STATE FORESTS ACCOUNT.

Balance-sheet as at 31st March, 1941.

Liabilities.	Amount of Loan. £	£	£
Capital Account			36,311,535
Loans—			
Debentures and stock issued— Rate of Interest. Per Cent.			
1¼	300,000		
1½	145,000		
3	992,852		
3½	638,795		
3¾	116,100		
4	991,211		
		3,183,958	
Advance from Consolidated Fund at 4 per cent.		87,405	
			3,271,363
Sundry creditors—			
Consolidated Fund for—			
Loans redeemed on conversion		145,034	
Interest paid		654,914	
Interest accrued		24,584	
National Endowment Revenue		24,443	
Working Railways Account		1,151	
On open accounts—			
Departmental creditors		3,680	
Sundry creditors		24,833	
			878,639
Reserves, general			1,777,970
Liability for amounts held on deposit			3,669
Reserve for assets written off			1,416
			£42,244,592

Assets.	£	£
Land		1,516,680
Standing forests		34,028,190
Forest improvements, roads, tracks, protection improvements, &c.		7,323
Departmental property—Indigenous forests: Buildings, equipment, motor-vehicles, reference library, stores, &c.		13,422
Sundry debtors—		
Departmental debtors	1,239	
Sundry debtors	116,157	
		117,396
Plantations		5,958,651
Stocks of tree-seeds		2,351
Regeneration areas		45,402
Managed forests		63,704
Utilization, sawmilling, and creosoting plant		332,474
Amounts held on deposit		3,669
Assets in Suspense		1,416
Administration expenses unallocated		17,002
Charcoal Account		5,604
Net interest payable, capitalized as from 1st April, 1940		91,296
Cash in Public Account		40,012
		£42,244,592

Note.—(1) Lands and standing forests other than areas purchased have been valued as follows: Prairie value, 5s. per acre; protection, £1 per acre; merchantable forests, £10 per acre; accretions during the year have been brought into the accounts at the prairie value of 5s. per acre. (2) Plantations have been valued at cost plus compound interest to 31st March, 1940, less returns compounded to 31st March, 1940. (3) The liability for advances from the Consolidated Fund is fixed by section 21 of the Finance Act, 1926, and section 3 of the Finance Act, 1926, and section 3 of the Finance Act, 1927, at £104,250. £87,405 3s. 4d. only is shown as a liability of this account, £16,844 16s. 8d. representing the expenditure on sand-dune reclamation, having been transferred without statutory authority to the Crown Lands Account.

Alex. R. Entrican, Director of Forestry.
W. J. C. Kinloch, A.R.A.N.Z., Accountant.

I hereby certify that the Working Accounts, Profit and Loss Account, Income and Expenditure Account, and Balance-sheet have been duly examined and compared with the relative books and documents submitted for audit, and correctly state the position as disclosed thereby, subject to the departmental notes enfaced thereon and to the explanatory notes dealing with departmental accounts generally as appearing at commencement of parliamentary return B.-1 [Pt. IV].—Cyril G. Collins, Controller and Auditor-General.