

30th September, 1940.

SIR,—

We report that we have completed the audit of the accounts of the Mangatu No. 1 Block for the twelve months ended 30th June, 1940, also the accounts for the Mangatu Nos. 3 and 4 Blocks for the same period. We attach hereto a set of the foregoing accounts. We have the following comments to make :

Freehold Property. We have not inspected the title deeds relative to the properties, but have accepted the certificate from the mortgagee, the District Public Trustee, that he is holding certain of the documents as security for advances. The Solicitors to the Trust have also certified that they are holding on behalf of the East Coast Commissioner the documents relating to the Mangatu Blocks which are not subject to mortgage.

Stock. We have accepted the numbers and values of live-stock on the stations as at 30th June, 1940, as certified to by the Farm Managers and Mr. H. Syne, the Farm Supervisor.

Distributions.—In cases where payments have been made to Natives during the year under review from the Tairāwhiti District Maori Land Board we have accepted the Board's receipts for moneys paid to them, but have not checked the individual receipts of the Natives concerned. The same procedure has been adopted as in previous years, and the individual receipts of the Natives will be checked by the Government auditors in the course of their audit of the Tairāwhiti District Maori Land Board.

The amount distributed to beneficiaries for the year under review was £4,222 10s.

Mutton and Lamb unrealized (Cr. £1,672 17s.) The mutton and lamb unrealized is deducted in the Balance-sheet from the wool, produce, and building-materials on hand.

Account sales had not been received at 30th June, 1940, for certain consignments of mutton which were on hand at 30th June, 1939. In the meantime, the gross proceeds which were received have been credited to "Mutton unrealized," and when the complete account sales come to hand an adjustment will be made by crediting the stations concerned.

Mangatu Nos. 3 and 4. These accounts are incorporated in the books of No. 1 Block, but separate Balance-sheet, Income Account, and Statements have been prepared.

Subject to the foregoing remarks, we certify that to the best of our knowledge and belief the accounts signed by us are correct.

We have, &c.,

CLARKE, MENZIES, GRIFFIN, AND CO.,
Public Accountants, Auditors.

The Hon. the Minister of Native Affairs, Wellington, C. I.

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