Assets.

Napier Harbour fixed assets and improvements consist of (*a*) the Inner Harbour and the Outer or Breakwater Harbour, with the accompanying wharves, sheds, and other facilities; (*b*) a railway-line of about 117 chains connecting the Outer Harbour with the New Zealand railway terminus at Port Ahuriri, together with engines and rolling-stock; (*c*) certain somewhat ancient dredges, and other harbour plant, stores, and materials, including a considerable stock of concrete piles, beach protective works, and office buildings and equipment. In addition to these harbour assets proper there is (*d*) real estate of various values, consisting of reclaimed lands and endowments vested in the Harbour Board. The particulars supplied on the last statement of the Board's accounts issued 30th September, 1926, page 20, and on the estimate for the current year ending 30th September, 1927, attached, may be summarized as follows:—

(11) Fixed Assets.

	1926 Valuation. £	1927 Valuation. £
Plant, buildings, and railway	41,352	40,915
Inner Harbour works	49,404	57,657
Outer Harbour works	258,041	255,075
Beach protection, stores, piles, &c.	28,102	24,243
	376,899	377,890
Land	376,899	377,890
Reclamations and endowments	257,728	254,830
Totals	£634,627	£632,720

(12) Cash Assets.

The following statement shows the cash assets held at the close of the same periods:—

	Nine Months to 30th September, 1926. £	Twelve Months to 30th September, 1927 (estimated). £
Fixed deposits	70,000	69,600 (loan-money)
Cash	622	3,500 ,,
Investments	300	300
Sundry debtors	16,925	16,680 (rates, rents, dues, &c.)
War Relief Fund investment	912	930
Sinking Fund investment	105,252	114,400
Cash assets	194,011	205,410
Fixed assets (above)	634,627	632,720
Total assets	£828,638	£838,130

(13) Liabilities.

The liabilities on the above dates are shown as under:—

	At 30th September, 1926. £	At 30th September. 1927 (estimated). £
Loans	656,900	656,900
Overdraft	8,923	10,348
Sundry creditors	4,486	4,510
Unredeemed debentures	100	100
Deposits	345	171
	£670,754	£672,029

(14) Loans and Contingent Liabilities.

The outstanding features in regard to loans and contingent liabilities are the commitments for *loan renewals and contracts for works* at present in progress.

On the 1st January, 1928, loans Nos. 3, 5, 6, and 7, amounting to £446,000, will mature, which, less the estimated sinking funds in hand on that date, will necessitate the renewal of, say, £335,000 as per schedule attached (Exhibit 158). The loan indebtedness will then be as follows: Conversion loan, £335,000 (as above mentioned); No. 8 loan, £197,100 (Inner Harbour loan); No. 9 loan, £13,800 (repayment previous liability); Total loan debt as on 1st January, 1928, £545,900.

Out of No. 8 loan a sum of £69,600 has not yet been expended, but is held on deposit pending prosecution of works connected with the Inner Harbour. The liability in respect to these works is £37,884, or, if certain works should be completed in concrete instead of stone, £52,757.

Against the total estimated indebtedness of £545,900 an amount of £6,347 will have accrued in sinking fund by the 30th September, 1927, which leaves the net debt after the above-mentioned renewals have been effected at about £539,000.