

The Act provides that a register shall be kept by the Board of co-operative societies to which this part of the Act is applicable, entry in the register being made only on the application of the societies.

Up to the present the provisions have not been utilized to any extent, one application only having been received for entry on the above register. This application was approved, but so far no applications have been received for advances.

## FINANCE AND ACCOUNTS.

57. The system of accounts designed to record the business of the Board has continued to prove satisfactory, and throughout the year has admirably fulfilled all requirements. All accounts relating to advances are kept at the offices of the district boards, and thus information required by borrowers in relation to their accounts is readily available and District Supervisors are always completely informed without the necessity of reference to the Head Office.

The progress of the business in the various districts is closely watched, and the Head Office is kept in touch with the position by regular returns rendered by each District Supervisor. By this system the financial requirements of branches can be gauged and arrangements made to have funds available for settlement of loans when required. Remittances to branches for settlement of loans are made only when everything is in order for disbursement of the money, and this ensures that no large sums lie idle in the branch bank accounts.

Provision has been made for the temporary investment in Government securities of all funds not immediately required for payment of loans, &c., and these moneys have thus been enabled to earn interest while awaiting permanent investment. The system ensures that there shall be no delay in making temporarily invested funds available when they are required to settle with borrowers.

58. *Accounts to 30th June, 1929.*—This is the Board's first complete year, the period to 30th June, 1928, being of six months only from the date the Act came into force. This period of inauguration was naturally occupied mainly by the preliminary work in connection with the establishment of the Board and the district boards, and the setting-up of a system to ensure that the business would be dealt with on a sound basis.

Since the commencement of the year on the 1st July, 1928, the business has increased steadily. There has been nothing spectacular in its growth, but every month has seen a substantial increase. At the 30th June, 1928, the investments (excluding Rural Intermediate Credit Redemption Fund investments) were only £2,034. At the 30th June, 1929, they amounted to £165,115, excluding temporary investments, £34,000.

The income from the Board's investments was £5,940 11s. This amount does not, however, include the income earned by the investments of the Rural Intermediate Credit Redemption Fund, which amounted to £1,630 17s. 10d., and has been credited direct to the Rural Intermediate Credit Redemption Fund. The expenditure totalled £5,379 10s. 4d., and there was thus an excess of income over expenditure of £561 0s. 8d., which has been transferred to the Appropriation Account, and, in accordance with section 39 of the Act, appropriated one half to the Rural Intermediate Credit Redemption Fund and the other half to the Rural Intermediate Credit Reserve.

The figures published in the First Appendix to this report warrant the belief that the Board's business will show steady and satisfactory expansion, but until the volume has considerably increased it is unlikely that the expenditure necessary for efficient management can be fully met without utilizing to some extent the profit interest derived from the moneys advanced by the Legislature, which, in terms of the Act, are free of interest for a period of ten years. This result was obviously anticipated when the legislation was enacted by Parliament.

Advances totalling £197,100 have been received from the Consolidated Fund under the statutory provision in section 16 of the Act, authorizing advances to be made to the Board from the Consolidated Fund up to an amount not exceeding £400,000. The amount raised by the Board during the year by issue of bonds and debentures was £70,700.