Six Months ended 30th SEPTEMBER, 1935, compared with the Six Months ended 30th SEPTEMBER, 1934—*continued.*

INVESTMENT ACCOUNT.

SIX MONTHS ENDED 30TH SEPT., 1934.	EXPENDITURE.	SIX MONTHS ENDED 30TH SEPTEMBER, 1935.
£ s. d.	Balances at end of Six Months,—	£ s. d.
Dr. 4,412,000 0 0	Cash	*Dr.* 1,128,000 0 0
	Investment Account—	
4,412,000 0 0	Securities held	1,128,000 0 0
..	Totals	..

G. C. RODDA,
Secretary to the Treasury.

B. C. ASHWIN,
Assistant Secretary to the Treasury.

The Treasury, Wellington,
23rd October, 1935.

THE foregoing accounts have been examined and are certified with the following exceptions :—

1. The total of the balances as shown in the individual sub-accounts, which constitute the Public Account, amounting to £14,290,728 11s. 2d., is overstated owing to transfers made between sub-accounts being shown so as to increase the total balance of the borrowing sub-account without decreasing the total balance of the lending sub-account.

2. The credit balances shown as "Cash" in the individual sub-accounts, and which amount to £4,320,866 17s. 10d., are overstated by an aggregate amount of £1,128,000. The latter amount represents sums paid from the Public Account by way of investment, and was not held as "Cash" in the Public Account as shown.

3. An amount of £125,000 was paid during the half-year from the Public Works Fund, General Purposes Account, in respect of the purchase of 500,000 £1 shares of the Mortgage Corporation of New Zealand. Such payment is not shown as expenditure in the account, the amount being shown as a balance of the account at the end of the six months.

NOTE.—This certificate is given subject to the final audit of certain vouchers, which, owing to the post-audit system provided for by the Public Revenues Act, 1926, cannot be completely audited before the date at which the abstract is required by the Act to be certified.

G. F. C. CAMPBELL,
Controller and Auditor-General, 25th October, 1935.

TREASURY NOTES :—

1. As shown in the summaries on the next page, the balances of accounts, amounting in the aggregate to £14,290,728 11s. 2d., are made up as follows :—

	£ s. d.
Cash	3,192,866 17 10
Imprests	1,547,076 16 7
Investments	9,550,784 16 9
	£14,290,728 11 2

In order to keep idle cash balances down to a minimum and save interest charges, the funds of one account are temporarily invested under the provisions of section 39 of the Public Revenues Act, 1926, in the Government securities issued by another account. The cash balance of the lending account is decreased by the amount of the investment, but the total balance, consisting of cash and investments, is not affected.

2. The £1,128,000 of investments referred to are shown in the Public Account Cash Balance Investment Account and in the summary on the next page. The amount represents a general temporary investment of cash not immediately required for expenditure.

3. The £125,000 for purchase of shares in the Mortgage Corporation is not expenditure but an investment, and has been treated in the accounts as such.

G. C. RODDA,
Secretary to the Treasury.