1898.
NEW ZEALAND.

NEW ZEALAND THAMES VALLEY LAND COMPANY (LIMITED)

(REPORT AND BALANCE-SHEET OF THE), FOR THE YEAR ENDING 31ST MARCH, 1898.

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

THE NEW ZEALAND THAMES VALLEY LAND COMPANY (LIMITED).

Dashwood House, 9, New Broad Street, London, E.C., 16th July, 1898.

NOTICE is hereby given that the ordinary general meeting of this company will be held at Dashwood House, No. 9, New Broad Street, in the City of London, on Tuesday, the 26th day of July instant, at 2.30 o'clock p.m. precisely, to transact the ordinary business of the company.

By order.

C. DUGALD BUCKLER, Secretary.

DIRECTORS' REPORT to the General Meeting of Shareholders to be held on the 26th July, 1898.

Directors—John Clerk, Esq., Q.C., W. T. Holmes, Esq., General Sir Reginald R. Gipps, K.C.B., Henry Kimber, Esq., M.P. *Local Director in New Zealand*—James Hume, Esq.

THE directors present their sixteenth annual report, and statement of accounts to the 31st March, 1898.

Extracts from Mr. Hume's last letter and his report upon the year's working are enclosed herewith.

The number of sheep on hand this year is 15,898, as against 17,973 last year. 11,988 sold during the year realised an average of 8s. 2d. per head.

A larger quantity of wool was sent to London, and it realised better prices per pound, than in the previous year.

The number of cattle counted was 2,252, as against 2,332 in the previous year; 236 sold during the year realised an average of over £5 11s. 10d. per head.

The credit balance in Profit and Loss Account for the year is £267 19s. 2d., as against £47 4s. 3d. last year.

The agreement, which was sanctioned by the shareholders in special meeting, with the North Island (N.Z.) Prospecting Syndicate (Limited) to prospect for gold over the whole of the company's estate, with a right to purchase on terms, has been only partially carried out. The syndicate did not put much energy into the work, and have now stopped operations.

Through the death of Mr. James McCosh Clark, which occurred on the 26th January last, the Board regret to have lost the valued services of an esteemed colleague. Mr. Clark, who had been a director of the company since its inception, was for many years resident in New Zealand, and knew the company's property. From his personal knowledge and experience he was able to render the Board much assistance. The vacancy on the Board caused by the death of Mr. McCosh Clark has been filled by the appointment of General Sir Reginald R. Gipps, K.C.B., a former director of the company.

As provided by the articles of association, one director retires from the Board by rotation. General Sir Reginald R. Gipps, K.C.B., therefore retires, and offers himself for re-election.

The auditor, Mr. Samuel Slater, of 32, Queen Victoria Street, London, E.C., retires, and offers himself for re-election.

By order of the Board.

C. DUGALD BUCKLER, Secretary.

Balance-sheet, 31st March, 1898.

Dr.	£	£	s.	d.
To Capital—				
Authorised, 50,000 shares, £10 each	500,000			
Issued, 48,000 shares, less 5,047 shares forfeited: 42,953 shares: £8 per share called thereon ..	343,624			
Less calls unpaid ..	450			
		343,174	0	0
Bills payable		1,574	10	0
Sundry creditors		3,468	3	0
		£348,216	13	0

Cr.	£	s.	d.	£	s.	d.
By Land Purchase Account—						
Land purchased by company (original cost)—164,200 acres ..				229,592	6	2
Land Development Account ..				71,815	15	1
Buildings				5,898	3	0
Live-stock				17,140	11	0
Implements, forage, and stores ..				3,502	0	8
Office furniture, London				15	0	0
Sundry debtors, London and New Zealand				4,181	6	1
Cash at bank, London, and on hand, New Zealand				809	6	10
Profit and Loss Account—						
Dr. balance, 31st March, 1897 ..	£46,241	16	8			
Less balance for year to 31st March, 1898	267	19	2			
	45,973	17	6			
Less amount paid on shares forfeited, £25,095; directors' remuneration in abeyance, £5,616 13s. 4d. ..	30,711	13	4			
				15,262	4	2
				£348,216	13	0

Profit and Loss Account for the Year ended 31st March, 1898.

Dr.	£	s.	d.
To London expenditure—			
Office expenditure—viz., directors' remuneration, auditors' fees, salaries, and rent	718	2	6
Printing, telegrams, postage, &c. ..	21	0	2
Law charges	51	6	4
New Zealand expenditure—			
Local directors' remuneration and officers' salaries	550	0	0
Travelling, printing, telegrams, postage, and general expenses	891	6	10
Freight and carting	26	8	3
Rates and taxes	776	18	10
Exchange	27	9	10
Interest	58	16	1
Law charges	1	16	4
Depreciation	78	0	8
Balance	267	19	2
	£3,469	5	0

Cr.	£	s.	d.
By Profit on live-stock, per manager's valuations (inclusive of wool)	2,792	2	3
Rentals of cottages and land	136	3	6
Interest—London	39	19	3
Transfer-fees	1	0	0
Prospecting option	500	0	0
	£3,469	5	0

Examined with the books and vouchers of the company in London, and with the accounts received from the manager in New Zealand, and found correct.—Saml. Slater, Auditor.

32, Queen Victoria Street, E.C., 11th July, 1898.

Extracts from Mr. Hume's Letter, dated Hamilton, New Zealand, 13th May, 1898.

"With regard to the area of land taken up for turnips, &c., I may remark that, although it seems large, it is all required for winter feeding, and it is all land on which the grass formerly sown had entirely run out, and was therefore producing nothing. I have reason to hope, as indicated in my report, that the grass land laid down during the last few years will be much more permanent, in consequence of the working of the land and of the manner in which it has been laid down, together with the more suitable seeds (including Chewing's fescue) which later experience has made it advisable to sow. It should also be remembered that the previous working of the land, even though the grass had entirely run out, did much to take sourness out of it, and has tended to make it respond the better to the later treatment."

"I have made some reference in my report to Chewing's fescue, which I consider a valuable grass in its proper place, and, seeing that experiments are now being made with it which will have more or less publicity, I made these remarks there so that shareholders may not think we are neglecting their interests in this matter."

"4. With regard to the prices obtained for stock, and first in reference to sheep: While the market for fat sheep was very low, our returns, thanks to Mr. Harrison's management, were much higher in general than those of other properties. Cull ewes also made good prices—a little more than their cost the year before, after we had the wool and a lamb from them."

"With regard to cattle: The price of beef has been exceptionally low, and our sales have suffered accordingly, not only in prices realised, but also through having to keep back a considerable number that otherwise would have gone off, and in consequence we shall have an unusually large number to go off during the current season, and these I hope to replace with young cattle at low prices. In this connection there is good reason to expect a rise in the local market for beef extending over the winter and spring, which we hope to take advantage of."

"I have referred in my report to the reduction in stock at end of year. I may say that this reduction is only temporary, and that I expect we shall shear as many sheep during the current as during the past year. The grass running out almost simultaneously on the large areas laid down some six or seven years ago has prevented any increase hitherto, but if the new grass laid down will only hold, as we have reason to expect it will, then a steady increase may be looked for without any increase in the annual expenditure."

Annual Report.

Dear Sir,— Hamilton, New Zealand, 5th May, 1898.

I beg to report for the information of shareholders as under:—

Season. — The year ending 31st March last was not generally favourable for fattening stock, the winter having been cold and wet, and the summer unusually dry, and in the early part very bleak and cold, and all through most unfavourable for the pastures, not only on our property, but all over the district.

Sheep.—We commenced the year with 17,973 and ended with 15,898. The sales comprised 6,143 fat sheep, mixed wethers and ewes, which averaged 9s. net, and 3,945 cull ewes, which averaged 5s. 9d. net, both on station. We forwarded to England 1,854 frozen lambs, which would arrive fairly early in the season, while the market was still good, and, being suitable weights and prime quality, ought to make remunerative prices.

We bred 5,629 lambs from 6,700 ewes, being an increase of about 84 per cent., and we bought 5,600 ewes, costing about 5s. 6d. each on the station. The losses for the year were 1,240, or about 6¾ per cent., which, considering the nature of the country, cannot be accounted heavy. There is an apparent reduction of the flock as compared with last year by 2,075, but that is only because some of the fat and cull ewes have been disposed of a little earlier than usual, the prices being fairly satisfactory, and it being desirable to dispose of anything fit for market before the winter, which has every appearance of setting in early this season. The breeding stock has been slightly increased, and I anticipate that we shall shear next season quite as many sheep as last, while the quality of the wool will be better from the absence of any newly burned bush clearings.

Cattle.—We commenced the year with 2,332 head, and ended with 2,252. We bred 292 calves from 370 cows, the increase being 80 per cent., and slightly better than last year. The losses were 138, or about 6 per cent., and cannot be considered heavy when the nature of the country and the difficulty of keeping the fences in the bush secure is taken into consideration. The sales comprised 175 steers, averaging £6 3s. 6d. net, and sixty-one cows, averaging £3 17s. net, on the station. As I have stated, the season has been most unfavourable for fattening cattle, and under ordinary conditions we should have got off three hundred more steers and probably one hundred cows. These, however, will now have to come into the current year, and be worked off when ready for the market, as opportunity offers. The profit on the cattle account is very small, and we find it advisable to reduce the number of breeding-cows and buy more young cattle, as it is now more profitable for us to do so than to breed.

Crops.—We had about 236 acres of oats, which was a fair crop, and harvested in good condition, the produce being estimated at 290 tons chaff. As so much of the work on the estate is now done by contract a considerable proportion will be available for sale, and should realise good prices, there being every prospect this season of a shortage of oats and chaff. We have 641 acres of swede turnips, which is a fairly good crop, and will be sufficient for requirements. We have also a considerable area of soft turnips sown out with grass, which will be required for the ewes and lambs in early spring.

Development and Regrassing.—The usual schedule of improvements is shown herewith. The regrassing has been confined to worn-out grass-land taken up for turnips or oats, and then laid down in new grass the following year with a thin sowing of rape or soft turnips, which is found by experience to be the best way of laying down grass on the light soils of this district; it also gives the quickest return and the most permanent results. We laid down 504 acres in rape and grass, and 287 acres chiefly in Chewing's fescue and clover in the spring, and 428 acres in turnips and grass in the early autumn. The season was unfavourable for the rape, and also to some extent for the soft turnips, but the grass is doing well, and gives every indication of becoming a good and fairly permanent pasture. The bush clearings, of which a very large area had to be resown in the autumn of 1897, gave but very little return until the latter part of the year, but are now carrying a much larger proportion of stock than formerly. Kaharoa in particular is a greatly improved clearing, and has every appearance of being a permanent pasture.

Chewing's Fescue.—During the last four years nearly all the land on which the grass has been renewed has been sown with from 2 lb. to 6 lb. per acre of the above grass, in addition to the usual mixture, and on the poor open land with good results. The grass itself is inferior in feeding quality to the varieties we usually sow, but it seems to suit the land, and to make more permanent pasture, and it seems probable that it may effect a great change for the better in the working and development of a very large proportion of our land. During the past year an area of 67 acres of fescue laid down by Mr. Rich has been leased to the Government Agricultural Department for the purpose of conducting experiments as to the stock it will carry and the value of the grass generally, and so far the results have been very satisfactory, but it is yet perhaps rather early to report conclusively, though I trust it will come up to expectations by giving a permanent pasture, and thereby greatly improving our prospects. I need hardly say that the whole credit of introducing this grass is due to Mr. Rich.

It has been rather unfortunate for the present management that the large areas of grass laid down in 1891, 1892, and 1893, on the open lands on the Waimakariri, Waiomo, and other blocks, have been for the last three years rapidly running out, while operations in the way of renewal had to be conducted upon a very limited scale, not exceeding the area required to be taken up each year for turnips, and did not nearly make up for the loss of old grass so run out. This will explain why the stock has had to be reduced.

During the last three or four years most of the grass has been laid down with rape or turnips after the land has been well worked, and with more or less of Chewing's fescue in the seed, and the results are much more satisfactory, and indicate that the pasture is going to become far more permanent.

Prospects.—Though the outcome of the year's operations has not been so satisfactory as might have been anticipated, owing to the unfavourable season and other causes, I have reason to expect that, as the land is more worked and sown with suitable grasses, the pasture is becoming more permanent, and so will enable us to increase our stock again and obtain better returns without having to increase our annual expenditure. I also think that for the current year there is a good prospect of better prices for fat stock, in consequence of the short crop of turnips throughout the district, and the very dry weather which has prevailed for some time in the coast districts, from which the Auckland stock market is also supplied.

I have only to add that the manager continues to work the property to the best advantage in the company's interests, and to make the most of it under the conditions in which he is placed.

Yours faithfully,

The Secretary, London. JAMES HUME, Local Director.

ORDINARY GENERAL MEETING OF SHAREHOLDERS, held at Dashwood House, 9, New Broad Street, London, E.C., on Tuesday, the 26th July, 1898.

John Clerk, Esq., Q.C., in the chair.

The Secretary (Mr. C. Dugald Buckler) having read the notice convening the meeting,

The Chairman said,—We will take the report and accounts as read, if you please.—(Yes.)—Well, gentlemen, I rise now for the purpose of moving the adoption of this report and of these accounts, and the first thing I feel called upon to notice is that which occurs in the latter part —namely, our regret at the death of Mr. McCosh Clark, who died, as appears in the report, on the 26th January, and the Board regret to have lost the valued services of an esteemed colleague. Mr. Clark had been a director with us since the commencement of our proceedings, and he was particularly useful because he had lived for the greater part of his life in Auckland, and knew the whole of the North Island well, and was able to give us advice on a great many occasions. The vacancy on the Board occasioned by his death has been filled up by the appointment of General Sir Reginald R. Gipps, K.C.B., a former director of the company. General Sir Reginald Gipps was a director with us a few years ago, and he kindly vacated his place in order to enable one of the representatives of the Bank of New Zealand to come and sit upon our Board, and we were very sorry to lose him at the time. Sir Reginald Gipps will, therefore, be a very useful person to us again. Now, gentlemen, this, as you see, is the sixteenth report which we present to you, and one can always feel, from having been upon this Board from the very commencement, how very much things have changed since we originally started as a land company, and solely as a land company, for the purpose of selling land which we had bought in the colony, and with the expectation of making a considerable profit by the sale of that land. Unfortunately, very little land has been sold by us. Unfortunately, I was one of the very few purchasers who had made any considerable purchase, for, having a son who was going out to settle in New Zealand, I bought from 500 to 700 acres, at the price of £2 10s. per acre, which we had hoped would be about the price which the land would bring in New Zealand. But there has been very little purchased besides that, and we have been obliged to make our land as useful as we could for the purpose of making it saleable, and putting it into the best condition for that purpose. Now, we have always wished and wished for purchasers, but, unfortunately, those purchasers have not come. We, with a tract of 164,000 acres of land, are carrying on a sort of small-farming proceeding in that country with a very limited amount of capital for the purpose. It may be conjectured that changes may be considerable, consequent upon whether the weather is good or bad. This last year has been a very unfavourable year in point of climate—it was very cold and very wet; and then, at a time when we hoped to have some moisture, it was very dry, with very cold winds. The consequence has been that the number of sheep has diminished from what it was in the previous year, and it has diminished the price that we got for them, because they only averaged a price of 8s. 2d. per head in the year 1898, whereas they had averaged 10s. in the preceding year. It was the same with regard to the cattle. There, again, they had averaged £6 a head in 1897, and they only averaged £5 11s. 10d. per head in the year ending 1898. The same bad fortune has attended us with regard to the sale of our frozen lambs, where the decrease has been ¾d. per pound. In wool, I am happy to say, there was a considerable increase in value. There was an increased quantity, as well as an improvement in price, resulting in an improvement of £552 in the sales of wool this year as compared with the previous year. Now, gentlemen, you will see in the accounts that it would appear there was a credit balance on Profit and Loss Account for the year of £267 19s. 2d., as against £47 4s. 3d. in the last year; but it must be remembered that the sum of £267 is made up by taking in a prospecting option of £500, so that if we deduct that exceptional amount there was actually a loss on the Profit and Loss Account of £232. Now, gentlemen, there was a hope that we entertained at the commencement of the year that our own original intention of having our land sold might begin to be carried out, because there was, as you may remember, in the course of last year, a special meeting at which an agreement was entered into authorising a prospecting syndicate to prospect for gold over the whole of the company's estate, with a right to purchase, on terms which have only been partially carried out. I presume they had not the capital for the purpose. They paid us before they went out, as was required, £500, and very little have they laid out since. They seem to have had no heart in the matter. We did not represent to them that there is gold there. We do not know whether there is any or not. We have never searched for gold, and we have never had authority to do so, and there is a risk in searching for gold which we did not desire to run. We granted this power to a syndicate, and they exercised it very partially, and now they have abandoned it altogether, and probably legal questions will arise between us and them upon the terms of that agreement—whether or not they have carried out what they contracted to do. Now, the great desire we have always had, and always shall have, is to sell a large quantity of our land—as large a quantity as we can. We have had a letter from one of our proprietors, who says in his letter that he has been for nine years an owner of shares—I think he holds fifty shares in the company—and he wishes, since the accounts are not so profitable as he would like, that we should enter upon liquidation. Now, with regard to entering upon liquidation, we have no creditors. We are not carrying on a very profitable concern, but we owe no money, and, as far as I can see, we are not going to make any calls. Therefore, how we are to go into liquidation I do not know; but this gentleman does not seem to be aware of what position we are in with regard to the general position in New Zealand. Probably you know that the Bank of New Zealand is by far the largest shareholder that we have in this company. Out of our forty-three thousand shares, twenty-five thousand are held by the Assets Realisation Company, who represent the Bank of New Zealand, and, of course, it depends entirely how they would treat us on a matter of liquidation—whether we could possibly enter into any system of forcing our land for sale in New Zealand. Gentlemen, we should be most thankful if we could get it sold at a fair price, but of that there seems to be no prospect at the present time, though it will become certainly more valuable than it has been, and there will be a better market created there by the working of gold, not on our estate but in the neighbourhood, which will by degrees create a better market. There is one matter I ought to bring to your notice, and it is affected very much by what Mr. Hume, who is the local director, says in his annual report which you have before you. Upon the second page, and in the fourth paragraph, he says, "It has been rather unfortunate for the present management that the large areas of grass laid down in 1891, 1892, and 1893, on the open lands of the Waimakariri, Waiomo, and other blocks, have been for the last three years rapidly running out, while operations in the way of renewal had to be conducted upon a very limited scale, not exceeding the area required to be taken up each year for turnips, and did not nearly make up for the loss of old grass so run out. This will explain why the stock has had to be reduced." I allude to this because within the last few weeks we have had a complaint from our former manager, Mr. Rich, with regard to certain expressions that had been found in the report of the late General Feilding, who, when he was out in New Zealand in the year 1894, went over the whole of our estate in New Zealand, and reported to us upon our holding. I see the report was dated 16th November, 1894. We received it some time early in the commencement of 1895, and it was published with the accounts at the general meeting of July, 1895, and contained this paragraph: "As regards the former management, I need only say that the advice given to the directors has been worthless, and the results financially disastrous." Now, in the year 1898 we have heard from Mr. Rich that he is pained—of course he knew it at the time—that he is pained by this paragraph having been inserted in a report which was made in 1894, and was published in 1895. Now, with regard to the complaints which were made by General Feilding, unfortunately, as he died in Siam within a few weeks after writing this report, we never saw him again, and we never could correspond with him with regard to it with a view of ascertaining as to what particulars he referred to; but that which I have read to you from Mr. Hume's report shows that there were large tracts of land which had been for the last three years rapidly running out in operation, and the consequence was that there was a great deal of money which had been needlessly expended in bringing in and clearing, as it were, very large tracts, sowing them with grasses for a time which in a few years are entirely worn out, and the whole matter has to be done over again. Now, with regard to this passage in the report, as I say, we never saw General Feilding on the subject, but we have every reason to feel convinced that he felt, as we have always done, that there was no imputation to be made upon the integrity of Mr. Rich—that he has always, in enclosing the large areas in New Zealand, done what he thought was for the benefit of the company; but it has not been a profitable expenditure, therefore it is impossible for us to say we feel called upon to withdraw the expression that was contained in General Feilding's report of 1895. We are certainly desirous of saying with regard to Mr. Rich that we never made any imputation against him with regard to his integrity, but we do feel that he erred most materially in judgment in the interests of this company. Now, so far are we from speaking unkindly of Mr. Rich that in the report of this year from Mr. Hume he says distinctly, with regard to the Chewing's fescue, which has been the matter under discussion with Mr. Rich, that "During the past year an area of 67 acres of fescue laid down by Mr. Rich has been leased to the Government Agricultural Department for the purpose of conducting experiments as to the stock it will carry and the value of the grass generally, and so far the results have been very satisfactory. I need hardly say that the whole credit of introducing this grass is due to Mr. Rich"; and we have always felt that Mr. Rich deserves very great credit indeed for the energy with which he has introduced the fescue grass into the country, and if it has the results which he expects from it he certainly will be the author of very great benefit to the district around. Now, gentlemen, there is but one other observation that I have to make upon the report which you have before you, and that is with regard to the prospects of this society. Mr. Hume says, "Though the outcome of the year's operations has not been so satisfactory as might have been anticipated, owing to the unfavourable season and other causes, I have reason to expect that, as the land is more worked and sown with suitable grasses, the pasture is becoming more permanent, and so will enable us to increase our stock again, and obtain better returns, without having to increase our annual expenditure. I also think that, for the current year, there is a good prospect of better prices for fat stock, in consequence of the short crop of turnips throughout the district, and the very dry weather, which has prevailed for some time in the coast districts, from which the Auckland stock market is also supplied." And we believe at the present time, from what we hear, there has been already an improvement of about 25 per cent. in the value of the fat stock, so that we hope the current year will be a considerable improvement upon the past year. Now, gentlemen, I do not know if I have anything more to say with regard to this report, which I ask you to accept, together with the accounts. I am afraid, feeling myself a considerable invalid at the present time, that I have stated the position in a perfectly incoherent manner, and, though the report is not as favourable a one as we should like to have presented to you, still there are prospects of success until the time comes when we can sell bits and bits of our land, and I hope, in time, the whole of the estate which we have in our hands. I therefore move, gentlemen, "That the report of the directors and the accounts for the year ending 31st March, 1898, now presented herewith be received and adopted."

Mr. W. T. Holmes: Gentlemen, I beg to second the resolution for the adoption of the report and accounts. After our Chairman's very lucid remarks on the affairs of the company there does not appear very much left for any one else to say, but, having some personal knowledge of the company's property, and having some knowledge of the Chewing's fescue grass referred to in Mr. Hume's report, I think we may indulge in a reasonable hope that in time to come we shall be saved from great expenditure in the renewal of grasses, and such economy will, of course, be reflected in the Profit and Loss Account of the company. I myself have considerable faith in this Chewing's fescue. I think the 67 acres which have been leased to the Government are part of the paddock of 92 acres I saw in 1893, and which had been only in the ground for two years, and it compared in appearance very favourably with a surrounding paddock which had been put down at great expense with manure and turnips and English grasses. I think, if our hopes in this respect are realised, the profit and loss statement in years to come will show better, and that also will make the land more readily saleable. As soon as the land contains a permanent pasture and is profitable for cultivation there will be people to buy. I have much pleasure in seconding the adoption of the report and accounts.

The Chairman: Gentlemen, is it your pleasure that the report be received and adopted, together with the accounts? Those of that opinion hold up your hands. To the contrary, theirs. It is adopted unanimously. I have now, gentlemen, to move, "That the retiring director, General Sir Reginald R. Gipps, K.C.B., be and hereby is re-elected a director of the company."

Mr. W. T. Holmes: I beg to second the re-election of General Sir Reginald Gipps as a director of the company.

The Chairman: I will put it to you. Those in favour of that signify the same. Against. That is carried.

Mr. Southall: I beg to move, "That the retiring auditor, Mr. Samuel Slater, of 32, Queen Victoria Street, London, E.C., be and hereby is re-elected auditor of the company for the current year, at the remuneration of twenty guineas."

Mr. Graves: I beg to second that.

The Chairman: I will put that to you. Those in favour signify the same. Against. That is carried. That, gentlemen, concludes the business that we have to transact to-day.

Mr. Graves: I beg to propose a vote of thanks to the Chairman, who has so ably expressed himself to-day, and has given us what information he has been able to do.

Mr. Southall: I beg to second that.

The resolution was agreed to.

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