

1898.
NEW ZEALAND.

THE ASSETS REALISATION BOARD

ANNUAL REPORT FOR THE YEAR ENDING 31st MARCH 1897.

Laid on the Table of the House of Representatives by Leave.

GENERAL MANAGER'S ANNUAL REPORT.

Wellington, 7th July, 1897.

I HAVE again the pleasure of submitting the balance-sheet and Profit and Loss Account for the half-year ending 31st March, 1897, and am much gratified to be able to report that, notwithstanding lower market prices for our staple products, the year's operations result in a balance to credit of Profit and Loss Account of £52,003 towards payment of debenture interest, as against last year's balance of £52,586—less reclamations, &c., £3,879 = £48,707. I should here, however, mention that a proportion of this surplus over expenditure is due to an enhanced market value, as compared with 31st March, 1896, of the stock on hand. Still, the enhancement is the result of an improved quality consequent on lighter stocking, heavier culling, and better selection.

In terms of the statute, a balance-sheet and profit and loss statement had to be made as at 30th September, 1896, and this was done. The statement, however, is really of no reliable service, and is practically no more than the balancing of the ledger accounts at that date, without any revaluation of stock. It is preferable that our balance should be annual, and that our books should be closed at the 31st March in each year, thus enabling the proper bringing to account of all revenue, stock-taking, &c.; and it would be desirable that, during the next coming session, Parliament should be asked to repeal this section of the statute in favour of the above suggestion.

Attached to the balance-sheet are full analytical statements of all accounts shown in same, and giving at a glance full particulars of contributing items.

(2.) STATUTORY CONTRIBUTION BY BANK OF NEW ZEALAND.

The profits of the bank for the year ending 31st March, 1896, were apparently insufficient for the payment to the Board of the full £50,000 as per statute, and we have only received £35,708, leaving £14,292 to be added to the £50,000 accrued due at the 31st March, 1897, or a total of £64,292, which, with our surplus of £52,003, will exceed debenture-interest requirements by £22,485, which will be carried forward.

(3.) REALISATIONS.

Attached is schedule of realisations for the year, aggregating £147,992, which, together with last year's sales (£63,219), total £211,211.

The special features are the sale to the Land Purchase Board of the Arowhenua Estate at £28,915, and the Albury Estate at £65,174. The latter I consider to be a good sale, but the former, as you will remember, was disposed of against my opinion and advice. Had the auction sale been allowed to go on I am positive that the Assets Board would have benefited to the tune of several thousand pounds. Bushy Park Estate has also been disposed of, and, considering its condition and the poor results we have for years had from its working, I look upon the arrangement as satisfactory. The Messrs. McKenzie are hardworking, conscientious, and economical, and I am very sanguine of their carrying through their engagements.

An auction sale of properties was held at Auckland in December. The sales totalled £8,948. Whilst, of course, leaving a heavy discrepancy on cost, it is generally considered the properties realised good values. It is, of course, impolitic to do more than feed the markets gradually, and only a proportion of the properties were offered. These were carefully valued in advance, and reserves fixed by the Board; such reserves were, to a large extent, fairly well covered. In the Auckland District the mining industry then booming gave considerable impetus to the sale, and there is still good inquiry for suburban sections, but hardly so good as was the case in December last. Special effort is being made to clear off sections of an undesirable nature—namely, such as have on them old dilapidated buildings, which not only produce little revenue, but are a continual cause of expenditure in repairs. Generally I think that the result of sales for the year may be considered satisfactory.