

REVENUE ACCOUNTS AND BALANCE-SHEET.

The Profit and Loss Account for the past year and the Balance-sheet showing the Board's financial position at 30th June, 1941, are submitted hereunder :—

Dealing first with the Profit and Loss Account, there is only one item that calls for special comment, and that is the amount payable to the Treasury on account of interest —£12,000. This is an increase of £4,000 as compared with the previous year, due to the rate of interest being raised from 2 per cent. to 3 per cent. Under authority contained in section 17 of the Rural Intermediate Credit Act, 1927, the sum of £5,494 has been transferred from Redemption Fund Income Account to meet that part of the interest payable on the £400,000 advance from the Consolidated Fund which is not covered by the net revenue from the Board's other investments.

The Balance-sheet on the liabilities side discloses no great variation from the previous year's statement. Of the advance of £400,000 from the Consolidated Fund, £266,666 13s. 4d. is available for investment in the ordinary business of the Board, and the balance is held in the Redemption Fund Account and is specially invested in Government securities. Income from these investments, less any amount transferred to Profit and Loss Account in terms of section 17, is accumulated and invested as part of the Redemption Fund. Half of the Board's profits (if any) is also added to this fund, the other half being transferred to Reserve Account.

The assets show some variation during the year, the principal of which are—

- (a) An increase in the Redemption Fund investments, which now stand at £243,047.
- (b) An increase in the amount of advances—
 - (i) To associations, which total £159,547, compared with £138,209.
 - (ii) To farmers direct, totalling £8,312, as against £7,308.

Altogether we have no reason to be disappointed with the result of the year's business, which has shown some appreciable increase over recent years, and we extend our sincere thanks and appreciation to members of the district boards and association directors and secretaries for their helpful co-operation. There is no doubt that the Rural Intermediate Credit system is fulfilling an important part in the financial structure of the Dominion, and is of great benefit to farmers.

It is with regret that we record that our esteemed colleague Mr. G. A. Lewin, C.M.G., who has been a member of this Board since 1937, died on the 25th June, 1941.

A. D. PARK	} Joint Managing Directors.
T. N. SMALLWOOD	