

ADVANCES OFFICE SINKING FUND ACCOUNT.

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

<i>Liabilities.</i>				<i>Assets.</i>			
	£	s.	d.		£	s.	d.
Sinking Fund	2,249,547	7	7	Contingent liability of Mortgage Corporation under section 38 (2) of the Mortgage Corporation of New Zealand Act, 1934-35	2,263,608	3	5
Interest earned for the year ended 31st March, 1936—	£	s.	d.				
Settlers Branch	11,493	19	0				
Workers Branch	574	5	4				
Local Authorities Branch	1,992	11	6				
	14,060	15	10				
	£2,263,608	3	5		£2,263,608	3	5

NOTE.—The Advances Office Sinking Fund is held by the following branches: Settlers, £2,088,114 13s. 5d.; Workers, £94,402 9s. 3d.; Local Authorities, £81,091 0s. 9d.. Total, £2,263,608 3s. 5d.

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

<i>Dr.</i>				<i>Cr.</i>			
	£	s.	d.		£	s.	d.
Interest on investments transferred to Sinking Fund Account	14,060	15	10	Interest on loans to—			
				Settlers	40,124	14	4
				Workers	2,271	15	4
				Local bodies.. .. .	5,915	14	10
					48,312	4	6
				Less overdue and accrued at 31st March, 1936.. .. .	34,252	14	4
					14,059	10	2
				Interest on outstanding payments		1	5
	£14,060	15	10		£14,060	15	10

NOTE.—Incidental to the apportionment of the Mortgage Corporation stock and contingent liability the local authority debentures held by the Advances Office Sinking Fund were transferred to the Public Debt Sinking Fund in exchange for contingent liability. Portion of these funds amounting to £121,125 0s. 5d., which represented investments of the sinking fund of the Local Authorities Branch, has been used for writing off an accumulated loss in that Branch, previously carried forward, although this is not authorized by the present statutes. See also 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 en faced thereon and to the following exceptions: (1) The contingent liability of the Mortgage Corporation should not appear among the assets of the Superintendent as it is not the property of the Superintendent. In terms of the legislation, so long as this liability exists, the surplus profits of the Corporation are payable to the Public Account and not to the State Advances Account; (2) the assets of the fund should include local body investments which have been transferred to the Public Debt Sinking Fund Branch without legislative authority.—G. F. C. CAMPBELL, Controller and Auditor-General.