Revenue Accounts for Year ended 31st March, 1939.

Interest Account.

Dr.	£ s. d.
Interest on stock debentures..	1,435,747 12 3
Gross income transferred to Profit and Loss Account	819,071 12 11
	£2,254,819 5 2

Cr.	£ s. d.	£ s. d.
Interest on mortgages, current accounts, and local-body securities	2,388,460 14 9	
Less transferred to General Reserve Fund ..	138,358 1 3	
		2,250,102 13 6
Rentals: Properties acquired	4,402 14 1	
Less miscellaneous expenses thereon	2,210 0 4	
		2,192 13 9
Interest on temporary investments and sundries		2,523 17 11
		£2,254,819 5 2

Profit and Loss Account.

Dr.	£ s. d.
Management expenses (all inclusive)	252,337 15 2
Reserve for losses	25,157 5 7
Contingent Liability Account: Amount transferred under section 3, State Advances Corporation Amendment Act, 1935	15,000 0 0
Net income transferred to Appropriation Account	526,576 12 2
	£819,071 12 11

Cr.	£ s. d.
Gross income transferred from Interest Account	819,071 12 11
	£819,071 12 11

Profit and Loss Appropriation Account.

Dr.	£ s. d.
Investment Fluctuation Reserve	60,000 0 0
Balance, profits payable to Treasury	467,810 19 8
	£527,810 19 8

Cr.	£ s. d.
Balance (transfer from Income-tax Reserve)	1,234 7 6
Net income, transferred from Profit and Loss Account	526,576 12 2
	£527,810 19 8

Balance-sheet as at 31st March, 1939.

Liabilities.

	£ s. d.	£ s. d.
Authorized capital ..		1,000,000 0 0
Stock and debentures	44,521,490 0 0	
Accrued interest	249,367 19 3	
		44,770,857 19 3
Contingent liability to the Crown		10,148,214 0 0
Reserves—		
General Reserve	3,537,437 15 7	
Reserve for losses on investments	60,000 0 0	
Investment Fluctuation Reserve	120,000 0 0	
		3,717,437 15 7
Sundry creditors		31,340 1 1
Liability to the Crown—		
Surplus for year	467,810 19 8	
Interest payable on State's contribution to General Reserve	110,229 19 4	
		578,040 19 0
		£60,245,890 14 11

Assets.

	£ s. d.	£ s. d.
Mortgages and accrued interest ..	..	51,337,122 13 2
Securities in course of realization ..	523,148 19 4	
Losses chargeable to contingent liability when defined	38,053 5 9	
		561,202 5 1
Advances on Current Account and accrued interest ..		758,334 1 2
Government and local-body securities and accrued interest		6,213,200 11 8
Fixed assets at cost, less provision for depreciation: Office furniture, equipment, and motor-vehicles		45,161 6 1
Current assets—	£ s. d.	
Sundry debtors ..	30,828 3 7	
Temporary investment	300,000 0 0	
Lodgments in transit, cash in bank, and on hand ..	1,000,041 14 2	
		1,330,869 17 9
		£60,245,890 14 11

R. Robertson, Chief Accountant.

A. D. Park, F.I.A.N.Z., F.R.A.N.Z.
T. N. Smallwood } Managing Directors.

In accordance with the provisions of the State Advances Corporation Act, 1936, we report that we have obtained all the information and explanations we have required in respect of the accounts of the Corporation examined by us, and in respect of the above balance-sheet, which in our opinion is properly drawn up so as to exhibit a true and correct view of the state of the Corporation's affairs according to the best of our information and the explanations given to us, and as shown by the books of the Corporation.

L. H. Heslop, Public Accountant
R. C. Burgess, Public Accountant } Auditors.

Wellington, N.Z., 28th June, 1939.