

were still current at the dates of the respective accounts. The membership of the individual associations varied from 21 to 219. The subscribed capital of forty associations totalled £77,694, as compared with £76,934 for forty-two associations shown by the return compiled in the previous year. The paid-up capital amounted to £4,209. Reserves stood at £861, as compared with £962 for the previous year.

The amounts owing to the Board by associations in respect of loans to their members totalled £199,691, and the amount owing to associations by their members stood at £199,181. These figures represent a decrease on the previous year, when the figures were £204,748 and £203,925 respectively. Payments received from borrowers after the close of the various financial years had reduced the total amount owing by associations to the Board at the 30th June, 1936, to £161,574 as shown above. The average total of current advances for each association was £4,980, and the average advance to individual borrowers was £209. The investments of individual associations varied from £215 to £26,783. These figures represent the balances owing under current advances and not the total business.

DIRECT LOANS.

19. The system has continued to receive the support of dairy companies, a large number of which have guaranteed loans to their suppliers. During the year the guarantees of ten companies ceased to operate, and the number of guarantees accepted and in force at the 30th June, 1936, was 53, whilst a limited number of guarantees were held from individuals.

The position of loans generally is sound, and any losses which can reasonably be anticipated are amply covered by the reserves created by the Board.

20. *Business transacted under Part III of the Act.*—The loan-moneys advanced during the year ended 30th June, 1936, totalled £14,363, as compared with £16,924 for the year ended 30th June, 1935. Seventeen new loans, as distinct from further advances under existing loans, were taken up by borrowers direct from the Board during the year, and there were 287 loans current at the 30th June, 1936.

The amount owing to the Board under this heading at the 30th June, 1936, was £42,317, as compared with £62,339 at the 30th June, 1935. These figures show only the net investments after crediting repayments received from borrowers.

DISCOUNTING.

21. During the year the Board, for adequate reasons, reduced the limit fixed for the acceptance of the endorsement of one company and the limits in respect of eight others ceased to have effect. At the 30th June, 1936, the number of companies the endorsements of which had been accepted and were still in force was 39, while endorsements had been accepted from some individuals.

22. *Business transacted.*—The discounts effected during the year totalled £1,728, as compared with £1,717 for the year ended 30th June, 1935. The total value of bills and notes outstanding at the 30th June, 1936, was £1,262, as compared with £1,457 at the end of the previous year. Thirty-four new bills and notes were discounted during the year, and there were 16 bills and notes current at the 30th June, 1936.

LOANS FOR THE PURCHASE OF FERTILIZER.

23. Under a special arrangement the Board advanced for the financial years ended 31st March, 1931 and 1932, £11,891 from a special fertilizer fund made available by the Government. Of this amount only £52 12s. 9d. was owing at the 30th June, 1936, representing a reduction of £23 0s. 8d. on the amount shown at the end of the previous year. So far the sum of £91 12s. 5d. only has been written off as irrecoverable, and as the loans were made on personal security alone the result shown must be regarded as very satisfactory.