I hereby certify that the Revenue 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. The following comments are appended: (1) Expenditure under the New Plymouth Harbour Endowment Act, 1874, totalling £1,592 4s. 11d., which is now reflected in the Income and Expenditure Account of the Lands and Survey Department Account, should, in the opinion of the Audit Office, be included in the Revenue Account and shown as a charge against rents; (2) The charges on land with respect to expenditure under section 47 of the Land for Settlements Act, 1925, or the corresponding provisions of any former Act, have not been abolished as required by section 17 (5) (*b*) of the Land Laws Amendment Act, 1927; (3) Separate capital liability bearing interest and sinking-fund charges is not shown for expenditure on Crown Lands under the Maori Land Settlement Act, 1905; (4) In the opinion of the Audit Office, the assets Land, Ngamahanga Block, £5,646 0s. 7d., and expenditure from Public Works Fund on Native developmental areas proclaimed subject to section 522, Native Land Act, 1932, £6,535 1s. 7d., which represents expenditure from Crown Lands Account on assets of the Native-land developmental schemes controlled by the Native Department, should be reflected in the accounts of the schemes; (5) The provisions of section 537, subsection 5 (*a*), of the Native Land Act, 1931, have not been complied with in respect to the asset sundry debtors for rates on Native blocks in Waiapu Consolidation Scheme, £5,694 4s. 7d.—G. F. C. Campbell, Controller and Auditor General.

HOWARD ESTATE ACT, 1919: ESTATE OF JOSIAH HOWARD.

Farm Working Account for Year ended 5th January, 1935.

Dr.	£ s. d.		£ s. d.
To Horses Account	13 10 0	By Sheep Account	1,693 12 1
Wages	1,232 9 9	Cattle Account	330 0 6
Balance, being gross profit carried down to Profit and Loss Account	2,615 11 8	Wool and Hides Account	1,462 18 0
		Produce Account	375 0 10
	£3,861 11 5		£3,861 11 5

Farm Profit and Loss Account for Year ended 5th January, 1935.

Dr.	£ s. d.	*Cr.*	£ s. d.
To Maintenance and general expenses	2,202 9 2	By Gross profit brought down from Farm Working Account	2,615 11 8
Smedley Boys' Training Farm	560 3 8	Sundry revenue	5 9 2
Fence and scrub-cutting	293 7 11	Balance, being net loss carried down to Income Account	434 19 11
	£3,056 0 9		£3,056 0 9

General Estate Income Account for Year ended 5th January, 1935.

Dr.	£ s. d.	*Cr.*	£ s. d.
To Net loss brought down from Farm Profit and Loss Account	434 19 11	By Dividends and interest	318 4 2
Advisory Board expenses	71 17 4	*Transfer from reserve for value of produce unrealized	1,146 0 0
Balance transferred to Estate Account	957 6 11		
	£1,464 4 2		£1,464 4 2

Balance-sheet as at 5th January, 1935.

Liabilities.	£ s. d.	*Assets.*	£ s. d.	£ s. d.
Sundry creditors	163 8 0	Land and buildings		61,045 18 5
* Reserve for value of produce unrealized	2,096 0 0	Farm implements, machinery, &c.		660 13 11
Capital	85,396 10 6	Furniture		134 16 2
		Live-stock—		
		Sheep	7,530 8 8	
		Cattle	2,472 6 0	
		Horses	400 0 0	
				10,402 14 8
		Produce		493 0 0
		Wool, hides, and skins		1,603 0 0
		Sundry debtors		5 14 5
		Shares		125 0 0
		Cash		8,461 8 7
		Expenditure capitalized—		
		Smedley Boys' Training Farm		2,083 0 7
		Fence and Scrub-cutting Account		2,640 11 9
	£87,655 18 6			£87,655 18 6

* Reserve created to ensure that the value of unrealized produce is not made available for payment as income.

B. C. Ashwin, Accountant to the Treasury.

I hereby certify that the Balance-sheet and accompanying Accounts have been duly examined and compared with the relative books and documents submitted for audit, and correctly state the position as disclosed thereby.—G. F. C. Campbell, Controller and Auditor-General.