

STATE ADVANCES OFFICE—*continued*.

LOCAL AUTHORITIES BRANCH.

STATEMENT OF LIABILITIES AND ASSETS AS AT 31ST MARCH, 1936.

<i>Liabilities.</i>			<i>Assets.</i>		
	£	s. d.		£	s. d.
Sundry loans	2,778,690	15 7	Mortgage Corporation Reserve Contribution Account	2,750,443	5 5
Loan moneys: Unexpended balance under section 72, Local Bodies' Loans Act, 1913 ..	3,987	12 10	Loan Charges Account	23,530	2 2
Temporary loan from Public Debt Sinking Fund ..	449	11 0	Amount due by Mortgage Corporation pursuant to section 35 of the Mortgage Corporation of New Zealand Act, 1934-35, but not paid at 31st March, 1936	6,821	2 0
Sundry creditors for management expenses ..	655	3 2	Interest paid in advance	14,053	7 2
Premium on conversion	432	15 10	Profit and Loss Account	948	17 3
Interest on loans accrued but not due ..	11,580	15 7	Sinking Fund Investments held by Advances Office Sinking Fund	81,091	0 9
Sinking Fund	81,091	0 9			
	<u>£2,876,887</u>	<u>14 9</u>		<u>£2,876,887</u>	<u>14 9</u>

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 1936.

<i>Dr.</i>			<i>Cr.</i>		
	£	s. d.		£	s. d.
Management Expenses Account	1,073	3 1	Income-tax Reserve Account	2,104	4 7
Loan-flotation charges written down	1,116	10 4	Balance: Loss for the year	948	17 3
Balance: Interest Account	863	8 5			
	<u>£3,053</u>	<u>1 10</u>		<u>£3,053</u>	<u>1 10</u>

INTEREST ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 1936.

<i>Dr.</i>			<i>Cr.</i>		
	£	s. d.		£	s. d.
Interest on loans	102,722	0 8	Interest on debentures	31,142	2 2
Less accrued at 31st March, 1935	11,580	15 7	Accrued interest taken over by Mortgage Corporation	21,624	12 3
				52,766	14 5
Interest on loans accrued but not due	91,141	5 1	Less overdue and accrued at 31st March, 1935	32,729	4 2
	11,580	15 7			
				20,037	10 3
			Interest payable in accordance with section 35 of the Mortgage Corporation of New Zealand Act, 1934-35	81,821	2 0
			Balance transferred to Profit and Loss Account	863	8 5
	<u>£102,722</u>	<u>0 8</u>		<u>£102,722</u>	<u>0 8</u>

MANAGEMENT EXPENSES ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 1936.

<i>Dr.</i>			<i>Cr.</i>		
	£	s. d.		£	s. d.
Audit Office services	30	0 0	Payment for forms	60	0 0
Cleaning, lighting, heating, and messenger services ..	20	0 0	Balance transferred to Profit and Loss Account	1,073	3 1
Management charges: New Zealand stock and bonds ..	446	17 8			
Postages and telegrams	25	0 0			
Post Office services	30	0 0			
Printing and stationery	35	0 0			
Public Service Superannuation Fund contribution ..	15	0 0			
Rent	40	0 0			
Salaries	491	5 5			
	<u>£1,133</u>	<u>3 1</u>		<u>£1,133</u>	<u>3 1</u>

NOTE.—See departmental note on Advances to Settlers Branch Accounts.

GEO. G. ROSE, Superintendent.

F. R. JAMIESON, Accountant.

I hereby certify that the Balance-sheet and accompanying accounts have been duly examined and compared with the books and documents submitted for audit, and correctly state the position as disclosed thereby, subject to the departmental notes enfaced thereon and to the following exceptions: (1) The amount of exchange paid in respect of the interest which has been paid in London on the loans of this account has not been charged to the account, but has been borne by the Consolidated Fund; (2) the Mortgage Corporation Reserve Contribution Account which represents the capital moneys secured by local body debentures transferred to the Corporation should not appear in the Balance-sheet as an investment of the Superintendent as it is not the property of the Superintendent. In terms of the legislation the Corporation is required to pay to Public Account interest on these moneys which form part of the General Reserve Fund of the Corporation; (3) the Profit and Loss Account is overstated to the extent of the interest payable on the amount of the debentures so transferred in accordance with section 35 of the Mortgage Corporation of New Zealand Act, 1934-35. The interest payable is required to be paid to Public Account and not the State Advances Account; (4) accumulated losses amounting to £121,125 0s. 5d. have been written off against the Sinking Fund contrary to the purpose for which that Fund was established.—G. F. C. CAMPBELL, Controller and Auditor-General.