COAL-MINES—continued.
STATE
ZEALAND
NEW
THE
OF
BALANCE-SHEET

1909—continued.
March,
3Ist
at
Assets
and
Liabilities
of
Statement

Liabilities.

£ s. d.	Wanganni Danot Property Account	Assets.		£ s. d.	£ s. d.
	Cost at 31st March, 1908	:	:	1,681 18 9	
	Additional outlay during the year	:	:	70 14 6	
	Loss of horse	:	:	1,752 13 3	
	Depreciation	:	:	1,712 13 3 85 12 8	٠.
	Stocks on hand	:	:	$\begin{array}{cccccccccccccccccccccccccccccccccccc$	
	Dunedin Depot Property Account	:	:	1,068 6 9	2,620 17 0
	Wellington office furniture	:	:	980 0 10	t
	Cost at 31st March, 1908	:	:	95 5 2	2,048
	Lepreciation	:	:	4 15 3	
	Sundry debtors	:	:	:	90 9 11 20.170 2 6
	Deposits, contracts account	1000 1000 1000	:		65 0 0
	Less vouchers outstanding	ISC MERCON, 1303	::	8,974 9 5	
-					18,046 18 7
£196,462 15 0				65 <sub>6</sub>	£196,462 15 0

State Coal-mines Office, Wellington, 4th June, 1909.

LOUIS H. ELLERS, Accountant.
P. HEYES, F.S.A.A.Eng., Inspecting Accountant.

Examined and found correct, subject to the following remarks:--

1. The Sinking Fund shown as a liability has not been established by being set apart from the moneys of the State Coal-mines Account.

2. There is no authority of law for the establishment of the Reserve Fund shown as a liability.

J. K. Warburton, Controller and Auditor-General. 7/9/9.

The explanation in reply to the foregoing tag is as follows:—

1. The Sinking Fund is as truly established by a transfer from Profit and Loss Account as if the actual "moneys" had been paid or "set apart."

2. Whilst there is no authority of law to compel the establishment of a Reserve Fund, there is no law prohibiting the foundation of such a desirable fund to provide

P. Heyes, F.S.A.A.Eng., Inspecting Accountant. against the possibility of losses which may occur at some future time.

Minister of Mines. R. McKenzie,