 6 2†
			Insurance Fund Investment (Government stock)		7,000 0 0
			Sundry debtors		3,836 13 8
			Interest receivable—	£ s. d.	
			Overdue	6,921 1 1	
			Accrued	80 10 8	
					7,001 11 9
			Rent overdue		5,097 5 11
			Insurance premiums—	£ s. d.	
			Receivable—Overdue	362 5 1	
			Payable—Paid in advance	197 0 4	
					559 5 5
			Realization Suspense Account		2,065 11 11
			Profit and Loss Account		73,397 5 0
			Cash		43,133 4 6
		£853,562 11 4			£853,562 11 4

* The item "Liability to Discharged Soldiers Settlement Account" represents the book value of assets taken over from that account, and will be subject to adjustment on valuation when empowering legislation is obtained.
† This amount includes the sum of £3,354 19s. 10d. paid into the Sinking Fund in accordance with the Public Debt Extinction Act, 1910.

R. Robertson, Chief Accountant.
A. D. Park, F.I.A.N.Z. F.R.A.N.Z., } Joint Managing
T. N. Smallwood, } Directors.

Wellington, 20th August, 1937.

I hereby certify that the Balance-sheet and accompanying accounts have been duly examined and compared with the books and documents submitted for audit, and correctly state the position as disclosed thereby, subject to the following comment: Assets of the Discharged Soldiers Settlement Account have been transferred to the Housing Account without legislative authority.—J. H. Fowler, Controller and Auditor-General.