SMALL FARMS SCHEME.

Revenue Account for the Year ended 31st March, 1941.

Dr.	£	£
Interest on capital—		
Public Works Fund	71,395	
Consolidated Fund	1,560	
		72,955
Rent payable		716
Remissions under Mortgagors and Lessees Rehabilitation Act, 1936—		
Principal	1,719	
Interest	3	
		1,722
Rebates		226
Travelling-expenses		13
Accident compensation		1,144
Miscellaneous expenses		18
Deficit on disposal of properties		205
Losses on realization of advances to small-farm occupiers		6,463
Losses on disposal of developed blocks		1,669
		£85,131
Balance—		£
Loss brought forward from 31st March, 1940		108,730
Loss brought down		48,137
		£156,867

Cr.	£	£
Rents receivable		4,669
Interest receivable on—	£	
Current Account mortgage	6,946	
Instalment mortgage	12,781	
Share-milkers' loans	902	
Miscellaneous advances	2	
		20,631
Interest accrued on loan to Napier Harbour Board		1,194
Interest on development expenditure recouped		9,336
Rebates on superphosphate		321
Surplus on disposal of properties		832
Profit on disposal of developed blocks		11
Balance: Loss for year carried down		48,137
		£85,131
		£
Interest on development expenditure recouped in respect of previous years		16,688
Balance: Loss to 31st March, 1941		140,179
		£156,867

Balance-sheet as at 31st March, 1941.

Liabilities.		£	£
Capital—			
Public Works Fund		2,017,615	
Consolidated Fund		39,000	
Land donated		1,115	
			2,057,730
Subsidies—			
Employment Promotion Fund		469,260	
Consolidated Fund		397,076	
			866,336
Loan from Social Security Fund			3,161
Land set aside for small farms—			
Crown Lands Account		58,259	
Education Endowment Account		2,547	
			60,806
Rent accrued: Crown Lands Account			361
Creditors—			
Rent		565	
Departmental		1,271	
Miscellaneous		12,408	
			14,244
Water Supply Account: Maintenance			838
Payments in advance—			
Rent		144	
Principal—	£		
Instalment mortgages	155		
Share-milkers' loans	123		
		278	
Interest—			
Instalment mortgages	490		
Share-milkers' loans	24		
Current accounts	28		
		542	
			964
Accrued interest on capital on blocks being developed			128,061
Rent Adjustment Account			295
Writings-off in Suspense			6,807
Capital Reserve: Special assets taken over at book value			39,453
Treasury Adjustment Account			171,321
			£3,350,377

Assets.		£	£
Land—			
Leased		79,797	
Unleased		358,034	
			437,831
Blocks under development			
Gross capital expenditure on development		1,861,827	
Expenditure on live-stock, chattels, and farm working		245,836	
			2,107,663
Loan to Napier Harbour Board (Ahuriri Lagoon)		29,821	
Add accrued interest		1,454	
			31,275
Advances to small-farm occupiers—			
Current Account	£		
Improvements	66,898		
Stock and chattels	60,194		
		127,092	
Instalment mortgages		277,810	
Miscellaneous		2	
			404,904
Advances under share-milking agreements			14,970
Realization Account: Properties in course of realization			6,725
Debtors—		£	
Rent owing by small-farm-occupiers		4,539	
Principal—	£		
Instalment mortgages	1,865		
Share-milkers' loans	1,193		
		3,058	
Interest—			
Instalment mortgages	4,310		
Share-milkers' loans	163		
Current accounts	5,483		
		9,956	
Departmental		4,861	
Miscellaneous		188	
			22,602
Deposits held by dairy companies		776	
Less Reserve		194	
			582
Interest Adjustment Account			4,097
Interest unrecouped on development expenditure			128,061
Rents unrecouped on leasehold interests on blocks since acquired			586
Losses in Suspense Account			6,807
Subsidies in respect of blocks disposed of—		£	
Consolidated Fund		14,001	
Employment Promotion Fund		30,094	
			44,095
Revenue Account: Balance carried forward			140,179
			£3,350,377

Notes.—(*a*) Profits or losses from farming operations on blocks under development are included in the Revenue Account only when the final position is ascertained on realization of the blocks. (*b*) Interest on expenditure on blocks under development has been credited to Revenue Account only to the extent that trading results have enabled it to be met. The balance has been credited to the Balance-sheet item "Accrued interest on capital on blocks being developed, £128,061."

R. G. Macmorron, Under-Secretary for Lands.
G. I. Beeson, Chief Accountant.

I hereby certify that the Income and Expenditure Account and Balance-sheet have been duly examined and compared with the relative books and documents submitted for audit, and correctly state the position as disclosed thereby, subject to the departmental notes enfaced thereon and the explanatory notes dealing with departmental accounts generally as appearing at commencement of parliamentary return B.-1 [Pt. IV]. The following comments are appended: (1) The account does not bear a charge for the cost of expenses incurred by Departments administering the scheme, other than a reduced charge for the supervision of the erection of cottages and milking-sheds; (2) it is unlikely that the realizable value of certain properties is equal to the development expenditure thereon.—Cyril G. Collins, Controller and Auditor-General.