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The 2001-2002 financial year was the first full year of operations for the Commission. We are pleased to advise that the Commission was able to return good operating profits for the year, despite difficult trading conditions.

The summary of financial performance and ratios reflect the results after adjusting for matters detailed in Note 4 to the Financial Statements - Volume 2 of the Annual Report.

	2002	2001 (33 weeks)
	(\$'000)	(\$'000)
Summary of financial performance:		
Total revenue from ordinary activities*	113,892	80,921
Profit after income tax equivalents*	3,105	7,790
Summary of financial position:		
	2002	2001
	(\$'000)	(\$'000)
Current assets	31,462	25,531
Non current assets	308,460	302,529
Total assets	339,922	328,060
Current liabilities	20,207	24,355
Non current liabilities	79,930	78,958
Total liabilities	100,137	103,313
Net assets / total equity	239,785	224,747

The following ratios reflect the financial performance of the Commission:

	2002	2001
Return on equity after adjustments*	1.29%	3.47%
Return on assets after adjustments*	3.43%	4.47%
Debt to equity	34.36%	34.26%

Natural resource assets:

The net carrying value of the Commission's natural resource assets has decreased by \$1.2m this year. This is mainly attributable to a decrease in the valuation of the plantation reforestation program due to a change in accounting methodology. This decrease has been offset by an increase in native forest's valuation, due to a decrease in costs previously attributed to the Commission.

Debt to equity:

The debt to equity ratio continues to be adversely affected by \$75m interest-bearing liabilities transferred to the Commission from the Department of Conservation and Land Management on the Commission's inception in 2000, for which the Commission received no compensating assets. Showing a compensating increase in assets for these liabilities improves the Commission's debt to equity ratio to 26%. Negotiations are underway with the department for the transfer of these assets.

* See Note 4 Volume 2