SMALL FARMS SCHEME—*continued*

Balance-sheet as at 31st March, 1942

Liabilities

	£	£	£
Capital—			
Public Works Fund		2,142,503	
Consolidated Fund		39,000	
Land donated		9,320	
			2,190,823
Subsidies—			
Employment Promotion Fund		457,514	
Consolidated Fund		475,568	
			933,082
Loan from Social Security Fund		..	3,161
Land set aside for small farms—			
Crown Lands Account		60,096	
Education Endowment Account		2,548	
			62,644
Rent accrued: Crown Lands Account		..	288
Creditors—			
Rent		179	
Miscellaneous (departmental, &c.)		7,285	
			7,464
Water Supply Account: Maintenance		..	653
Payments in advance—			
Rent		152	
Principal—	£		
Instalment mortgages	154		
Share-milkers' loans	150		
Current Account	1,514		
		1,818	
Interest—			
Instalment mortgages	403		
Share-milkers' loans	21		
Current Account	17		
		441	
Water levies		21	
			2,432
Accrued interest on capital on blocks being developed		..	195,685
Rent Adjustment Account		..	895
Writings-off in Suspense		..	12,968
Capital Reserve: Special assets taken over at book value		..	39,453
Treasury Adjustment Account		..	233,414
			£3,682,962

Assets

	£	£	£
Land—			
Leased		79,720	
Unleased		6,379	
Purchase-price of area being developed, including value of Crown and other land set aside		424,047	
			510,146
Blocks under development—			
Gross capital expenditure on development		1,881,901	
Expenditure on live-stock, and farm working		270,987	
Chattels (including store buildings)		65,722	
			2,218,610
Loan to Napier Harbour Board (Ahuriri Lagoon)		29,083	
Add accrued interest		2,765	
			31,848
Water-supply schemes: Headworks		..	4,053
Advances to small farm occupiers—			
Current Account—	£		
Improvements	52,908		
Stock and chattels	55,190		
		108,098	
Instalment mortgages		300,755	
Miscellaneous		2	
			408,855
Advances under share-milking agreements		..	10,300
Realization Account: Leased areas in course of realization		..	12,800
Losses on blocks disposed of not finalized		..	1,084
Debtors—			
Rent owing by small farm occupiers		3,579	
Principal—	£		
Instalment mortgages	1,538		
Share-milkers' loans	909		
		2,447	
Interest—			
Instalment mortgages	3,395		
Share-milkers' loans	154		
Current accounts	4,861		
		8,410	
Water levies		165	
Miscellaneous (departmental, &c.)		3,943	
			18,544
Deposits held by dairy companies		884	
Less reserve		220	
			664
Interest Adjustment Account		..	4,287
Interest unrecouped on development expenditure		..	195,685
Losses in Suspense Account		..	12,968
Subsidies in respect of blocks disposed of—			
Employment Promotion Fund		34,421	
Consolidated Fund		14,480	
			48,901
Revenue Account: Balance carried forward		..	204,217
			£3,682,962

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 block. (*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, £195,685."

R. G. Macmorran, 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.