

It is satisfactory to note that, in reviewing the differences between appropriations and actual expenditure over the last few years, the estimating by Departments, considering their more extended operations, is showing closer results.

SUMMARY OF YEAR'S OPERATIONS.

Summary of year's operations.

A surplus of revenue over expenditure is again shown on the operations for the year, viz.,—

	£
Revenue	24,725,762
Net expenditure	23,570,083
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Leaving a surplus of	£1,155,679
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The following shows the result in the funds of the Ordinary Revenue Account at the end of the year :—

	£
Balance forward, 1st April, 1925	4,150,806
Add—	
Surplus, 1925–26	1,155,679
Reparation-moneys received from Germany	186,227
Balance of New Zealand Consols Account transferred	475,992
Special receipts	858
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	5,969,562
Less—	
Special payments	1,917
Transfers during the year, to—	
Public Works Fund	500,000
Working Railways Account	473,392
Loans Redemption Account	566,161
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	1,541,470
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Balance, 31st March, 1926	£4,428,092
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The balance was held as follows :—

	£
Cash	2,343,168
Imprests outstanding	226,350
Investments	1,858,574
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	£4,428,092
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Transfer to Working Railways Account.

The transfer of £473,392 to the Working Railways Account, in terms of the Government Railways Amendment Act, 1925, to provide funds for working capital represents the balance of the excess of railway revenue paid to the Consolidated Fund from the 1st April, 1896, to the 31st March, 1925, after allowing the interest on capital at the policy rates. The total excess was £1,327,649, from which were deducted moneys paid out of the Consolidated Fund for railway stores and other charges outstanding at the latter date, totalling £854,257, leaving a balance of £473,392. The year's revenue has not been charged with this non-recurring expenditure, as the excess railway revenue in past years has helped to build up the accumulated surpluses of the Consolidated Fund, and the payment has been regarded as a refund therefrom.

Reparation-moneys.

Of the £186,227 reparation-moneys received from Germany, £151,824 was included in the £566,161 transferred to Loans Redemption Account and has been applied in reduction of the war debt.

Transfer from New Zealand Consols Account.

The New Zealand Consols Act was repealed by section 11 of the Finance Act, 1925, and the £475,992 shown as transferred to Ordinary Revenue Account above represents the balance of cash and investments of that account, to which I will return later. Consols to the value of £475,492 were redeemed out of the Consolidated Fund during the preceding financial year, and the balance of £500 in 1925–26.