

Financial Statements of the Government of New Zealand

For the Nine Months
Ended 31 March 2002



3 May 2002

ISBN 0-478-11826-0

Prepared by The Treasury
Printed by PrintLink

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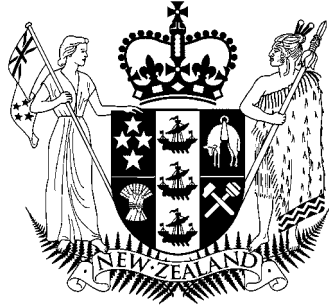
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COMMENTARY

OVERVIEW — NINE MONTHS TO MARCH 2002

	March 2002 Actual YTD	March 2002 Forecast YTD	Variance \$m	June 2002 Forecast	June 2001 Actual
Operating balance	2,936	2,031	905	985	1,409
Net worth	14,453	13,488	965	12,442	11,463
Net Crown debt	19,870	20,830	960	21,703	19,971

The **operating balance** for the nine months to March was \$2,936 million, which was \$905 million higher than the December Economic and Fiscal Update (DEFU) forecast. This was due to:

- revenue being \$505 million above forecast;
- expenses being \$171 million below forecast; and
- SOE/CE surplus being \$229 million above forecast.

Within total revenue, **tax revenue** was \$366 million higher than forecast. The main components were:

- net other persons tax being higher-than-forecast by \$110 million;
- net goods and services tax being higher-than-forecast by \$104 million;
- source deductions being higher-than-forecast by \$75 million; and
- net companies tax being higher-than-forecast by \$67 million.

It is expected that the current strength experienced in tax revenue will remain for the rest of the financial year (which will be reflected in the Budget 2002 estimated actual forecast).

Total expenses were \$171 million below forecast. The main components were:

- health expenses being lower-than-forecast by \$58 million;
- social security and welfare expenses being lower-than-forecast by \$40 million;
- education expenses being lower-than-forecast by \$40 million; and

- economic and industrial services expenses being lower-than-forecast by \$31 million.

These were partially offset by:

- net foreign-exchange losses being higher-than-forecast by \$63 million; and

The improvement in **net worth** against forecast of \$965 million was mainly due to the higher than forecast operating balance.

Net Crown debt (gross debt less financial assets excluding assets of the NZS Fund) was \$960 million lower than forecast largely due to:

- higher-than-forecast net cash flows from operations of \$868 million; and
- additional issues of circulating currency (\$272 million) which are not forecast as a matter of policy.

These were partially offset by variances in other financial activities.

Net Crown debt was estimated to be 16.9% of GDP at 31 March, compared to a forecast of 17.7%.

The New Zealand Superannuation Fund (NZS Fund)

The NZS Fund is the vehicle for implementing the Government's policy to partially pre-fund future New Zealand Superannuation costs.

The New Zealand Debt Management Office (NZDMO) has been accumulating the contributions that will be made to the NZS Fund once the Guardians of New Zealand Superannuation are appointed and determine the investment strategy for the fund.

As at 31 March 2002 the amounts held by NZDMO totalled \$470 million (including interest accrued at the official cash rate).

COMPARISON WITH FORECAST

Financial Performance

The financial statements for the nine months ended 31 March 2002 are compared against forecasts based on the 2001 December Economic and Fiscal Update (DEFU). The operating balance comprised:

Operating Balance	Actual \$million	Forecast \$million	Variance \$million
Revenue	31,404	30,899	505
Expenses	28,885	29,056	171
SOEs and Crown entities	417	188	229
Operating balance	2,936	2,031	905

Revenue

Overall revenue was \$505 million higher than forecast.

Tax Revenue

Tax revenue was higher-than-forecast by \$366 million. The components of the year-to-date variance were:

Variations Against Forecast	\$million
Net other persons tax	110
Net Goods and services tax	104
Source deductions	75
Net Companies tax	67
Other taxation	10
Total Taxation Variance	366

- **Net other persons tax** was higher-than-forecast by \$110 million. Much of this variance was due to unexpected strength in taxpayer's provisional assessments.
- **Net goods and services tax** was higher-than-forecast by \$104 million. This was largely due to retail sales being stronger than expected.
- **Source deductions** were higher-than-forecast by \$75 million, while **net companies tax** was higher-than-forecast by \$67 million. Both are within the normal range of variance for these large tax types.

Non-tax Revenue

Investment income was higher-than-forecast by \$109 million, largely due to higher SOE dividend income.

Expenses

Total expenses for the period were \$171 million lower than forecast. Key movements included:

Health expenses which were lower-than-forecast by \$58 million. This was largely due to timing delays in implementing programmes. The majority of the variance is expected to be reforecast into the 2002/03 financial year.

Social security and welfare expenses were lower-than-forecast by \$40 million, with unemployment benefits being \$26 million lower than forecast.

Education expenses were lower-than-forecast by \$40 million. This was mainly due to delays in spending in primary and secondary education.

Economic and industrial services expenses were \$31 million lower-than-forecast due to programmes associated with benefit type expenses.

Law and order expenses were lower-than-forecast by \$29 million. This was largely due to delays in recruitment by Police.

These have been partially offset by:

Net foreign-exchange losses were higher-than-forecast by \$63 million (which as a matter of policy are not forecast).

State-Owned Enterprises (SOEs) and Crown Entities

The SOEs and Crown entities net surplus less distributions was as follows:

SOEs and Crown Entities	Actual \$million	Forecast \$million	Variance
SOEs			
Surplus	394	249	145
Distributions	(331)	(228)	(103)
	63	21	42
Crown Entities			
Surplus	380	177	203
Distributions	(26)	(10)	(16)
	354	167	187
Net Surplus	417	188	229

The SOEs and Crown entities net surplus was higher-than-forecast by \$229 million. The key components of the variance were:

- Net surpluses from SOEs being higher-than-forecast by \$42 million. The variance was spread across a number of entities.
- Net surpluses from Crown entities being higher than forecast by \$187 million. The variance was largely due to higher-than-forecast premium income received by ACC, due to a change in revenue recognition policy for some levies.

Net Cash Flows

Net cash flows for the nine months ended 31 March 2002 were as follows:

Net Cash Flows	Actual	Forecast	Variance	
	\$million	\$million	\$million	%
Operating activities	2,322	1,454	868	59.7
Investing activities (excluding net (purchases)/sales of marketable securities and deposits)	(2,925)	(3,139)	214	6.8
Amount required to be financed	(603)	(1,685)	1,082	64.2
Net sale/(purchase) of marketable securities and Deposits	795	2,459	(1,664)	(67.7)
Financing activities	91	(378)	469	124.1
Net Movement in Cash	283	396	(113)	(28.5)

Net cashflows from operating activities were higher-than-forecast by \$868 million due to:

- higher-than-forecast taxation receipts of \$362 million;
- higher-than-forecast other receipts of \$314 million; and
- lower-than-forecast cash disbursed to operations of \$192 million.

The improvement in the net cash flows from operating activities, largely reflects the cash impacts of the higher than forecast operating balance.

Net cash outflows from investing activities (excluding net (purchases)/sales of marketable securities and deposits) was \$214 million lower than forecast, which was primarily due to delays in refinancing of debt (\$176 million) and delays in capital injections (\$44 million) to District health boards.

As a result, the **amount required to be financed** was \$1,082 million lower than forecast.

Financial Position

The Statement of Financial Position recording the Crown's assets, liabilities and net worth as at 31 March 2002 was made up of:

Financial Position	Actual \$million	Forecast \$million	Variance	
			\$million	%
SOEs and Crown entities ¹	15,588	14,554	1,034	7.1
Physical assets	16,184	16,173	11	0.1
Financial assets	16,536	15,904	632	4.0
Other assets	18,720	20,031	(1,311)	(6.5)
Total Assets	67,028	66,662	366	0.5
Gross debt	35,936	36,264	328	0.9
Pension liabilities	8,487	8,487	-	-
Other liabilities	8,152	8,423	271	3.2
Total Liabilities	52,575	53,174	599	1.1
Crown Balance (net worth)	14,453	13,488	965	7.2

¹The SOEs and Crown entities includes the investment in Air New Zealand Ltd as the recapitalisation package converted to equity on 31 January 2002.

Net Crown debt was \$960 million lower than forecast. This was largely due to:

- higher-than-forecast net cash flows from operations of \$868 million (refer to previous page for explanation); and
- additional issues of circulating currency of \$272 million.

These have been partially offset by variances in other financial activities.

Net Crown debt was estimated to be 16.9% of GDP at 31 March, compared to a forecast of 17.7%. This ratio is calculated using the actual nominal GDP number to December 2001, based on the latest GDP series released by Statistics New Zealand.

Net Crown Debt	Actual \$m	Forecast \$m	Variance \$m
Gross Borrowings	35,936	36,264	328
Less			
Marketable securities/ deposits ²	10,109	9,179	930
Advances and cash	5,957	6,255	(298)
Financial Assets	16,066	15,434	632
Net Crown Debt	18,870	20,830	960
Net Crown Debt to GDP Ratio	16.9%	17.7%	0.8%

² The New Zealand Superannuation Fund financial assets of \$470 million held by the New Zealand Debt Management Office are excluded from the calculation of net Crown debt.

COMPARISON WITH PREVIOUS YEAR

	March YTD				Year Ended 30 June			
	2001/02 \$m	2000/01 \$m	\$m	%	2000/01 \$m	1999/00 \$m	1998/99 \$m	1997/98 \$m
Operating Statement								
Total taxation revenue	29,252	28,267	985	3.5	36,738	34,035	32,156	32,982
% of GDP	24.8%	25.6%			32.5%	32.1%	31.7%	33.1%
Total non tax revenue	2,152	2,154	(2)	(0.1)	2,754	2,491	4,201	2,599
Total Revenue	31,404	30,421	983	3.2	39,492	36,526	36,357	35,581
% of GDP	26.6%	27.6%			35.0%	34.4%	35.9%	35.7%
Social security and welfare	10,140	9,817	(323)	(3.3)	13,216	12,896	12,906	12,509
GSF pension expenses	528	513	(15)	(2.9)	855	478	1,132	494
Health	5,710	5,427	(283)	(5.2)	7,342	6,874	6,573	6,001
Education	5,119	4,884	(235)	(4.8)	6,690	6,310	5,899	5,714
Core government services	1,166	1,139	(27)	(2.4)	1,817	1,710	1,705	1,562
Other	4,392	4,069	(323)	(7.9)	5,830	5,592	5,141	5,114
Finance costs	1,766	1,880	114	6.1	2,483	2,373	2,516	2,804
Net foreign exchange (gains) losses	64	(33)	(97)	293.9	(47)	(62)	(47)	13
Total Expenses	28,885	27,696	(1,189)	(4.3)	38,186	36,171	35,825	34,211
% of GDP	24.5%	25.1%			33.8%	34.1%	35.3%	34.3%
SOE/Crown entities net surplus	417	383	34	8.9	523	575	1,245	1,164
ACC Valuation movement	-	-	-	-	(420)	519	-	-
Operating Balance	2,936	3,108	(172)	(5.5)	1,409	1,449	1,777	2,534
% of GDP	2.5%	2.8%			1.2%	1.4%	1.8%	2.5%
OBERAC	2,936	2,845	91	3.2	2,107	884	246	2,191
% of GDP	2.5%	2.6%			1.9%	0.8%	0.2%	2.2%
Financial Position								
SOEs and Crown entities	15,588	14,710	878	6.0	14,077	14,392	12,917	19,022
Physical assets	16,184	16,086	98	0.6	16,102	15,972	15,258	14,962
Other assets	35,256	31,873	3,383	10.6	34,902	30,059	30,048	28,372
Total Assets	67,028	62,669	4,359	7.0	65,081	60,423	58,223	62,356
Total Liabilities	52,575	51,013	(1,562)	(3)	53,618	51,840	52,201	52,435
Crown Balance (net worth)	14,453	11,656	2,797	24	11,463	8,583	6,022	9,921
% of GDP	12.3%	10.6%			10.2%	8.1%	5.9%	10.0%
Net Crown debt	19,870	20,149	(279)	(1)	19,971	21,396	21,701	24,069
% of GDP	16.9%	18.3%			17.7%	20.2%	21.4%	24.1%
GDP	117,849	110,353			112,873	106,073	101,386	99,696

Taxation revenue was \$985 million higher than the nine months ended March 2001, largely reflecting growth in wages, employment and goods and services tax.

Social security and welfare expenses were \$323 million higher than the previous year, due to the CPI increase across benefits on 1 April 2001 and new policy initiatives.

Health expenses were \$283 million higher than the previous year, due to the provision of new services and maintaining existing service levels as a result of demographic, price inflations and technology growth pressures.

Education expenses were \$235 million higher than the previous year. The increase in

expenditure reflects demographic changes as well as new policy initiatives.

Other expenses were \$323 million higher than the previous year. This was largely due to changes to provisioning by Maori Development and Courts.

The investment in SOEs and Crown entities was \$878 million higher than the previous year, primarily due to the recapitalisation of Air New Zealand of \$885 million and additional capital contributions to SOE/CE's during the current year. This has been offset by an increase in the ACC outstanding claims liability valuation and asset revaluations at the end of the 2000/01 financial year.



FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL PERFORMANCE

for the nine months ended 31 March 2002

Prior Year 30 June 2001 \$m	Actual 31 March 2001 \$m		Note	Current Year Actual vs Forecast				Annual Forecast \$m
				Actual \$m	Forecast \$m	Variance \$m	%	
Revenue								
Levied through the Crown's Sovereign Power								
23,863	18,773	Direct taxation	1	19,102	18,859	243	1.3	24,226
12,875	9,494	Indirect taxation	2	10,150	10,027	123	1.2	13,345
36,738	28,267	Total taxation revenue		29,252	28,886	366	1.3	37,571
385	268	Compulsory fees, fines, penalties and levies		383	390	(7)	(1.8)	519
37,123	28,535	Total Revenue Levied through the Crown's Sovereign Power		29,635	29,276	359	1.2	38,090
Earned through the Crown's Operations								
1,369	1,121	Investment income	3	1,015	906	109	12.0	1,207
659	479	Sales of goods and services		498	484	14	2.9	670
381	286	Other operational revenue	4	256	233	23	9.9	323
(40)	-	Unrealised (losses)/gains arising from revaluations of commercial forests		-	-	-	-	-
2,369	1,886	Total Revenue Earned through the Crown's Operations		1,769	1,623	146	9.0	2,200
39,492	30,421	Total Revenue		31,404	30,899	505	1.6	40,290
Expenses								
By functional classification								
13,216	9,817	Social security and welfare		10,140	10,180	40	0.4	13,649
855	513	GSF pension expenses		528	527	(1)	(0.2)	748
7,342	5,427	Health		5,710	5,768	58	1.0	7,797
6,690	4,884	Education		5,119	5,159	40	0.8	7,041
1,817	1,139	Core government services		1,166	1,176	10	0.9	1,611
1,560	1,134	Law and order		1,277	1,306	29	2.2	1,737
1,267	823	Defence		848	866	18	2.1	1,162
1,026	772	Transport and communications		740	734	(6)	(0.8)	1,103
1,141	815	Economic and industrial services		842	873	31	3.6	1,258
287	186	Primary services		222	224	2	0.9	337
424	278	Heritage, culture and recreation		372	372	-	-	495
50	29	Housing and community development		62	69	7	10.1	92
75	32	Other		29	12	(17)	(141.7)	137
2,483	1,880	Finance costs	5	1,766	1,789	23	1.3	2,345
(47)	(33)	Net foreign-exchange losses/(gains)		64	1	(63)	-	1
-	-	Provision for future initiatives		-	-	-	-	90
38,186	27,696	Total Expenses	5	28,885	29,056	171	0.6	39,603
1,306	2,725	Revenue Less Expenses		2,519	1,843	676	36.7	687
103	383	Net surplus, less distributions, attributable to state-owned enterprises and Crown entities	8	417	188	229	121.8	298
1,409	3,108			2,936	2,031	905	44.6	985

The accompanying Notes are an integral part of these Statements.

STATEMENT OF FINANCIAL POSITION

as at 31 March 2002

Prior Year 30 June 2001 \$m	Actual 31 March 2001 \$m		Note	Current Year Actual vs Forecast			Annual Forecast	
				Actual \$m	Forecast \$m	Variance \$m	%	\$m
Assets								
115	119	Cash and bank balances		391	534	(143)	(26.8)	169
12,060	10,411	Marketable securities and deposits ¹		10,579	9,649	930	9.6	9,821
4,615	4,484	Advances	6	5,566	5,721	(155)	(2.7)	6,026
6,197	6,848	Receivables	7	6,753	7,134	381	5.3	6,125
193	276	Inventories		210	209	1	0.5	207
14,077	14,710	State-owned enterprises and Crown entities	8	15,588	14,554	1,034	7.1	14,713
354	372	Other investments	9	333	378	(45)	(11.9)	471
16,102	16,086	Physical assets	10	16,184	16,173	11	0.1	16,303
310	370	Commercial forests		309	310	(1)	(0.3)	310
11,055	8,989	State highways	11	11,112	11,112	-	-	11,131
3	4	Intangible assets		3	3	-	-	3
-	-	Capital contingency provision		-	885	(885)	(100.0)	1,269
65,081	62,669	Total Assets		67,028	66,662	366	0.5	66,548
Liabilities								
5,831	4,957	Payables and provisions	12	5,215	5,758	543	9.4	5,811
2,539	2,570	Currency issued		2,937	2,665	(272)	(10.2)	2,665
36,761	35,163	Borrowings		35,936	36,264	328	0.9	37,105
8,487	8,323	Pension liabilities		8,487	8,487	-	-	8,525
53,618	51,013	Total Liabilities		52,575	53,174	599	1.1	54,106
11,463	11,656	Total Assets less Total Liabilities		14,453	13,488	965	7.2	12,442
Crown Balance								
3,456	3,499	Accumulated operating balance		6,396	5,488	908	16.5	4,442
8,007	8,157	Revaluation reserve	13	8,057	8,000	57	0.7	8,000
11,463	11,656	Crown Balance		14,453	13,488	965	7.2	12,442

¹ Contributions to the New Zealand Superannuation Fund to 31 March 2002 are included as marketable securities and deposits. As at 31 March 2002 the New Zealand Debt Management Office hold \$470 million marketable securities and deposits on behalf of the New Zealand Superannuation Fund.

The accompanying Notes are an integral part of these Statements.

STATEMENT OF MOVEMENTS IN EQUITY

for the nine months ended 31 March 2002

Prior Year 30 June 2001 \$m	Actual 31 March 2001 \$m		Current Year Actual vs Forecast				Annual Forecast
			Actual \$m	Forecast \$m	Variance \$m	%	\$m
8,583	8,583	Opening Crown Balance	11,463	11,463	-	-	11,463
1,650	-	State highway recognition policy change	-	-	-	-	-
10,233	8,583	Adjusted Operating Crown Balance	11,463	11,463	-	-	11,463
1,409	3,108	Operating balance for the period	2,936	2,031	905	44.6	985
(179)	(35)	Net revaluations	54	(6)	60	-	(6)
1,230	3,073	Total Recognised Revenues and Expenses	2,990	2,025	965	47.7	979
11,463	11,656	Closing Crown Balance	14,453	13,488	965	7.2	12,442

The accompanying Notes are an integral part of these Statements.

STATEMENT OF CASH FLOWS

for the nine months ended 31 March 2002

Prior Year 30 June 2001 \$m	Actual 31 March 2001 \$m		Current Year Actual vs Forecast				Annual Forecast
			Actual \$m	Forecast \$m	Variance \$m	%	\$m
Cash Flows From Operations							
Cash was provided from							
Direct Taxation							
Individuals							
13,748	10,193	Source deductions	10,890	10,772	118	1.1	14,380
4,221	3,062	Other persons	3,202	3,129	73	2.3	4,300
(1,175)	(874)	Refunds	(905)	(888)	(17)	(1.9)	(1,158)
338	282	Fringe benefit tax	257	253	4	1.6	340
17,132	12,663	Total Individuals	13,444	13,266	178	1.3	17,862
Corporate							
5,377	4,261	Gross companies	4,195	4,103	92	2.2	5,255
(785)	(494)	Refunds	(520)	(477)	(43)	(9.0)	(692)
738	560	Non-resident withholding payment	472	533	(61)	(11.4)	714
98	75	Foreign-source dividend withholding payment	126	77	49	63.6	108
5,428	4,402	Total Corporate	4,273	4,236	37	0.9	5,385
1,043	720	Withholding taxes	729	733	(4)	(0.5)	1,009
2	1	Other direct taxation	1	1	-	-	2
23,605	17,786	Total Direct Taxation	18,447	18,236	211	1.2	24,258
Indirect Taxation							
Goods and services tax							
14,604	10,672	Gross goods and services tax	11,648	11,334	314	2.8	15,257
(5,657)	(4,187)	Refunds	(4,601)	(4,453)	(148)	(3.3)	(5,846)
8,947	6,485	Total goods and services tax	7,047	6,881	166	2.4	9,411
3,698	2,728	Other indirect taxation	2,871	2,886	(15)	(0.5)	3,851
12,645	9,213	Total Indirect Taxation	9,918	9,767	151	1.5	13,262
36,250	26,999	Total Taxation Receipts	28,365	28,003	362	1.3	37,520
324	230	Compulsory fees, fines, penalties and levies	253	270	(17)	(6.3)	345
Other Receipts							
892	691	Interest, profits and dividends	984	745	239	32.1	1,017
622	487	Sales of goods and services	514	480	34	7.1	647
383	213	Other operating receipts	354	296	58	19.6	362
1,897	1,391	Total Other Receipts	1,852	1,521	331	21.8	2,026
38,471	28,620	Total cash provided from operations	30,470	29,794	676	2.3	39,891
Cash was disbursed to							
4,749	3,204	Departmental outputs	3,739	3,801	62	1.6	5,107
16,008	12,314	Other outputs	12,668	12,761	93	0.7	16,802
2,499	1,814	Finance costs	1,621	1,607	(14)	(0.9)	2,311
133	95	Subsidies	92	104	12	11.5	168
Current transfers							
12,910	9,744	Social assistance grants	9,849	9,865	16	0.2	13,502
250	185	Other transfers	179	202	23	11.4	258
-	-	Provision for future initiatives	-	-	-	-	90
36,549	27,356	Total cash disbursed to operations	28,148	28,340	192	0.7	38,238
1,922	1,264	Net Cash Flows From Operations	2,322	1,454	868	59.7	1,653

The accompanying Notes are an integral part of these Statements.

STATEMENT OF CASH FLOWS (CONTINUED)

for the nine months ended 31 March 2002

Prior Year 30 June 2001 \$m	Actual 31 March 2001 \$m		Current Year Actual vs Forecast				Annual Forecast
			Actual \$m	Forecast \$m	Variance \$m	%	\$m
1,922	1,264	Subtotal (brought forward)	2,322	1,454	868	59.7	1,653
		Cash Flows From Investing Activities					
		Cash was provided from					
174	186	Net (purchase)/sale of investments	(1,108)	(278)	(830)	(298.6)	(440)
(1,001)	728	Net sale/(purchase) of marketable securities and deposits ¹	795	2,459	(1,664)	(67.7)	2,289
75	61	Sale of physical assets	56	74	(18)	(24.3)	94
(752)	975	Total cash provided	(257)	2,255	(2,512)	(111.4)	1,943
		Cash was disbursed to					
617	503	Net increase in advances	949	1,093	144	13.2	1,323
1,205	765	Purchase of physical assets	924	957	33	3.4	1,456
-	-	Capital contingency provision	-	885	885	100.0	1,269
1,822	1,268	Total cash disbursed	1,873	2,935	1,062	36.2	4,048
(2,574)	(293)	Net Cash Flows From Investing Activities	(2,130)	(680)	(1,450)	(213.2)	(2,105)
(652)	971	Net Cash Flows From Operating and Investing Activities	192	774	(582)	(75.2)	(452)
		Cash Flows From Financing Activities					
		Cash was Provided From					
303	334	Issues of circulating currency	398	126	272	215.9	126
4,233	2,874	Issues of Government stock Other New Zealand-dollar borrowing ²	2,886	2,836	50	1.8	1,056
574	378	Borrowing in foreign currencies ²	506	-	506	-	(103)
3,884	2,585		603	-	603	-	(596)
8,994	6,171	Total Cash Provided	4,393	2,962	1,431	48.3	483
		Cash was Disbursed to					
3,167	3,167	Repayment of Government stock Repayment of other New Zealand- dollar borrowing ²	3,097	2,992	(105)	(3.5)	-
879	783	Repayment of foreign-currency borrowing ²	456	89	(367)	(412.4)	-
4,398	3,286		749	259	(490)	(189.2)	-
8,444	7,236	Total Cash Disbursed	4,302	3,340	(962)	(28.8)	-
550	(1,065)	Net Cash Flows From Financing Activities	91	(378)	469	124.1	483
(102)	(94)	Net Movement in Cash	283	396	(113)	(28.5)	31
210	210	Opening Cash Balance	115	115	-	-	115
7	3	Foreign-exchange (losses)/gains on opening cash	(7)	23	(30)	(130.4)	23
115	119	Closing Cash Balance	391	534	(143)	(26.8)	169

¹ Net sale/(purchase) of marketable securities and deposits includes the purchases made on behalf of the New Zealand Superannuation Fund of \$462 million.

² Issues and repayments of other New Zealand-dollar borrowing and foreign-currency borrowing are forecast on a net basis. Actual issues and repayments are reported on a gross basis.

The accompanying Notes are an integral part of these Statements.

STATEMENT OF CASH FLOWS (CONTINUED)

for the nine months ended 31 March 2002

Prior Year 30 June 2001 \$m	Actual 31 March 2001 \$m		Current Year Actual vs Forecast				Annual Forecast
			Actual \$m	Forecast \$m	Variance \$m	%	\$m
Reconciliation Between the Net Cash Flows from Operations and the Operating Balance							
1,922	1,264	Net Cash Flows from Operations	2,322	1,454	868	60	1,653
		<i>Items included in the operating balance but not in net cash flows from operations</i>					
		Valuation Changes					
(164)	-	(Increase)/decrease in pension liabilities	-	-	-	-	(38)
(40)	-	Revaluation of commercial forests	-	-	-	-	-
100	10	Unrealised net foreign-exchange (gains)/losses	(17)	-	(17)	-	-
(253)	-	National Provident Fund guarantee	-	-	-	-	-
(357)	10	Total Valuation Changes	(17)	-	(17)	-	(38)
		Physical Asset Movements					
(925)	(610)	Depreciation	(693)	(695)	2	0.3	(965)
(7)	(3)	(Loss)/gain on sale of physical assets	(2)	(1)	(1)	(100.0)	(1)
(932)	(613)	Total Physical Asset Movements	(695)	(696)	1	0.1	(966)
		Other Non-cash Items					
		Net surplus, less distributions, attributable to state-owned enterprises and Crown entities	417	188	229	121.8	298
(103)	-	Loss on writedown of defence equipment	-	-	-	-	-
(61)	-	Student loans	3	3	-	-	7
55	50	Other	-	-	-	-	-
(6)	433	Total Other Non-cash Items	420	191	229	119.9	305
177	(4)	Total other investing and financing items	(22)	-	(22)	-	-
		Movements in Working Capital					
737	1,362	Increase/(decrease) in taxes receivable	568	891	(323)	(36.3)	(1)
(62)	(34)	(Decrease)/increase in other receivables	(12)	46	(58)	(126.1)	(71)
(81)	2	Increase/(decrease) in inventories	17	16	1	6.3	14
11	688	Decrease/(increase) in payables	355	129	226	175.2	89
605	2,018	Total movements in working capital	928	1,082	(154)	(14.2)	31
1,409	3,108	Operating Balance	2,936	2,031	905	44.6	985

The accompanying Notes are an integral part of these Statements.

STATEMENT OF CASH FLOWS (CONTINUED)

for the nine months ended 31 March 2002

Prior Year 30 June 2001 \$m	Actual 31 March 2001 \$m		Current Year Actual vs Forecast			Annual Forecast	
			Actual \$m	Forecast \$m	Variance \$m	%	\$m
		Reconciliation of Net Cash Flow From Operations With Net Cash Proceeds From Domestic Bonds					
1,922	1,264	Net Cash Flows From Operations	2,322	1,454	868	59.7	1,653
		Investing flows					
		<i>Net advances</i>					
(27)	(15)	Housing New Zealand Corporation	(453)	(411)	(42)	(10.2)	-
-	-	Contact Energy Limited	70	70	-	-	-
(668)	(542)	Student loans	(570)	(588)	18	3.1	-
51	43	Residual Health Management Unit	-	-	-	-	-
(24)	-	District health boards	(14)	(190)	176	92.6	-
-	-	Solid Energy New Zealand Limited	19	19	-	-	-
51	11	Other	(1)	7	(8)	(114.3)	(1,323)
(617)	(503)	Total Net Advances	(949)	(1,093)	144	13.2	(1,323)
(1,130)	(704)	Net purchase of physical assets	(868)	(883)	15	1.7	(1,362)
		<i>Net investments</i>					
(41)	(21)	District health boards	(102)	(146)	44	30.1	-
50	50	At Work Insurance Limited	7	-	7	-	-
-	-	New Zealand Post Limited	(72)	(72)	-	-	-
140	140	2GHz radio spectrum rights	-	-	-	-	-
-	-	air auction proceeds	(885)	-	(885)	-	-
25	17	Air New Zealand	(56)	(60)	4	6.7	(440)
-	-	Other	-	(885)	885	100.0	(1,269)
-	-	Capital contingency provision					
174	186	Net (purchase)/sale of Investments	(1,108)	(1,163)	55	4.7	(1,709)
349	243	(Required to be financed)/Available for debt repayment	(603)	(1,685)	1,082	64.2	(2,741)
		<i>Used in:</i>					
(1,001)	728	Net (purchase)/sale of marketable securities and deposits	795	2,459	(1,664)	(67.7)	2,289
(652)	971	Total Investing activities	192	774	(582)	(75.2)	(452)
(305)	(405)	Net issue/(repayment) of other New Zealand-dollar borrowing	50	(89)	139	156.2	(103)
(514)	(701)	Net (repayment)/issue of foreign currency borrowing	(146)	(259)	113	43.6	(596)
102	94	(Increase)/decrease in cash	(283)	(396)	113	28.5	(31)
303	334	Issues of circulating currency	398	126	272	215.9	126
(414)	(678)		19	(618)	637	103.1	(604)
(1,066)	293	Net (Cash Proceeds from)/Repayments of Domestic Bonds	211	156	55	35.3	(1,056)
		Gross Cash Proceeds from Domestic Bonds					
3,572	2,213	Domestic bonds (market)	2,687	2,738	(51)	(1.9)	4,156
661	661	Domestic bonds (non-market)	199	98	101	103.1	98
-	-	Inflation bonds	-	-	-	-	-
4,233	2,874	Total Gross Cash Proceeds from Domestic Bonds	2,886	2,836	50	1.8	4,254
(2,651)	(2,651)	Repayment of domestic bonds (market)	(2,594)	(2,590)	(4)	(0.2)	(2,590)
(516)	(516)	Repayment of domestic bonds (non-market)	(503)	(402)	(101)	(25.1)	(608)
1,066	(293)	Net Cash Proceeds from/(Repayments of) Domestic Bonds	(211)	(156)	(55)	(35.3)	1,056

The accompanying Notes are an integral part of these Statements.

STATEMENT OF BORROWINGS

as at 31 March 2002

Prior Year 30 June 2001 \$m	Actual 31 March 2001 \$m		Current Year Actual vs Forecast				Annual Forecast
			Actual \$m	Forecast \$m	Variance \$m	%	\$m
Outstanding Debt							
New Zealand-Dollar Debt							
23,331	21,957	Government stock	23,134	23,187	53	0.2	24,406
5,558	5,398	Treasury bills	5,563	5,467	(96)	(1.8)	5,466
(272)	(203)	Loans and foreign-exchange contracts	(372)	(340)	32	9.4	(342)
498	481	Retail stock	656	549	(107)	(19.5)	527
29,115	27,633	Total New Zealand-Dollar Debt	28,981	28,863	(118)	(0.4)	30,057
Foreign-Currency Debt							
4,780	4,032	United States dollars	4,250	4,170	(80)	(1.9)	4,170
1,432	1,916	Japanese yen	1,166	1,432	266	18.6	1,079
1,434	1,582	European and other currencies	1,539	1,799	260	14.5	1,799
7,646	7,530	Total Foreign-Currency Debt	6,955	7,401	446	6.0	7,048
36,761	35,163	Total Outstanding Debt	35,936	36,264	328	0.9	37,105
Less							
Financial Assets							
Marketable Securities and Deposits							
3,971	2,414	New Zealand dollars	3,077	1,540	1,537	99.8	1,862
5,093	4,256	United States dollars	4,552	4,316	236	5.5	4,358
1,548	2,129	Japanese yen	492	1,458	(966)	(66.3)	1,105
1,448	1,612	European and other currencies	1,988	1,865	123	6.6	1,882
12,060	10,411	Total Marketable Securities and Deposits¹	10,109	9,179	930	10.1	9,207
Advances and Cash							
261	237	Advances to state-owned enterprises and Crown entities	710	846	(136)	(16.1)	922
4,143	4,037	Student loans	4,716	4,735	(19)	(0.4)	4,870
211	210	Other advances	140	140	-	-	234
115	119	Cash	391	534	(143)	(26.8)	169
4,730	4,603	Total Advances and Cash	5,957	6,255	(298)	(4.8)	6,195
16,790	15,014	Total Financial Assets	16,066	15,434	632	4.1	15,402
19,971	20,149	Net Crown Debt	19,870	20,830	960	4.6	21,703
20,495	20,615	Net New Zealand-dollar debt	19,947	21,067	1,120	5.3	22,000
(524)	(466)	Net foreign-currency debt	(77)	(237)	(160)	(67.5)	(297)
19,971	20,149	Net Crown Debt	19,870	20,830	960	4.6	21,703

¹ The New Zealand Superannuation (NZS) Funds marketable securities and deposits as at 31 March of \$470 million are excluded from the calculation of net Crown debt.

The accompanying Notes are an integral part of these Statements.

STATEMENT OF BORROWINGS (CONTINUED)

as at 31 March 2002

Movements in Net Crown Debt Since 30 June 2001

	As at 1 July 2001 \$m	Net Increases/ (Decreases) \$m	Foreign Exchange Contracts \$m	Currency Realignment \$m	Unamortised Premiums \$m	As at March 2002 \$m
Outstanding Debt						
By Type						
New Zealand-dollar debt	29,115	(110)	-	-	(24)	28,981
Foreign-currency debt	7,646	(16)	-	(721)	46	6,955
Total Outstanding Debt	36,761	(126)	-	(721)	22	35,936
Less						
Financial Assets						
Marketable securities and deposits	12,060	(1,304)	61	(716)	8	10,109
Advances and cash	4,730	1,234	-	(7)	-	5,957
Total Financial Assets	16,790	(70)	61	(723)	8	16,066
Net Crown Debt	19,971	(56)	(61)	2	14	19,870

STATEMENT OF COMMITMENTS

as at 31 March 2002

	As at 31 March 2002 \$m	As at 30 June 2001 \$m	As at 31 March 2001 \$m
Capital Commitments			
Specialist military equipment	549	639	253
Land and buildings	370	383	79
Other plant and equipment	26	41	38
Investments	266	15	194
State-owned enterprises and Crown entities	798	619	735
Total Capital Commitments	2,009	1,697	1,299
Operating Commitments			
Non-cancellable accommodation leases	797	842	759
Other non-cancellable leases	1,730	1,713	1,821
Non-cancellable contracts for the supply of goods and services	1,872	367	519
Other operating commitments	814	2,213	1,113
State-owned enterprises and Crown entities	3,343	2,471	1,978
Total Operating Commitments	8,556	7,606	6,190
Total Commitments	10,565	9,303	7,489

Commitments of the Reserve Bank of New Zealand, state-owned enterprises and Crown entities are included in the Statement of Commitments. Commitments to state-owned enterprises and Crown entities are excluded.

STATEMENT OF CONTINGENT LIABILITIES

as at 31 March 2002

	As at 31 March 2002 \$m	As at 30 June 2001 \$m	As at 31 March 2001 \$m
Quantifiable Contingent Liabilities			
Guarantees and Indemnities	387	371	351
Uncalled Capital	3,305	3,594	3,724
Legal Proceedings and Disputes	479	571	499
Other Contingent Liabilities	1,777	1,965	2,157
Total Quantifiable Contingent Liabilities	5,948	6,501	6,731

Contingent liabilities of the Reserve Bank of New Zealand, state-owned enterprises and Crown entities are included in the Statement of Contingent Liabilities. Contingent liabilities to state-owned enterprises and Crown entities are excluded.

The accompanying Notes are an integral part of these Statements.

STATEMENT OF ACCOUNTING POLICIES

as at 31 March 2002

Reporting Entity

These Financial Statements are for the Crown reporting entity as specified in Part III of the Public Finance Act 1989. This comprises:

- Ministers of the Crown
- Departments
- Offices of Parliament
- Reserve Bank of New Zealand
- State-owned enterprises
- Crown entities
- Public Trust Office

A schedule of entities included in the Crown reporting entity was set out on pages 112 and 113 of the 2001 December Economic and Fiscal Update (DEFU) published on 18 December 2001.

General Accounting Policies

These Financial Statements comply with generally accepted accounting practice. The measurement base applied is historical cost adjusted for revaluations of assets.

Revaluations are made to reflect the service potential or economic benefit obtained through control of the assets. The accrual basis of accounting has been used unless otherwise stated.

These Financial Statements have been prepared on a going concern basis and the policies have been applied consistently throughout the period.

Specific Accounting Policies

The specific accounting policies of the Crown were described on pages 125 to 138 of the 2001 DEFU. There have been no changes in accounting policies during the period 1 July 2001 to 31 March 2002.

Forecast Results and Assumptions

The forecast results in these Financial Statements have been derived from the forecasts released in the 2001 DEFU, on 18 December 2001.

The assumptions underlying the preparation of forecasts are set out in the Statement of Accounting Policies and Forecast Assumptions on pages 125 to 138 of the 2001 DEFU.

Comparative Figures

Comparative figures for the previous financial year are also presented in these Financial Statements.

Percentage variances between the actual and prior year balances exceeding 500% are not shown.

NOTES TO THE FINANCIAL STATEMENTS

Prior Year 30 June 2001 \$m	Actual 31 March 2001 \$m		Current Year Actual vs Forecast				Annual Forecast
			Actual \$m	Forecast \$m	Variance \$m	%	\$m
NOTE 1: Direct Taxation							
Income Tax							
Individuals							
13,703	10,182	Source deductions	10,835	10,760	75	0.7	14,380
3,871	3,379	Other persons	3,419	3,297	122	3.7	3,921
(790)	(535)	Refunds	(543)	(531)	(12)	(2.3)	(779)
342	268	Fringe benefit tax	261	256	5	2.0	349
17,126	13,294	Total Individuals	13,972	13,782	190	1.4	17,871
Corporate							
4,954	4,165	Gross companies	3,935	3,829	106	2.8	4,625
(123)	(74)	Refunds	(130)	(91)	(39)	(43)	(115)
760	570	Non-residents' income	493	515	(22)	(4.3)	715
71	64	Foreign-source dividends	106	89	17	19.1	123
5,662	4,725	Total Corporate	4,404	4,342	62	1.4	5,348
Withholding Taxes							
990	712	Residents' interest income	716	728	(12)	(1.6)	982
83	41	Residents' dividend income	9	6	3	50.0	23
1,073	753	Total Withholding Taxes	725	734	(9)	(1.2)	1,005
23,861	18,772	Total Income Tax	19,101	18,858	243	1.3	24,224
Other Direct Taxation							
2	1	Estate and gift duties	1	1	-	-	2
2	1	Total Other Direct Taxation	1	1	-	-	2
23,863	18,773	Total Direct Taxation	19,102	18,859	243	1.3	24,226
NOTE 2: Indirect Taxation							
Goods and Services Tax							
15,133	11,196	Gross goods and services tax	12,063	11,758	305	2.6	15,517
(6,007)	(4,530)	Refunds	(4,883)	(4,682)	(201)	(4.3)	(6,046)
9,126	6,666	Total Goods and Services Tax	7,180	7,076	104	1.5	9,471
Excise Duties							
810	608	Petroleum fuels	623	634	(11)	(1.7)	825
764	581	Tobacco products	634	615	19	3.1	806
436	333	Alcoholic beverages	342	342	-	-	446
2,010	1,522	Total Excise Duties	1,599	1,591	8	0.5	2,077
Other Indirect Taxation							
648	497	Customs duty	492	501	(9)	(1.8)	656
532	396	Road user charges	436	414	22	5.3	551
206	151	Gaming duties	178	179	(1)	(0.6)	239
181	134	Motor vehicle fees	140	134	6	4.5	180
111	81	Energy resources levy	79	81	(2)	(2.5)	107
61	47	Stamp, cheque and credit card duties	46	51	(5)	(9.8)	64
1,739	1,306	Total Other Indirect Taxation	1,371	1,360	11	0.8	1,797
12,875	9,494	Total Indirect Taxation	10,150	10,027	123	1.2	13,345

NOTES TO THE FINANCIAL STATEMENTS

Prior Year 30 June 2001 \$m	Actual 31 March 2001 \$m		Current Year Actual vs Forecast				Annual Forecast \$m
			Actual \$m	Forecast \$m	Variance \$m	%	
NOTE 3: Investment Income							
Interest Income							
463	324	Marketable securities, deposits, mortgages and cash balances	310	270	40	14.8	351
289	211	Advances	249	240	9	3.8	334
48	38	Student loans Other entities	62	66	(4)	(6.1)	80
800	573	Total Interest Income	621	576	45	7.8	765
Dividend Income							
45	9	Dividends from state-owned enterprises					
15	15	Electricity Corporation of New Zealand Limited	10	-	10	-	-
19	19	Genesis Power Limited	24	23	1	4.3	-
68	68	Landcorp Farming Limited	12	16	(4)	(25.0)	-
21	21	Meridian Energy Limited	173	142	31	21.8	-
7	7	Mighty River Power Limited	-	-	-	-	-
32	32	New Zealand Post Limited	10	6	4	66.7	-
87	87	Television New Zealand Limited	9	4	5	125.0	-
10	9	Transpower New Zealand Limited	83	28	55	196.4	-
12	12	Other	11	11	-	-	365
9	4	Housing New Zealand Corporation Other dividends	9	9	-	-	-
			43	19	24	126.3	-
325	283	Total Dividend Income	384	258	126	48.8	365
Other Investment Income							
102	123	Gains/(losses) on marketable securities and deposits	(2)	62	(64)	(103.2)	62
-	-	NZS Fund investment income	8	8	-	-	14
140	140	2 GHz radio spectrum rights auction proceeds	-	-	-	-	-
2	2	Other	4	2	2	100.0	1
244	265	Total Other Investment Income	10	72	(62)	(86.1)	77
1,369	1,121	Total Investment Income	1,015	906	109	12.0	1,207

NOTE 4: Other Operational Revenue

106	82	Recoveries from Accident Compensation Corporation	83	81	2	2.5	105
16	18	Contributions to Government Superannuation Fund	16	9	7	77.8	50
82	59	Petroleum royalties	33	33	-	-	42
29	22	Cost recovery income from fisheries	23	22	1	4.5	30
10	7	Income from Earthquake Commission	7	7	-	-	10
138	98	Other	94	81	13	16.0	86
381	286	Total Other Operational Revenue	256	233	23	9.9	323

NOTES TO THE FINANCIAL STATEMENTS

Prior Year 30 June 2001 \$m	Actual 31 March 2001 \$m		Current Year Actual vs Forecast				Annual Forecast
			Actual \$m	Forecast \$m	Variance \$m	%	\$m
NOTE 5: Expenses by Input Type							
13,274	9,881	Subsidies and transfer payments (see analysis below)	10,168	10,237	69	0.7	13,740
17,719	12,658	Operating expenses (see analysis below)	13,360	13,521	161	1.2	18,619
		Personnel					
2,632	1,928	Personnel expenses (excluding pension expenses)	2,037	2,032	(5)	(0.2)	2,783
855	513	GSF Pension expenses	528	527	(1)	(0.2)	710
-	-	Movement in GSF unfunded pension liability	-	-	-	-	38
56	46	Other pension expenses	52	43	(9)	(20.9)	53
		Depreciation					
751	548	Physical assets	559	561	2	0.4	786
174	62	State highways	134	134	-	-	179
282	210	Rental and leasing costs	215	210	(5)	(2.4)	258
7	3	Loss/(gain) on sale of assets	2	1	(1)	(100.0)	1
2,483	1,880	Finance costs (see analysis below)	1,766	1,789	23	1.3	2,345
		Net foreign-exchange (gains)/ losses on liabilities	(562)	11	573	-	11
		Net foreign-exchange losses/ (gains) on assets	626	(10)	(636)	-	(10)
-	-	Provision for future initiatives	-	-	-	-	90
38,186	27,696	Total Expenses	28,885	29,056	171	0.6	39,603
Analysis of Subsidies and Transfer Payments							
		Social Assistance Grants					
5,273	3,924	New Zealand superannuation	4,069	4,069	-	-	5,452
1,444	1,076	Domestic purposes benefit	1,112	1,112	-	-	1,450
1,849	1,408	Community wage	-	-	-	-	-
-	-	Unemployment benefit	1,081	1,107	26	2.3	1,484
878	648	Family support	662	645	(17)	(2.6)	879
391	262	Student allowances	272	277	5	1.8	417
3,073	2,288	Other social assistance grants	2,710	2,732	22	0.8	3,653
115	90	Subsidies	79	93	14	15.1	145
		Other Transfer Payments					
226	162	Official development assistance	155	172	17	9.9	227
25	23	Other	28	30	2	6.7	33
13,274	9,881	Total Subsidies and Transfer Payments	10,168	10,237	69	0.7	13,740
Analysis of Operating Expenses							
		Education purchases					
331	243	Early childhood education	257	257	-	-	356
3,505	2,675	Primary and secondary education	2,718	2,741	23	0.8	3,683
1,508	1,102	Tertiary education and training	1,233	1,236	3	0.2	1,685
6,807	5,106	Health purchases	5,201	5,242	41	0.8	7,072
467	348	Science purchases	352	356	4	1.1	478
5,101	3,184	Other operating expenses	3,599	3,689	90	2.4	5,345
17,719	12,658	Total Operating Expenses	13,360	13,521	161	1.2	18,619
Analysis of Finance Costs							
		Interest					
2,035	1,533	New Zealand dollars	1,496	1,531	35	2.3	2,011
428	335	Foreign currencies	234	234	-	-	304
20	12	Other finance costs	36	24	(12)	(50.0)	30
2,483	1,880	Total Finance Costs	1,766	1,789	23	1.3	2,345

NOTES TO THE FINANCIAL STATEMENTS

Prior Year 30 June 2001 \$m	Actual 31 March 2001 \$m		Current Year Actual vs Forecast				Annual Forecast
			Actual \$m	Forecast \$m	Variance \$m	%	\$m
NOTE 6: Advances							
Advances to state-owned enterprises and Crown entities							
163	153	Housing New Zealand Corporation	617	574	43	7.5	645
45	43	Solid Energy New Zealand Limited	26	28	(2)	(7.1)	-
29	39	Residual Health Management Unit	29	29	-	-	-
24	-	District health boards	38	215	(177)	(82.3)	274
-	2	Terralink NZ Limited	-	-	-	-	3
261	237	Total Advances to state-owned enterprises and Crown entities	710	846	(136)	(16.1)	922
Other Advances							
4,143	4,037	Student loans	4,716	4,735	(19)	(0.4)	4,870
118	117	Contact Energy Limited	48	48	-	-	48
38	26	Maori development rural lending	40	41	(1)	(2.4)	43
29	39	Forestry encouragement loans	30	30	-	-	30
8	8	Catchment authorities	7	8	(1)	(12.5)	-
18	20	Other	15	13	2	15.4	113
4,354	4,247	Total Other Advances	4,856	4,875	(19)	(0.4)	5,104
4,615	4,484	Total Advances	5,566	5,721	(155)	(2.7)	6,026

NOTE 7: Receivables							
4,962	5,587	Taxes receivable	5,530	5,853	(323)	(5.5)	4,961
1,024	1,006	Accounts receivable	970	1,000	(30)	(3.0)	950
		Receivable from the sale and purchase of Maui gas	104	104	-	-	116
111	118		149	177	(28)	(15.8)	98
100	137	Prepayments					
6,197	6,848	Total Receivables	6,753	7,134	(381)	(5.3)	6,125

NOTES TO THE FINANCIAL STATEMENTS

NOTE 8: Ownership Interest in State-owned Enterprises (including Air New Zealand Ltd) and Crown Entities

	Investment as at 1 July 2001 \$m	Net surplus \$m	Distributions to Crown \$m	Net surplus after distributions \$m	Net revaluations to revaluation reserve \$m	Net capital contributions /(withdrawals) by Crown \$m	Investment as at 31 March 2002 \$m
State-owned enterprises ¹	5,554	394	(332)	62	-	958	6,574
Crown entities	8,523	381	(26)	355	-	136	9,014
Total State-owned Enterprises and Crown Entities	14,077	775	(358)	417	-	1,094	15,588

¹ The equity investment in Air New Zealand Ltd has been included for disclosure purposes as part of the state-owned enterprises grouping. Air New Zealand is not a state-owned enterprise as defined in the State-Owned Enterprises Act 1986.

NOTES TO THE FINANCIAL STATEMENTS

Prior Year 30 June 2001 \$m	Actual 31 March 2001 \$m		Current Year Actual vs Forecast				Annual Forecast
			Actual \$m	Forecast \$m	Variance \$m	%	\$m
NOTE 9: Other Investments							
128	118	International Bank for Reconstruction and Development	125	128	(3)	(2.3)	128
117	107	Asian Development Bank	114	129	(15)	(11.6)	129
72	78	Public Trust Office	47	72	(25)	(34.7)	47
37	69	Other	47	49	(2)	(4.1)	167
354	372	Total Other Investments	333	378	(45)	(11.9)	471
NOTE 10: Physical Assets							
By Type							
Cost or Valuation							
1,844	1,864	Land	1,881	1,861	20	1.1	1,840
464	431	Properties intended for sale	445	443	2	0.5	447
8,654	8,417	Buildings	8,958	8,997	(39)	(0.4)	9,156
2,686	2,893	Specialist military equipment	2,750	2,786	(36)	(1.3)	2,829
2,213	2,260	Other plant and equipment	2,384	2,351	33	1.4	2,442
2,688	2,636	Other assets	2,696	2,692	4	0.1	2,683
18,549	18,501	Total Cost or Valuation	19,114	19,130	(16)	(0.1)	19,397
Accumulated Depreciation							
729	652	Buildings	979	990	11	1.1	1,076
421	444	Specialist military equipment	545	541	(4)	(0.7)	590
1,292	1,316	Other plant and equipment	1,399	1,419	20	1.4	1,421
5	3	Other assets	7	7	-	-	7
2,447	2,415	Total Accumulated Depreciation	2,930	2,957	27	0.9	3,094
Net Book Value							
1,844	1,864	Land	1,881	1,861	20	1.1	1,840
464	431	Properties intended for sale	445	443	2	0.5	447
7,925	7,765	Buildings	7,979	8,007	(28)	(0.3)	8,080
2,265	2,449	Specialist military equipment	2,205	2,245	(40)	(1.8)	2,239
921	944	Other plant and equipment	985	932	53	5.7	1,021
2,683	2,633	Other assets	2,689	2,685	4	0.1	2,676
16,102	16,086	Total Net Book Value	16,184	16,173	11	0.1	16,303
Movements since 30 June 2001							
Cost or Valuation							
18,507	18,507	Opening balance	18,549	18,549	-	-	18,549
905	422	Net additions	521	581	(60)	(10.3)	848
(863)	(428)	Net Revaluations	44	-	44	-	-
18,549	18,501	Total Cost or Valuation	19,114	19,130	(16)	(0.1)	19,397
Accumulated Depreciation							
2,535	2,535	Opening balance	2,447	2,447	-	-	2,447
(145)	(286)	Disposals	(66)	(57)	9	15.8	(145)
751	548	Depreciation charged for the period	559	561	2	0.4	786
(694)	(382)	Net Revaluations	(10)	6	16	266.7	6
2,447	2,415	Total Accumulated Depreciation	2,930	2,957	27	0.9	3,094
16,102	16,086	Net Physical Assets	16,184	16,173	11	0.1	16,303

NOTES TO THE FINANCIAL STATEMENTS

Prior Year 30 June 2001 \$m	Actual 31 March 2001 \$m	Current Year Actual vs Forecast				Annual Forecast
		Actual \$m	Forecast \$m	Variance \$m	%	\$m

NOTE 11: State Highways

Cost or Valuation

8,911	8,911	Opening balance	11,055	11,055	-	-	11,055
1,650	-	Recognition adjustment	-	-	-	-	-
300	140	Net additions	191	191	-	-	255
194	-	Net revaluations	-	-	-	-	-
11,055	9,051	Total Cost or Valuation	11,246	11,246	-	-	11,310
Accumulated Depreciation							
-	-	Opening balance	-	-	-	-	-
174	62	Depreciation charged for the period	134	134	-	-	179
(174)	-	Net revaluations	-	-	-	-	-
-	62	Total Accumulated Depreciation	134	134	-	-	179
11,055	8,989	Net State Highways	11,112	11,112	-	-	11,131

NOTE 12: Payables and Provisions

1,907	1,791	Taxes repayable	1,612	1,935	323	16.7	2,397
1,631	1,292	Accounts payable	1,263	1,519	256	16.9	382
1,193	1,021	Accruals and provisions	1,254	1,207	(47)	(3.9)	1,938
		National Provident Fund					
686	480	guarantee	686	686	-	-	686
		National Provident Fund Board					
-	-	indemnity	-	-	-	-	-
		Provision for employee					
414	373	entitlements	400	411	11	2.7	408
5,831	4,957	Total Payables and Provisions	5,215	5,758	543	9.4	5,811

NOTES TO THE FINANCIAL STATEMENTS

Prior Year 30 June 2001 \$m	Actual 31 March 2001 \$m		Current Year Actual vs Forecast				Annual
			Actual	Forecast	Variance		Forecast
			\$m	\$m	\$m	%	\$m
NOTE 13: Revaluation Reserve							
8,201	8,201	Opening Balance	8,007	8,007	-	-	8,007
Net Revaluations							
368	-	State highways	-	-	-	-	-
85	(47)	Land and buildings	50	(6)	56	-	(6)
(258)	-	Specialist military equipment	-	-	-	-	-
4	1	Other assets	4	-	4	-	-
(378)	11	State-owned enterprises and Crown entities	-	-	-	-	-
(179)	(35)	Total Net Revaluations	54	(6)	60	-	(6)
(15)	(9)	Transfers to accumulated operating balance	(4)	(1)	(3)	(300)	(1)
8,007	8,157	Closing Revaluation Reserve	8,057	8,000	57	0.7	8,000