The capital outstanding on mortgage accounts is £50,379,573, including the current account advances referred to above. The average loans on respective classes of securities are as follows :—

	£
Residential..	557
Rural	1,173
Current account	458

The cash position at the end of the year was satisfactory, having regard to the loan commitments outstanding.

Tabulated statement of profits and percentages appears hereunder :—

PROFITS AND PERCENTAGES.

Disposition and Appropriation of Profits for Year ending 31st March, 1937.		Percentage per Annum of the Stock Issue plus Capital.	Percentage of Gross Earnings.	Percentage of Gross Profits.
	£	£ s. d.		
Gross earnings	1,983,513	4·864 (4 17 4)	100·000	
Less Capital charges—Interest	1,236,282	3·032 (3 0 8)	62·328	
Gross profits	747,231	1·832 (1 16 8)	37·672	
			100·000	
Less Management expenses and depreciation of fixed assets	129,882	0·319 (0 6 5)	6·548	17·382
	617,349			
Reserve for losses (ex State and Corporation)	102,500	0·251 (0 5 0)	5·168	13·717
	514,849			
Dividends	4,558	0·011 (0 0 3)	0·230	0·610
Surplus for year 1936–37	510,291	1·251 (1 5 0)	25·726	68·291
		(1 16 8)	37·672	100·000
Plus Superannuation Reserve not now required	14,749			
	525,040			
Less Additional income-tax due, 1935–36	58,020			
Surplus due to Crown	£467,020			

24. *Organization and Staff.*—The change in the constitution of the Corporation as the result of the passing of the State Advances Corporation Act, 1936, necessarily affected the status of the staff. The legislation provided that all persons who on the commencement of the Act were permanent officers of the Corporation should thereupon be deemed to be officers of the Public Service within the meaning of the Public Service Act, 1912, and should hold office accordingly as if they had been appointed under that Act.

Special provision was made in regard to the superannuation rights of officers with a view to safeguarding the position of those officers who were formerly officers of the Public Service and contributors to the Public Service Superannuation Fund. Officers who were not previously contributors to the Public Service Superannuation Fund but who, in the meantime, had been appointed as permanent officers of the Corporation were given the right to become contributors to the Public Service Superannuation Fund.

In the year under review the organization has developed rapidly. New business has expanded, additional mortgage assets to the total value of approximately £11,500,000 have been transferred to the Corporation for administration, existing branch offices have been increased in scope, and five additional branches and two sub-offices have been opened, and from being dependent upon the Valuation Department for all field services the Corporation now has complete field representation by its own officers in both urban and rural spheres. The Board feels that the district representation which it now has through its branch offices and field staff is such that the Corporation should be well equipped to give efficient service to its mortgagors and to potential borrowers, and to cope with the problems of the future.