

10 April 2015

MEDIA STATEMENT

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Paul Helm, Chief Government Accountant

Financial Statements of the Government of New Zealand for the Eight Months Ended 28 February 2015

The *Financial Statements of the Government of New Zealand* for the eight months ended 28 February 2015 were released by the Treasury today. The statements are compared against forecasts based on the *Half Year Economic and Fiscal Update (HYEFU)* released on 16 December 2014.

The total Crown's **operating balance before gains and losses** (OBEGAL) was a deficit of \$269 million in the eight-month period, \$343 million lower than forecast, reflecting higher than forecast tax revenue and lower than anticipated core Crown expenses.

Core Crown tax revenue, at \$42.4 billion, was 0.4% or \$162 million above forecast. This variance was mainly due to higher than expected other individuals tax (\$217 million) and corporate tax (\$91 million). Partially offsetting these, GST was \$261 million lower than forecast primarily due to higher than forecast earthquake-related refunds and weaker-than-forecast growth in nominal consumption.

Core Crown expenses, at \$47.2 billion, were \$312 million lower than forecast. This variance was spread over a number of departments.

Net losses on non-financial instruments were \$4.3 billion higher than forecast, mainly due to actuarial losses on the ACC and GSF liabilities mostly reflecting lower interest rates and a weaker inflation outlook. Partially offsetting the net losses, net gains on financial instruments were \$1.7 billion higher than forecast largely due to favourable market movements. As a result, the **operating balance** was a deficit of \$952 million (\$1.9 billion below forecast).

The **core Crown residual cash** position, at a deficit of \$3.7 billion, was \$428 million stronger than forecast, mainly due to capital payments being \$308 million less than forecast. **Net debt**, at \$63.5 billion, (26.7% of GDP) was \$0.7 billion lower than forecast, largely reflecting the residual cash result and higher than forecast public demand for currency in circulation. **Gross debt** at \$87.5 billion (36.8% of GDP) was \$3.5 billion higher than forecast but was mostly matched by an increase in financial assets with no flow on impact to net debt.

At 28 February, total Crown assets were valued at \$263.5 billion and liabilities were \$183.7 billion while the Crown's share of **net worth** stood at \$74.6 billion.

The Treasury's next updated economic and fiscal forecasts will be published on 21 May 2015.

\$ million	Year to date				Full Year
	February 2015	February 2015 HYEFU	Variance to HYEFU	Variance to HYEFU	June 2015 HYEFU
	Actual ¹	Forecast ¹	\$m	%	Forecast ²
Core Crown					
Core Crown tax revenue	42,414	42,252	162	0.4	65,626
Core Crown revenue	46,026	45,970	56	0.1	71,466
Core Crown expenses	47,231	47,543	312	0.7	73,018
Core Crown residual cash	(3,683)	(4,110)	428	10.4	(4,009)
Gross debt ³	87,470	83,950	(3,519)	(4.2)	80,289
<i>as a percentage of GDP</i>	36.8%	35.3%			33.6%
Net debt ⁴	63,537	64,224	687	1.1	63,494
<i>as a percentage of GDP</i>	26.7%	27.0%			26.5%
Total Crown					
Operating balance before gains and losses	(269)	(612)	343	56.0	(572)
Operating balance	(952)	941	(1,893)	(201.2)	1,900
Net worth attributable to the Crown	74,570	76,454	(1,884)	(2.5)	77,376

1 Using GDP for the year ended 31 December 2014 of \$237,924 million (Source: Statistics New Zealand).

2 Using forecast GDP for the year ended 30 June 2015 of \$239,188 million (Source: Treasury).

3 Gross sovereign-issued debt excluding settlement cash and Reserve Bank bills.

4 Net core Crown debt excluding student loans and other advances. Net debt may fluctuate during the year largely reflecting the timing of tax receipts.

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Financial Statements of the Government of New Zealand

For the Eight Months Ended
28 February 2015



Prepared by the Treasury
10 April 2015

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New Zealand Government

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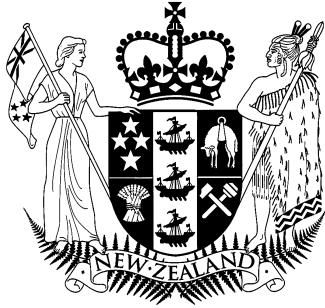
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COMMENTARY

S U M M A R Y

The Financial Statements of the Government provide a record of the Government's financial performance for the eight months ended 28 February 2015 and its financial position as at that date.

The February results are reported against forecasts based on the 2014 *Half Year Economic and Fiscal Update (HYEFU)*, published on 16 December 2014.

At a Glance

Table 1 – Key indicators for the eight months ended 28 February 2015 compared to *HYEFU*

\$ million	Year to date				Full Year
	February	February	Variance	Variance	June
	2015	2015	to HYEFU	to HYEFU	2015
	Actual ¹	Forecast ¹	\$m	%	Forecast ²
Core Crown					
Core Crown tax revenue	42,414	42,252	162	0.4	65,626
Core Crown revenue	46,026	45,970	56	0.1	71,466
Core Crown expenses	47,231	47,543	312	0.7	73,018
Core Crown residual cash	(3,683)	(4,110)	428	10.4	(4,009)
Gross debt ³	87,470	83,950	(3,519)	(4.2)	80,289
<i>as a percentage of GDP</i>	36.8%	35.3%			33.6%
Net debt ⁴	63,537	64,224	687	1.1	63,494
<i>as a percentage of GDP</i>	26.7%	27.0%			26.5%
Total Crown					
Operating balance before gains and losses	(269)	(612)	343	56.0	(572)
Operating balance	(952)	941	(1,893)	(201.2)	1,900
Net worth attributable to the Crown	74,570	76,454	(1,884)	(2.5)	77,376

1 Using GDP for the year ended 31 December 2014 of \$237,924 million (Source: Statistics New Zealand).

2 Using forecast GDP for the year ended 30 June 2015 of \$239,188 million (Source: Treasury).

3 Gross sovereign-issued debt excluding settlement cash and Reserve Bank bills.

4 Net core Crown debt excluding student loans and other advances. Net debt may fluctuate during the year largely reflecting the timing of tax receipts.

Core Crown includes Ministers, Departments, Offices of Parliament, the NZS Fund and the Reserve Bank of New Zealand but excludes State-owned enterprises and Crown entities.

Results for the eight months ended 28 February 2015

The total Crown's **operating balance before gains and losses (OBEGAL)** was a deficit of \$269 million in the eight-month period, \$343 million lower than forecast, reflecting higher than forecast tax revenue and lower than anticipated core Crown expenses.

Core Crown tax revenue, at \$42.4 billion, was 0.4% or \$162 million above forecast. This variance was mainly due to higher-than-expected other individuals tax (\$217 million) and corporate tax (\$91 million). Partially offsetting these, GST was \$261 million lower than forecast primarily due to higher-than-forecast earthquake-related refunds and weaker-than-forecast growth in nominal consumption.

Core Crown expenses, at \$47.2 billion, were \$312 million lower than forecast. This variance was spread over a number of departments.

Net losses on non-financial instruments were \$4.3 billion higher than forecast, mainly due to actuarial losses on the ACC and GSF liabilities mostly reflecting lower interest rates and a weaker inflation outlook. Partially offsetting the net losses, net gains on financial instruments were \$1.7 billion higher than forecast largely due to favourable market movements. As a result, the **operating balance** was a deficit of \$952 million (\$1.9 billion below forecast).

The **core Crown residual cash** position, at deficit of \$3.7 billion, was \$428 million stronger than forecast, mainly due to capital payments being \$308 million less than forecast. **Net debt**, at \$63.5 billion, (26.7% of GDP) was \$0.7 billion lower than forecast, largely reflecting the residual cash result and higher public demand for currency in circulation. **Gross debt** at \$87.5 billion (36.8% of GDP) was \$3.5 billion higher than forecast but was matched by an increase in financial assets with no flow on impact to net debt.

At 28 February, total Crown assets were valued at \$263.5 billion and liabilities were \$183.7 billion while the Crown's share of **net worth** stood at \$74.6 billion.

Further analysis of the February results follows.

ANALYSIS

Table 2 – Key indicator variances for the eight months ended 28 February 2015 compared to *HYEFU*:

Item/indicator	Variance ¹	Key drivers
Core Crown		
Core Crown revenue	\$56 million higher than forecast	<p>Core Crown revenue was higher than forecast mainly due to core Crown tax revenue being \$162m higher than expected across the following tax types:</p> <ul style="list-style-type: none"> • Other individuals tax was \$217m (7.2%) above forecast largely due to higher-than-forecast provisional tax payments reflecting stronger profitability, mostly amongst non-farm taxpayers. • Corporate tax was \$91m (1.6%) above forecast, mainly driven by provisional tax being above forecast. This strength is currently expected to remain until June. • Customs and excise duties were \$68m (2.3%) above forecast mainly owing to tobacco excise being above forecast, partly offset by lower-than-expected fuel excise. • GST was \$261m (2.3%) below forecast, mainly due to larger-than-forecast earthquake-related refunds of around \$150m, with the remainder largely attributable to growth in nominal consumption being weaker than was forecast in the <i>HYEFU</i>. <p>Offsetting this higher-than-forecast tax revenue, petroleum royalties were \$127m lower than forecast. This was partly due to timing and partly due to a reduction in oil prices.</p>
Core Crown expenses	\$312 million lower than forecast	<p>Core Crown expenses at \$47.2b were \$312m lower than forecast. Excluding the top-down expense adjustment of \$428m, underlying expenses were \$740m lower than expected, spread across a number of departments. The largest variances related to lower than expected applications for grants and subsidies and education-related expenses, and delays in finalising treaty settlements.</p>
Core Crown residual cash deficit	\$428 million lower than forecast	<p>The residual cash deficit was \$428m lower than forecast. With core Crown tax receipts tracking close to forecast, the residual cash deficit was largely due to lower than forecast capital payments.</p> <ul style="list-style-type: none"> • Core Crown tax receipts were tracking close to forecast across most tax types, consistent with tax revenue, with the exception of corporate tax and GST. Corporate tax receipts were \$153m lower than forecast largely due to a larger-than-forecast movement of income tax payments from February to March as a result of the 28 February due date falling in a weekend. GST receipts were below forecast, similar to GST revenue. • Capital payments were \$308m below forecast largely relating to delays in capital projects; in particular Canterbury and defence projects.
Gross debt	(\$3,519 million) higher than forecast	<p>Gross debt at \$87.5b (36.8% of GDP) was \$3.5b higher than forecast. This variance was mainly attributable to increased borrowings and short term trading positions. The increased debt was largely held in financial assets so has no flow on impact to net debt.</p>
Net debt	\$687 million lower than forecast	<p>Net debt was \$63.5b, or 26.7% of GDP, \$687m lower than forecast. This variance was largely due to the lower than expected residual cash deficit explained earlier. Additionally, \$308m was due to greater public demand for currency in circulation than had been forecast.</p>

¹ Favourable variances against forecast have a positive sign and unfavourable variances against forecast have a negative sign.

Item/indicator	Variance ¹	Key drivers
Total Crown		
Operating balance before gains and losses deficit	\$343 million lower than forecast	The OBEGAL deficit at \$269m was \$343m lower than forecast. The key drivers of the OBEGAL variance were higher core Crown revenue and lower core Crown expenses as previously discussed.
Operating balance	(\$1,893 million) lower than forecast	The operating balance was in deficit by \$952m and below forecast by \$1,893m. In addition to the favourable OBEGAL result, the University of Canterbury settled its insurance claims arising from the Canterbury earthquakes, positively impacting the operating balance by \$330m. More than offsetting these favourable results, net gains were tracking \$2,628m below forecast. The variance in net gains was mainly due to actuarial losses on the ACC and Government Superannuation Fund (GSF) liabilities (\$2,494m and \$1,644m respectively) partially offset by \$1,666m higher than forecast net gains on financial instruments largely due to favourable market, interest and FX movements.
Net worth attributable to the Crown	(\$1,884 million) lower than forecast	Net worth was \$74.6b, \$1.9b lower than forecast mainly due to a lower than forecast operating balance as explained above.

Table 3 – Fiscal strategy and financial results

Fiscal Strategy		Financial Results		Ref	28 Feb 2015 Actual \$m	28 Feb 2015 Forecast \$m	Variance \$m	Variance ² %	Annual Forecast \$m
Operating revenue Ensure sufficient operating revenue to meet the operating balance objective	Taxation as a % of GDP	1	26.7%	26.6%					27.4%
	Core Crown taxation revenue ...		42,414	42,252	162	0.4		65,626	
Operating expenses To control the growth in spending so that over time, core Crown expenses are reduced to below 30% of GDP	... combined with other core Crown revenue ...		3,612	3,718	(106)	(2.9)		5,840	
	... fund core Crown expenses...		(47,231)	(47,543)	312	0.7		(73,018)	
Operating balance Return to an operating surplus sufficient to meet the Government's net capital requirements, including contributions to the New Zealand Superannuation Fund, and ensure consistency with the debt objective	... and with SOE and Crown entity results and core Crown gains and losses...		253	2,514	(2,261)	(89.9)		3,452	
	... result in an operating surplus or deficit...		(952)	941	(1,893)	(201.2)		1,900	
	...with income in SOEs, CEs and the NZS Fund retained...		(935)	(3,276)	2,341	71.5		(4,615)	
	... and some items do not impact cash ...		794	1,122	(328)	(29.2)		2,755	
	... leaving operating cash flows to ...		(1,093)	(1,213)	120	9.9		40	
Debt Manage total debt at prudent levels ensuring net debt is reduced to a level no higher than 20% of GDP by 2020. Beyond 2020, maintain net debt within a range of around 10% to 20% of GDP over the economic cycle	... meet the capital expenditure budget ...		(1,278)	(1,445)	167	11.6		(2,126)	
	... make advances (e.g. to students and DHBs)...		(1,312)	(1,452)	141	9.7		(2,551)	
	... and receive proceeds from government share offers		-	-	-	-		628	
	With the residual cash ...		(3,683)	(4,110)	428	10.4		(4,009)	
	... when combined with opening net debt ...		59,931	59,931	-	-		59,931	
	... and fair value movements and other changes in financial assets and financial liabilities ...		(77)	183	259	142.0		(446)	
	... results in a closing net debt ...		63,537	64,224	687	1.1		63,494	
	... and as a % of GDP		26.7%	27.0%				26.5%	

1 GDP for the eight months ended 28 February 2015 (actual and forecast) is the actual data for the year ended 31 December 2014 (Source: Statistics New Zealand) pro-rated for eight months.

2 Percentage variances between the actual and comparative balances exceeding 500% are not shown.

YEAR - ON - YEAR PERSPECTIVE

Table 4 – Comparison with previous year

	February 2015 Actual \$m	February 2014 Actual \$m	Change ¹ \$m	Change %
Statement of Financial Performance				
Core Crown Revenue				
Taxation revenue	42,414	39,471	2,943	7.5
Other revenue	3,612	3,705	(93)	(2.5)
Total core Crown revenue	46,026	43,176	2,850	6.6
Core Crown Expenses				
Social security and welfare	15,700	15,182	518	3.4
GSF pension expenses	229	170	59	34.7
Health	9,969	9,805	164	1.7
Education	8,107	7,845	262	3.3
Core government services	2,642	2,633	9	0.3
Law and order	2,339	2,282	57	2.5
Defence	1,245	1,202	43	3.6
Transport and communications	1,308	1,320	(12)	(0.9)
Economic and industrial services	1,400	1,374	26	1.9
Primary services	428	440	(12)	(2.7)
Heritage, culture and recreation	549	546	3	0.5
Environmental protection	434	307	127	41.4
Housing and community development	235	247	(12)	(4.9)
Other	83	127	(44)	(34.6)
Finance costs	2,563	2,376	187	7.9
Total core Crown expenses	47,231	45,856	1,375	3.0
Net surplus of SOE/CE's (and inter-segment eliminations)	936	1,287	(351)	(27.3)
OBEGAL	(269)	(1,393)	1,124	80.7
Total gains/(losses)	(1,208)	4,961	(6,169)	(124.3)
Other operating items	525	153	372	243.1
Operating balance	(952)	3,721	(4,673)	(125.6)
Core Crown residual cash	(3,683)	(3,951)	268	6.8
Debt indicators				
Gross debt²	87,470	83,328	4,141	5.0
Net debt³	63,537	60,038	3,499	5.8

¹ Due to the seasonal nature of some expenditure it is not appropriate to annualise these changes.

² Gross sovereign-issued debt excluding settlement cash and Reserve Bank bills.

³ Net core Crown debt excluding NZS Fund, student loans and other advances.

Revenue and Expenses

Core Crown taxation revenue for the eight months ended 28 February 2015 increased by \$2,943 million (7.5%) on the same period last year. Improving macroeconomic conditions have led to growth in other direct taxes (13.6%), other individuals tax (12.3%), corporate tax (12.4%) and GST (5.1%).

Total **core Crown expenses** increased by 3.0% on the same period last year. The main increases relate to the following:

Functional expense	Movement from previous year	Main drivers of the change
Increases:		
Social security and welfare	+ \$518 million	Indexation of welfare benefits and increase in recipient numbers, particularly NZ Superannuitants.
Education	+ \$262 million	Funding provided in the 2014 Budget to maintain and improve existing service levels.
Finance costs	+ \$187 million	A direct result of the increased debt levels currently held.
Health	+ \$164 million	Funding provided in the 2014 Budget to maintain and improve existing service levels.
Environmental protection	+ \$127 million	\$103 million of this relates to the Crown's signing of the Deed of Indemnity with Solid Energy.
Other functional class	+ \$117 million	
Total	\$1,375 million	

Gains/Losses

Total net losses were \$1,208 million in the eight months to February 2015, compared to gains of \$4,961 million in the previous year due largely to the actuarial losses on the ACC and GSF liability in the current period.

Debt

Gross debt has increased by \$4,141 million or 5.0% from February 2014. **Net debt** has increased by \$3,499 million or 5.8% over the same time, largely owing to continued cash deficits.



FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL PERFORMANCE

for the eight months ended 28 February 2015

Year to 30 Jun 2014	8 months to 28 Feb 2014		Note	Current Year Actual vs Forecast			Annual Forecast \$m	
				Actual \$m	Forecast \$m	Variance \$m		%
		Revenue						
60,879	39,051	Taxation revenue	2	41,962	41,880	82	0.2	65,041
5,450	3,670	Other sovereign revenue	2	3,531	3,381	150	4.4	5,103
66,329	42,721	Total Revenue Levied through the Crown's Sovereign Power		45,493	45,261	232	0.5	70,144
16,472	10,671	Sales of goods and services		10,938	10,885	53	0.5	16,645
3,175	2,015	Interest revenue and dividends	3	2,213	2,342	(129)	(5.5)	3,709
3,420	2,200	Other revenue		2,314	2,508	(194)	(7.7)	3,802
23,067	14,886	Total revenue earned through the Crown's operations		15,465	15,735	(270)	(1.7)	24,156
89,396	57,607	Total revenue (excluding gains)		60,958	60,996	(38)	(0.1)	94,300
		Expenses						
23,360	15,311	Transfer payments and subsidies	4	15,555	15,669	114	0.7	23,890
20,484	13,464	Personnel expenses	5	13,931	13,930	(1)	-	21,058
4,872	2,867	Depreciation and amortisation	6	3,153	3,061	(92)	(3.0)	4,844
35,553	22,666	Other operating expenses	7	23,155	23,881	726	3.0	37,209
4,400	2,940	Finance costs	8	3,001	3,082	81	2.6	4,665
3,501	1,752	Insurance expenses	9	2,248	2,150	(98)	(4.6)	3,678
-	-	Forecast new operating spending		-	-	-	-	123
-	-	Top-down expense adjustment		-	(428)	(428)	(100.0)	(950)
92,170	59,000	Total expenses (excluding losses)		61,043	61,345	302	0.5	94,517
(159)	-	Minority interests share of operating balance before gains/(losses)		(184)	(263)	79	30.0	(355)
(2,933)	(1,393)	Operating balance before gains/(losses) (excluding minority interests)		(269)	(612)	343	56.0	(572)
4,841	3,508	Net gains/(losses) on financial instruments	10	4,829	3,089	1,740	56.3	3,938
540	1,453	Net gains/(losses) on non-financial instruments	11	(6,037)	(1,743)	(4,294)	(246.4)	(1,782)
5,381	4,961	Total gains/(losses)		(1,208)	1,346	(2,554)	(189.7)	2,156
360	153	Net surplus/(deficit) from associates and joint ventures		525	207	318	153.6	316
2,808	3,721	Operating balance (excluding minority interests)		(952)	941	(1,893)	(201.2)	1,900

The accompanying notes and accounting policies are an integral part of these statements.

ANALYSIS OF EXPENSES BY FUNCTIONAL CLASSIFICATION

for the eight months ended 28 February 2015

Year to 30 Jun 2014 Actual \$m	8 months to 28 Feb 2014 Actual \$m		Current Year Actual vs Forecast				Annual Forecast \$m
			Actual \$m	Forecast \$m	Variance \$m	%	
		Total Crown expenses					
27,266	17,645	Social security and welfare	18,345	18,344	(1)	-	28,200
295	177	GSF pension expenses	238	250	12	4.8	376
14,344	9,436	Health	9,776	9,817	41	0.4	14,828
13,064	8,521	Education	8,722	8,874	152	1.7	13,595
4,104	2,380	Core government services	2,407	2,643	236	8.9	4,483
3,730	2,424	Law and order	2,506	2,534	28	1.1	3,857
1,776	1,177	Defence	1,212	1,235	23	1.9	1,928
9,137	5,719	Transport and communications	5,721	5,915	194	3.3	9,545
7,767	4,709	Economic and industrial services	5,367	5,019	(348)	(6.9)	7,703
2,372	1,555	Heritage, culture and recreation	1,480	1,562	82	5.2	2,293
1,703	1,122	Primary services	1,159	1,203	44	3.7	1,888
1,095	762	Housing and community development	694	795	101	12.7	1,152
538	306	Environmental protection	332	346	14	4.0	563
579	127	Other	83	154	71	46.1	268
4,400	2,940	Finance costs	3,001	3,082	81	2.6	4,665
-	-	Forecast new operating spending	-	-	-	-	123
-	-	Top-down expense adjustment	-	(428)	(428)	(100.0)	(950)
92,170	59,000	Total Crown expenses excluding losses	61,043	61,345	302	0.5	94,517

Below is an analysis of core Crown expenses by functional classification. Core Crown expenses include expenses incurred by the Crown, Departments and the Reserve Bank, but not Crown entities and SOEs.

Year to 30 Jun 2014 Actual \$m	8 months to 28 Feb 2014 Actual \$m		Current Year Actual vs Forecast				Annual Forecast \$m
			Actual \$m	Forecast \$m	Variance \$m	%	
		Core Crown expenses					
23,281	15,182	Social security and welfare	15,700	15,807	107	0.7	23,917
282	170	GSF pension expenses	229	240	11	4.6	360
14,898	9,805	Health	9,969	10,009	40	0.4	15,110
12,300	7,845	Education	8,107	8,207	100	1.2	12,861
4,502	2,633	Core government services	2,642	2,883	241	8.4	4,839
3,501	2,282	Law and order	2,339	2,358	19	0.8	3,595
1,811	1,202	Defence	1,245	1,268	23	1.8	1,977
2,237	1,320	Transport and communications	1,308	1,323	15	1.1	2,297
2,058	1,374	Economic and industrial services	1,400	1,472	72	4.9	2,239
842	546	Heritage, culture and recreation	549	566	17	3.0	781
676	440	Primary services	428	446	18	4.0	754
347	247	Housing and community development	235	245	10	4.1	372
533	307	Environmental protection	434	444	10	2.3	659
579	127	Other	83	154	71	46.1	268
3,620	2,376	Finance costs	2,563	2,549	(14)	(0.5)	3,816
-	-	Forecast new operating spending	-	-	-	-	123
-	-	Top-down expense adjustment	-	(428)	(428)	(100.0)	(950)
71,467	45,856	Core Crown expenses excluding losses	47,231	47,543	312	0.7	73,018

The accompanying notes and accounting policies are an integral part of these statements.

STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

for the eight months ended 28 February 2015

Year to 30 Jun 2014	8 months to 28 Feb 2014		Current Year Actual vs Forecast				Annual Forecast \$m
			Actual \$m	Forecast \$m	Variance \$m	%	
2,946	3,721	Operating Balance (including minority interest)	(768)	1,241	(2,009)	(161.9)	2,291
		Other comprehensive revenue and expense					
5,395	(347)	Revaluation of physical assets	(13)	(19)	6	31.6	(9)
(34)	(65)	Net change in hedging instruments entered into for cash flow hedges	(44)	(82)	38	46.3	(50)
(51)	(28)	Foreign currency translation differences for foreign operations	7	12	(5)	(41.7)	11
(36)	(117)	Valuation gains/(losses) on investments available for sale taken to reserves	24	25	(1)	(4.0)	19
1	49	Other movements	(7)	(1)	(6)	-	(13)
5,275	(508)	Total other comprehensive revenue and expense	(33)	(65)	32	49.2	(42)
8,221	3,213	Total comprehensive revenue and expense	(801)	1,176	(1,977)	(168.1)	2,249
		Attributable to:					
147	-	- minority interest	197	290	(93)	(32.1)	441
8,074	3,213	- the Crown	(998)	886	(1,884)	(212.6)	1,808
8,221	3,213	Total comprehensive revenue and expense	(801)	1,176	(1,977)	(168.1)	2,249

STATEMENT OF CHANGES IN NET WORTH

for the eight months ended 28 February 2015

Year to 30 Jun 2014	8 months to 28 Feb 2014		Current Year Actual vs Forecast				Annual Forecast \$m
			Actual \$m	Forecast \$m	Variance \$m	%	
70,011	70,011	Opening net worth	80,779	80,779	-	-	80,779
2,946	3,721	Operating balance (including minority interest)	(768)	1,241	(2,009)	(161.9)	2,291
5,395	(347)	Net revaluations	(13)	(19)	6	31.6	(9)
(2)	(185)	Transfers to/(from) reserves (Gains)/losses transferred to the	(22)	(57)	35	61.4	38
(43)	(2)	Statement of Financial Performance	-	(8)	8	100.0	(7)
(75)	26	Other movements	2	19	(17)	(89.5)	(64)
8,221	3,213	Total comprehensive revenue and expense	(801)	1,176	(1,977)	(168.1)	2,249
(577)	(361)	Gain/(loss) on Government share offers in SOEs	-	-	-	-	-
3,308	2,423	Increase in minority interest from Government share offers	-	-	-	-	-
(184)	105	Transactions with minority interests	(174)	(240)	66	27.5	(468)
80,779	75,391	Closing net worth	79,804	81,715	(1,911)	(2.3)	82,560

The accompanying notes and accounting policies are an integral part of these statements.

STATEMENT OF CASH FLOWS

for the eight months ended 28 February 2015

Year to 30 Jun 2014 Actual \$m	8 months to 28 Feb 2014 Actual \$m		Current Year Actual vs Forecast				Annual Forecast \$m
			Actual \$m	Forecast \$m	Variance \$m	%	
Cash Flows from Operations							
Cash was provided from							
59,853	38,728	Taxation receipts	40,590	40,609	(19)	-	64,129
4,974	3,555	Other sovereign receipts	3,481	3,247	234	7.2	4,673
16,608	10,500	Sales of goods and services	11,231	11,227	4	-	16,759
2,945	1,860	Interest and dividends receipts	2,096	2,031	65	3.2	3,660
5,737	3,812	Other operating receipts	2,636	2,917	(281)	(9.6)	4,535
90,117	58,455	Total cash provided from operations	60,034	60,031	3	-	93,756
Cash was disbursed to							
23,447	15,800	Transfer payments and subsidies	15,733	15,799	66	0.4	24,015
59,891	40,033	Personnel and operating payments	40,607	41,845	1,238	3.0	62,143
4,312	2,317	Interest payments	2,471	2,698	227	8.4	4,964
-	-	Forecast new operating spending	-	-	-	-	123
-	-	Top-down expense adjustment	-	(428)	(428)	(100.0)	(950)
87,650	58,150	Total cash disbursed to operations	58,811	59,914	1,103	1.8	90,295
2,467	305	Net cash flows from operations	1,223	117	1,106	-	3,461
Cash Flows from Investing Activities							
Cash was provided from/(disbursed to)							
(5,503)	(3,442)	Net (purchase)/sale of physical assets	(3,745)	(4,436)	691	15.6	(7,767)
(5,725)	(3,607)	Net (purchase)/sale of shares and other securities	(1,672)	(1,033)	(639)	(61.9)	3,747
(658)	(394)	Net (purchase)/sale of intangible assets	(353)	(386)	33	8.5	(385)
(1,529)	(925)	Net (issue)/repayment of advances	(1,196)	(1,735)	539	31.1	(2,043)
73	96	Net acquisition of investments in associates	84	(40)	124	310.0	(42)
-	-	Forecast new capital spending	-	-	-	-	(113)
-	-	Top-down capital adjustment	-	259	(259)	(100.0)	575
(13,342)	(8,272)	Net cash flows from investing activities	(6,882)	(7,371)	489	6.6	(6,028)
(10,875)	(7,967)	Net cash flows from operating and investing activities	(5,659)	(7,254)	1,595	22.0	(2,567)
Cash Flows from Financing Activities							
Cash was provided from/(disbursed to)							
274	357	Issues of circulating currency	451	143	308	215.4	130
2,186	1,498	Net proceeds from Government share offer programme	-	-	-	-	598
5,520	5,928	Net issue/(repayment) of Government bonds	4,801	4,956	(155)	(3.1)	(547)
1,442	136	Net issue/(repayment) of foreign currency borrowing	(1,541)	(1,063)	(478)	(45.0)	(1,447)
(832)	(841)	Net issue/(repayment) of other New Zealand dollar borrowing	2,437	1,870	567	30.3	3,126
(166)	-	Dividends paid to minority interests	(293)	(243)	(50)	(21)	(398)
8,424	7,078	Net cash flows from financing activities	5,855	5,663	192	3.4	1,462
(2,451)	(889)	Net movement in cash	196	(1,591)	1,787	112.3	(1,105)
14,924	14,924	Opening cash balance	11,888	11,888	-	-	11,888
(585)	(374)	Foreign-exchange gains/(losses) on opening cash	443	373	70	18.8	383
11,888	13,661	Closing cash balance	12,527	10,670	1,857	17.4	11,166

The accompanying notes and accounting policies are an integral part of these statements.

STATEMENT OF CASH FLOWS (CONTINUED)

for the eight months ended 28 February 2015

Year to 30 Jun 2014 Actual \$m	8 months to 28 Feb 2014 Actual \$m		Current Year Actual vs Forecast				Annual Forecast \$m
			Actual \$m	Forecast \$m	Variance \$m	%	
Reconciliation Between the Net Cash Flows from Operations and the Operating Balance							
2,467	305	Net Cash Flows from Operations	1,223	117	1,106	-	3,461
		<i>Items included in the operating balance but not in net cash flows from operations</i>					
		Gains/(losses)					
4,841	3,508	Net gains/(losses) on financial instruments	4,829	3,089	1,740	56.3	3,938
540	1,453	Net gains/(losses) on non-financial instruments	(6,037)	(1,743)	(4,294)	(246.4)	(1,782)
5,381	4,961	Total gains/(losses)	(1,208)	1,346	(2,554)	(189.7)	2,156
Other Non-cash Items in Operating Balance							
(4,872)	(2,867)	Depreciation and amortisation	(3,153)	(3,061)	(92)	(3.0)	(4,844)
(789)	(534)	Write-down on initial recognition of financial assets	(474)	(499)	25	5.0	(786)
(47)	(6)	Impairment of financial assets (excluding receivables)	(27)	(16)	(11)	(68.8)	(125)
442	325	Decrease/(increase) in defined benefit retirement plan liabilities	261	277	(16)	(5.8)	399
1,409	3,014	Decrease/(increase) in insurance liabilities	2,319	2,578	(259)	(10.0)	968
202	152	Other	344	(56)	400	-	(39)
(3,655)	84	Total other non-cash Items	(730)	(777)	47	6.0	(4,427)
Movements in Working Capital							
(1,553)	(3,367)	Increase/(decrease) in receivables	(1,608)	(1,432)	(176)	(12.3)	385
143	(468)	Increase/(decrease) in accrued interest	(414)	(73)	(341)	(467.1)	349
(41)	(29)	Increase/(decrease) in inventories	(10)	31	(41)	(132.3)	3
39	176	Increase/(decrease) in prepayments	152	109	43	39.4	(64)
(248)	43	Decrease/(increase) in deferred revenue	(115)	118	(233)	(197.5)	12
275	2,016	Decrease/(increase) in payables/provisions	1,758	1,502	256	17.0	25
(1,385)	(1,629)	Total movements in working capital	(237)	255	(492)	(192.9)	710
2,808	3,721	Operating balance (excluding minority interests)	(952)	941	(1,893)	(201.2)	1,900

The accompanying notes and accounting policies are an integral part of these statements.

STATEMENT OF FINANCIAL POSITION

as at 28 February 2015

As at 30 Jun 2014 Actual \$m	As at 28 Feb 2014 Actual \$m		Current Year Actual vs Forecast				Annual Forecast \$m
		Note	Actual \$m	Forecast \$m	Variance \$m	%	
Assets							
11,888	13,661						
17,480	15,821	13	12,527	10,670	1,857	17.4	11,166
		13	15,964	16,234	(270)	(1.7)	17,602
48,457	46,915	13	49,619	48,838	781	1.6	45,459
20,596	19,853	13	24,048	22,091	1,957	8.9	22,718
24,756	23,692	13	26,323	25,952	371	1.4	26,428
1,099	1,111		1,090	1,130	(40)	(3.5)	1,102
2,510	2,651		2,626	2,612	14	0.5	2,279
116,306	110,551	14	117,652	118,433	(781)	(0.7)	120,046
10,071	9,710		10,652	10,421	231	2.2	10,519
2,920	2,861	15	2,966	2,970	(4)	(0.1)	3,066
-	-		-	-	-	-	113
-	-		-	(259)	259	100.0	(575)
256,083	246,826		263,467	259,092	4,375	1.7	259,923
Liabilities							
4,964	5,047		5,415	5,107	(308)	(6.0)	5,153
11,294	10,503	17	10,419	10,879	460	4.2	12,319
1,962	1,672		2,077	1,845	(232)	(12.6)	1,950
103,419	103,328		109,272	107,794	(1,478)	(1.4)	104,442
35,825	33,584	18	37,316	34,564	(2,752)	(8.0)	36,173
10,885	11,040		12,673	11,013	(1,660)	(15.1)	10,891
6,955	6,261	19	6,491	6,175	(316)	(5.1)	6,435
175,304	171,435		183,663	177,377	(6,286)	(3.5)	177,363
80,779	75,391		79,804	81,715	(1,911)	(2.3)	82,560
Net Worth							
13,300	14,339	20	12,431	14,303	(1,872)	(13.1)	15,271
62,225	56,677	20	62,167	62,196	(29)	-	62,153
43	(93)	20	(28)	(45)	17	37.8	(48)
75,568	70,923		74,570	76,454	(1,884)	(2.5)	77,376
5,211	4,468	20	5,234	5,261	(27)	(0.5)	5,184
80,779	75,391		79,804	81,715	(1,911)	(2.3)	82,560

1. Tertiary education institutions constitute most equity accounted investments.

The accompanying notes and accounting policies are an integral part of these statements.

STATEMENT OF BORROWINGS

as at 28 February 2015

As at 30 Jun 2014 Actual \$m	As at 28 Feb 2014 Actual \$m		Current Year Actual vs Forecast				Annual Forecast \$m
			Actual \$m	Forecast \$m	Variance \$m	%	
60,337	62,029	Government bonds ¹	63,224	62,485	(739)	(1.2)	58,375
3,147	3,349	Treasury bills	4,134	3,678	(456)	(12.4)	4,129
183	189	Government retail stock	179	182	3	1.6	181
7,758	6,877	Settlement deposits with Reserve Bank	7,143	7,695	552	7.2	7,695
2,245	2,176	Derivatives in loss	3,056	2,823	(233)	(8.3)	2,680
1,501	1,480	Finance lease liabilities	1,866	1,853	(13)	(0.7)	1,991
28,248	27,228	Other borrowings	29,670	29,078	(592)	(2.0)	29,391
103,419	103,328	Total borrowings	109,272	107,794	(1,478)	(1.4)	104,442
77,461	78,045	Sovereign-guaranteed debt	81,496	79,503	(1,993)	(2.5)	75,862
25,958	25,283	Non sovereign-guaranteed debt	27,776	28,291	515	1.8	28,580
103,419	103,328	Total borrowings	109,272	107,794	(1,478)	(1.4)	104,442
		Net Debt:					
89,090	89,457	Core Crown borrowings ²	94,569	91,264	(3,305)	(3.6)	87,604
(622)	(415)	Add back NZS Fund holdings of sovereign-issued debt and NZS Fund borrowings	(1,145)	(846)	299	35.3	(847)
88,468	89,042	Gross sovereign-issued debt³	93,424	90,418	(3,006)	(3.3)	86,757
68,047	67,171	Less core Crown financial assets ⁴	73,003	67,978	5,025	7.4	65,846
20,421	21,871	Net core Crown debt	20,421	22,440	2,019	9.0	20,911
13,753	13,534	Add back core Crown advances	14,313	14,231	(82)	(0.6)	14,502
34,174	35,405	Net core Crown debt (incl NZS Fund)⁵	34,734	36,671	1,937	5.3	35,413
25,757	24,633	Add back NZS Fund holdings of core Crown financial assets and NZS Fund fin assets ⁶	28,803	27,553	(1,250)	(4.5)	28,081
59,931	60,038	Net core Crown debt (excl NZS Fund and advances)⁷	63,537	64,224	687	1.1	63,494
		Gross Debt:					
88,468	89,042	Gross sovereign-issued debt ³	93,424	90,418	(3,006)	(3.3)	86,757
(8,112)	(7,314)	Less Reserve Bank settlement cash and Reserve Bank bills	(7,554)	(8,068)	(513)	(6.4)	(8,068)
1,600	1,600	Add back changes to DMO borrowing due to settlement cash ⁸	1,600	1,600	-	-	1,600
81,956	83,328	Gross sovereign-issued debt excluding Reserve Bank settlement cash and Reserve bank bills	87,470	83,950	(3,519)	(4.2)	80,289

Notes on borrowings:

Total borrowings can be split into sovereign-guaranteed and non-sovereign-guaranteed debt. This split reflects the fact that borrowings by SOEs and Crown entities are not explicitly guaranteed by the Crown. No debt of SOEs and Crown entities is currently guaranteed by the Crown.

- Government bonds includes \$395 million of infrastructure bonds.
- Core Crown borrowings in this instance includes unsettled purchases of securities (classified as accounts payable in the statement of financial position).
- Gross Sovereign-Issued Debt (GSID) represents debt issued by the sovereign (the core Crown) and includes Government stock held by the New Zealand Superannuation Fund (NZS Fund), ACC and EQC.
- Core Crown financial assets exclude receivables.
- Net Core Crown Debt represents GSID less financial assets. This can provide information about the sustainability of the Government's accounts, and is used by some international agencies when determining the creditworthiness of a country.
- Adding back the NZS Fund assets provides the financial liabilities less financial assets of the Core Crown, excluding those assets set aside to meet part of the future cost of New Zealand superannuation.
- Net Core Crown Debt (excluding NZS Fund and advances) excludes financial assets which are held for public policy rather than treasury management purposes.
- The Reserve Bank has used \$1.6 billion of settlement cash to purchase reserves that were to have been funded by the NZ Debt Management Office borrowing. Therefore, the impact of settlement cash on GSID is adjusted by this amount.

The accompanying notes and accounting policies are an integral part of these statements.

STATEMENT OF COMMITMENTS

as at 28 February 2015

	As at 28 Feb 2015 \$m	As at 30 Jun 2014 \$m	As at 28 Feb 2014 \$m
Capital Commitments			
Specialist military equipment	490	732	506
Land and buildings	1,171	878	896
Other property, plant and equipment	5,521	5,307	5,126
Other capital commitments	847	919	915
Tertiary Education Institutions	201	201	169
Total capital commitments	8,230	8,037	7,612
Operating Commitments			
Non-cancellable accommodation leases	2,845	3,059	2,646
Other non-cancellable leases	2,392	2,340	2,559
Tertiary Education Institutions	494	494	466
Total operating commitments	5,731	5,893	5,671
Total commitments	13,961	13,930	13,283
Total Commitments by Segment			
Core Crown	4,708	4,916	4,489
Crown entities	5,346	5,465	5,313
State-owned Enterprises	5,028	4,847	5,012
Inter-segment eliminations	(1,121)	(1,298)	(1,531)
Total commitments	13,961	13,930	13,283

STATEMENT OF CONTINGENT LIABILITIES AND ASSETS

as at 28 February 2015

	As at 28 Feb 2015 \$m	As at 30 Jun 2014 \$m	As at 28 Feb 2014 \$m
Quantifiable Contingent Liabilities			
Guarantees and indemnities	235	222	172
Uncalled capital	5,659	5,662	5,939
Legal proceedings and disputes	467	604	674
Other contingent liabilities	373	357	418
Total quantifiable contingent liabilities	6,734	6,845	7,203
Total Quantifiable Contingent Liabilities by Segment			
Core Crown	6,473	6,568	6,917
Crown entities	42	44	52
State-owned Enterprises	219	233	234
Inter-segment eliminations	-	-	-
Total quantifiable contingent liabilities	6,734	6,845	7,203
Quantifiable Contingent Assets			
Core Crown	140	129	201
Crown entities	4	4	4
State owned enterprises	12	-	-
Inter-segment eliminations	-	-	-
Total quantifiable contingent assets	156	133	205

A list of unquantifiable contingent liabilities is included on the Treasury's website
<http://www.treasury.govt.nz/budget/forecasts/hyefu2014/041.htm>

The accompanying notes and accounting policies are an integral part of these statements.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: Accounting Policies

Reporting Entity

These financial statements are the consolidated financial statements for the Government reporting entity as specified in Part III of the Public Finance Act 1989. This comprises:

- Ministers of the Crown
- Government Departments
- Offices of Parliament
- New Zealand Superannuation Fund
- Reserve Bank of New Zealand
- State-Owned Enterprises (SOEs)
- Crown Entities (excluding Tertiary Education Institutions)
- Air New Zealand Limited
- Organisations listed in Schedule 4 and 4A of the Public Finance Act 1989
- Organisations listed in Schedule 5 of the Public Finance Act 1989
- Organisations listed in Schedule 6 of the Public Finance Act 1989

A schedule of the entities that are included in the Government reporting entity was set out on pages 91 - 93 of the *2014 Half Year Economic and Fiscal Update* released on 16 December 2014.

With the exception of the 30 June 2014 comparative figures, all actual, forecast and comparative figures presented in these financial statements are unaudited.

Basis of Preparation and General Accounting Policies

These unaudited interim financial statements of the Government reporting entity comply with generally accepted accounting practice as defined in the Financial Reporting Act 2013 and have been prepared in accordance with Public Sector PBE Accounting Standards (PBE Standards), including *PBE IAS 34 Interim Financial Reporting*. The Government reporting entity is a public benefit entity. Public benefit entities (PBEs) are reporting entities whose primary objective is to provide goods or services for community or social benefit and where any equity has been provided with a view to supporting that primary objective rather than for a financial return to equity holders.

These financial statements are prepared in accordance with PBE Standards. There were no material adjustments as a result of transitioning to PBE standards.

The measurement base applied is historical cost adjusted for revaluations of property, plant and equipment (where appropriate), commercial forests; and marketable securities, deposits and equity investments held for trading purposes. The accrual basis of accounting has been used unless otherwise stated.

These financial statements have been prepared on a going concern basis.

Specific Accounting Policies

The specific accounting policies of the Crown are detailed on the Treasury's internet site:
<http://www.treasury.govt.nz/publications/guidance/reporting/accounting>

Forecasts

The annual forecasts in these financial statements are for the year to 30 June 2015.

The accounting policies underlying the preparation of forecasts are set out in the Statement of Accounting Policies reproduced in full on the Treasury's internet site:
<http://www.treasury.govt.nz/publications/guidance/reporting/accounting>

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: Accounting Policies (continued)

Comparative Figures

When presentation or classification of items in the financial statements is amended or accounting policies are changed voluntarily, comparative figures have been restated to ensure consistency with the current period unless it is impracticable to do so.

Variance Percentages

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

Judgements and Estimates

The preparation of these financial statements requires judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. For example, the present value of large cash flows that are predicted to occur a long time into the future, as with the settlement of ACC outstanding claim obligations and Government Superannuation retirement benefits, depends critically on judgements regarding future cash flows, including inflation assumptions and the risk free discount rate used to calculate present values. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

A further area of uncertainty relates to the estimation of the claims and provisions arising from the Canterbury earthquakes. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

NOTES TO THE FINANCIAL STATEMENTS

Year to 30 Jun 2014 Actual \$m	8 months to 28 Feb 2014 Actual \$m		Current Year Actual vs Forecast				Annual Forecast \$m
			Actual \$m	Forecast \$m	Variance \$m	%	
NOTE 2: Sovereign Revenue (Accrual)							
Taxation Revenue (accrual)							
Individuals							
23,738	15,728	Source deductions	16,709	16,685	24	0.1	25,034
5,216	3,304	Other persons	3,619	3,421	198	5.8	5,347
(1,573)	(754)	Refunds	(728)	(737)	9	1.2	(1,517)
489	326	Fringe benefit tax	340	330	10	3.0	505
27,870	18,604	Total individuals	19,940	19,699	241	1.2	29,369
Corporate Tax							
9,020	4,570	Gross companies tax	5,112	5,151	(39)	(0.8)	9,840
(192)	(107)	Refunds	(75)	(95)	20	21.1	(198)
428	267	Non-resident withholding tax	286	262	24	9.2	467
8	(1)	Foreign-source dividend w/holding payments	(4)	(5)	1	20.0	(3)
9,264	4,729	Total corporate tax	5,319	5,313	6	0.1	10,106
Other Direct Income Tax							
1,644	1,012	Resident w/holding tax on interest income	1,122	1,121	1	0.1	1,813
446	253	Resident w/holding tax on dividend income	314	296	18	6.1	494
2,090	1,265	Total other direct income tax	1,436	1,417	19	1.3	2,307
39,224	24,598	Total income tax	26,695	26,429	266	1.0	41,782
Goods and Services Tax							
27,208	17,911	Gross goods and services tax	18,611	19,040	(429)	(2.3)	28,799
(11,191)	(7,359)	Refunds	(7,519)	(7,687)	168	2.2	(11,428)
16,017	10,552	Total goods and services tax	11,092	11,353	(261)	(2.3)	17,371
Other Indirect Taxation							
1,205	793	Road user charges	851	838	13	1.6	1,246
1,612	1,031	Petroleum fuels excise ¹	1,034	1,108	(74)	(6.7)	1,709
892	606	Alcohol excise ¹	631	632	(1)	(0.2)	923
1,272	1,029	Tobacco excise ¹	1,216	1,077	139	12.9	1,358
172	120	Other customs duty	117	111	6	5.4	157
211	142	Gaming duties	144	142	2	1.4	213
187	123	Motor vehicle fees	125	131	(6)	(4.6)	199
52	37	Approved issuer levy and cheque duty	35	38	(3)	(7.9)	50
35	20	Energy resources levies	22	21	1	4.8	33
5,638	3,901	Total other indirect taxation	4,175	4,098	77	1.9	5,888
21,655	14,453	Total indirect taxation	15,267	15,451	(184)	(1.2)	23,259
60,879	39,051	Total taxation revenue	41,962	41,880	82	0.2	65,041
Other Sovereign Revenue (accrual)							
3,600	2,439	ACC levies	2,237	2,130	107	5.0	3,195
339	238	Fire Service levies	255	249	6	2.4	350
274	182	EQC levies	187	188	(1)	(0.5)	282
545	411	Child support	371	395	(24)	(6.1)	582
179	116	Court fines	118	119	(1)	(0.8)	173
513	284	Other miscellaneous items	363	300	63	21.0	521
5,450	3,670	Total other sovereign revenue	3,531	3,381	150	4.4	5,103
66,329	42,721	Total sovereign revenue	45,493	45,261	232	0.5	70,144

1. Includes excise on domestic production and excise-equivalent duties on imports.

NOTES TO THE FINANCIAL STATEMENTS

Year to 30 Jun 2014 Actual \$m	8 months to 28 Feb 2014 Actual \$m		Current Year Actual vs Forecast				Annual Forecast \$m
			Actual \$m	Forecast \$m	Variance \$m	%	
NOTE 2 (continued): Sovereign Receipts (Cash)							
Taxation Receipts (cash)							
Individuals							
23,621	15,702	Source deductions	16,646	16,589	57	0.3	24,886
5,466	2,981	Other persons	3,216	3,201	15	0.5	5,900
(2,276)	(1,437)	Refunds	(1,396)	(1,467)	71	4.8	(2,293)
482	343	Fringe benefit tax	357	361	(4)	(1.1)	503
27,293	17,589	Total individuals	18,823	18,684	139	0.7	28,996
Corporate Tax							
9,374	5,582	Gross companies tax	5,746	6,030	(284)	(4.7)	10,083
(563)	(361)	Refunds	(358)	(388)	30	7.7	(639)
405	244	Non-resident withholding tax	336	306	30	9.8	491
-	-	Foreign-source dividend w/holding payments	(6)	(5)	(1)	(20.0)	(3)
9,216	5,465	Total corporate tax	5,718	5,943	(225)	(3.8)	9,932
Other Direct Income Tax							
1,629	1,034	Resident w/holding tax on interest income	1,144	1,156	(12)	(1.0)	1,811
449	257	Resident w/holding tax on dividend income	320	306	14	4.6	494
2,078	1,291	Total other direct income tax	1,464	1,462	2	0.1	2,305
38,587	24,345	Total income tax	26,005	26,089	(84)	(0.3)	41,233
Goods and Services Tax							
26,596	17,557	Gross goods and services tax	17,598	17,687	(89)	(0.5)	27,934
(10,948)	(7,124)	Refunds	(7,358)	(7,425)	67	0.9	(10,928)
15,648	10,433	Total goods and services tax	10,240	10,262	(22)	(0.2)	17,006
Other Indirect Taxation							
1,187	767	Road user charges	854	838	16	1.9	1,246
1,780	1,278	Excise duties	1,388	1,346	42	3.1	1,899
2,179	1,568	Customs duty	1,772	1,741	31	1.8	2,248
208	140	Gaming duties	146	142	4	2.8	213
178	140	Motor vehicle fees	131	131	-	-	199
51	37	Approved issuer levy and cheque duty	32	39	(7)	(17.9)	52
35	20	Energy resources levies	22	21	1	4.8	33
5,618	3,950	Total other indirect taxation	4,345	4,258	87	2.0	5,890
21,266	14,383	Total indirect taxation	14,585	14,520	65	0.4	22,896
59,853	38,728	Total tax receipts collected	40,590	40,609	(19)	-	64,129
Other Sovereign Receipts (cash)							
3,579	2,503	ACC levies	2,341	2,275	66	2.9	3,219
340	239	Fire Service levies	255	249	6	2.4	350
273	190	EQC levies	167	202	(35)	(17.3)	284
219	148	Child support	137	144	(7)	(4.9)	217
149	98	Court fines	100	92	8	8.7	137
414	377	Other miscellaneous items	481	285	196	68.8	466
4,974	3,555	Total other sovereign receipts	3,481	3,247	234	7.2	4,673
64,827	42,283	Total sovereign receipts	44,071	43,856	215	0.5	68,802

NOTES TO THE FINANCIAL STATEMENTS

Year to 30 Jun 2014 Actual \$m	8 months to 28 Feb 2014 Actual \$m		Current Year Actual vs Forecast				Annual Forecast \$m
			Actual \$m	Forecast \$m	Variance \$m	%	
NOTE 3: Interest Revenue and Dividends							
<i>By type</i>							
2,516	1,631	Interest revenue	1,824	1,948	(124)	(6.4)	3,075
659	384	Dividends	389	394	(5)	(1.3)	634
3,175	2,015	Total interest revenue and dividends	2,213	2,342	(129)	(5.5)	3,709
<i>By source</i>							
2,295	1,487	Core Crown	1,536	1,557	(21)	(1.3)	2,372
1,249	725	Crown entities	917	875	42	4.8	1,465
879	573	State-owned Enterprises	703	686	17	2.5	1,072
(1,248)	(770)	Inter-segment eliminations	(943)	(776)	(167)	(21.5)	(1,200)
3,175	2,015	Total interest revenue and dividends	2,213	2,342	(129)	(5.5)	3,709
NOTE 4: Transfer Payments and Subsidies							
10,913	7,159	New Zealand superannuation	7,632	7,637	5	0.1	11,577
1,691	1,142	Jobseeker support and emergency benefit	1,152	1,152	-	-	1,679
1,422	921	Supported living payment	1,006	1,006	-	-	1,513
1,222	809	Sole parent support	799	797	(2)	(0.3)	1,187
1,965	1,264	Family tax credit	1,164	1,205	41	3.4	1,890
567	346	Other working for families tax credits	352	333	(19)	(5.7)	557
1,146	771	Accommodation assistance	755	758	3	0.4	1,132
660	432	Income related rents	465	467	2	0.4	718
379	253	Disability assistance	251	252	1	0.4	379
539	318	Student allowances	304	306	2	0.7	523
1,519	1,075	Other social assistance benefits	878	905	27	3.0	1,350
22,023	14,490	Total social assistance grants	14,758	14,818	60	0.4	22,505
Subsidies							
804	563	KiwiSaver	555	563	8	1.4	854
Other transfer payments							
533	258	Official development assistance	242	288	46	16.0	531
23,360	15,311	Total transfer payments and subsidies	15,555	15,669	114	0.7	23,890
NOTE 5: Personnel Expenses							
6,232	4,087	Core Crown	4,271	4,280	9	0.2	6,507
11,315	7,440	Crown entities	7,748	7,760	12	0.2	11,688
2,956	1,946	State-owned Enterprises	1,923	1,897	(26)	(1.4)	2,874
(19)	(9)	Inter-segment eliminations	(11)	(7)	4	57.1	(11)
20,484	13,464	Total personnel expenses	13,931	13,930	(1)	-	21,058
NOTE 6: Depreciation and Amortisation							
1,476	914	Core Crown	975	984	9	0.9	1,497
1,661	1,065	Crown entities	1,109	1,114	5	0.4	1,698
1,735	888	State-owned Enterprises	1,069	963	(106)	(11.0)	1,649
-	-	Inter-segment eliminations	-	-	-	-	-
4,872	2,867	Total depreciation and amortisation	3,153	3,061	(92)	(3.0)	4,844

NOTES TO THE FINANCIAL STATEMENTS

Year to 30 Jun 2014 Actual \$m	8 months to 28 Feb 2014 Actual \$m		Current Year Actual vs Forecast				Annual Forecast \$m
			Actual \$m	Forecast \$m	Variance \$m	%	
NOTE 7: Other Operating Expenses							
<i>By source</i>							
36,777	23,170	Core Crown	23,865	24,486	621	2.5	38,135
17,297	11,198	Crown entities	11,549	11,742	193	1.6	18,095
9,042	6,086	State-owned Enterprises	6,203	6,085	(118)	(1.9)	9,237
(27,563)	(17,788)	Inter-segment eliminations	(18,462)	(18,432)	30	0.2	(28,258)
35,553	22,666	Total operating expenses	23,155	23,881	726	3.0	37,209
NOTE 8: Finance Costs							
<i>By type</i>							
4,360	2,915	Interest on financial liabilities	2,984	3,044	60	2.0	4,615
40	25	Interest unwind on provisions	17	38	21	55.3	50
4,400	2,940	Total finance costs	3,001	3,082	81	2.6	4,665
<i>By source</i>							
3,620	2,376	Core Crown	2,563	2,549	(14)	(0.5)	3,816
219	146	Crown entities	139	148	9	6.1	224
1,161	749	State-owned Enterprises	847	851	4	0.5	1,348
(600)	(331)	Inter-segment eliminations	(548)	(466)	82	17.6	(723)
4,400	2,940	Total finance costs	3,001	3,082	81	2.6	4,665
NOTE 9: Insurance Expenses							
<i>By entity</i>							
3,484	2,119	ACC	2,273	2,166	(107)	(4.9)	3,675
(111)	(400)	EQC	(180)	(59)	121	205.1	(21)
87	28	Southern Response	142	34	(108)	(317.6)	12
41	5	Other insurance expenses	13	9	(4)	(44.4)	12
3,501	1,752	Total insurance expenses	2,248	2,150	(98)	(4.6)	3,678
NOTE 10: Net Gains and Losses on Financial Instruments							
<i>By source</i>							
4,045	2,916	Core Crown	3,479	2,325	1,154	49.6	3,140
702	414	Crown entities	2,651	942	1,709	181.4	994
182	92	State-owned Enterprises	(159)	(10)	(149)	-	3
(88)	86	Inter-segment eliminations	(1,142)	(168)	(974)	-	(199)
4,841	3,508	Net gains/(losses) on financial instruments	4,829	3,089	1,740	56.3	3,938

NOTES TO THE FINANCIAL STATEMENTS

Year to 30 Jun 2014 Actual \$m	8 months to 28 Feb 2014 Actual \$m		Current Year Actual vs Forecast				Annual Forecast \$m
			Actual \$m	Forecast \$m	Variance \$m	%	
NOTE 11: Net Gains and Losses on Non-Financial Instruments							
By type							
577	539	Actuarial gains/(losses) on GSF liability ¹	(2,049)	(405)	(1,644)	(405.9)	(405)
479	1,114	Actuarial gains/(losses) on ACC liability ²	(3,810)	(1,316)	(2,494)	(189.5)	(1,316)
(516)	(200)	Other	(178)	(22)	(156)	-	(61)
540	1,453	Net gains/(losses) on non-financial instruments	(6,037)	(1,743)	(4,294)	(246.4)	(1,782)
By source							
220	346	Core Crown	(2,269)	(435)	(1,834)	(421.6)	(445)
477	1,112	Crown entities	(3,808)	(1,319)	(2,489)	(188.7)	(1,333)
(156)	(5)	State-owned Enterprises	40	10	30	300.0	(5)
(1)	-	Inter-segment eliminations	-	1	(1)	(100.0)	1
540	1,453	Net gains/(losses) on non-financial instruments	(6,037)	(1,743)	(4,294)	(246.4)	(1,782)
NOTE 12: Operating Balance (excluding Minority Interests)							
By source							
203	628	Core Crown	33	361	(328)	(90.9)	1,212
2,874	3,044	Crown entities	370	681	(311)	(45.7)	715
428	554	State-owned Enterprises	312	423	(111)	(26.2)	513
(697)	(505)	Inter-segment eliminations	(1,667)	(524)	(1,143)	(218.1)	(540)
2,808	3,721	Total operating balance	(952)	941	(1,893)	(201.2)	1,900

1. The most recent GSF valuation was as at 31 January 2015.

2. The most recent ACC valuation was as at 31 December 2014, updated monthly for changes to discount rates.

NOTES TO THE FINANCIAL STATEMENTS

As at 30 June 2014 \$m	As at 28 Feb 2014 \$m		Current Year Actual vs Forecast				Annual Forecast \$m
			Actual \$m	Forecast \$m	Variance \$m	%	
NOTE 13: Financial Assets and Sovereign Receivables							
11,888	13,661	Cash and cash equivalents	12,527	10,670	1,857	17.4	11,166
8,112	7,687	Tax receivables	8,609	8,846	(237)	(2.7)	8,917
9,368	8,134	Trade and other receivables	7,355	7,388	(33)	(0.4)	8,685
8,716	8,614	Student loans	9,030	8,979	51	0.6	8,990
14,630	14,150	Kiwibank mortgages	15,225	15,616	(391)	(2.5)	16,037
3,844	3,234	Long-term deposits	3,587	3,444	143	4.2	3,336
2,142	2,234	IMF financial assets	2,262	2,582	(320)	(12.4)	2,791
1,410	928	Other advances ¹	2,068	1,357	711	52.4	1,401
20,596	19,853	Share investments	24,048	22,091	1,957	8.9	22,718
4,164	3,791	Derivatives in gain	4,164	2,827	1,337	47.3	2,813
38,307	37,656	Other marketable securities	39,606	39,985	(379)	(0.9)	36,519
123,177	119,942	Total financial assets and sovereign receivables	128,481	123,785	4,696	3.8	123,373
Financial Assets by Entity							
18,359	19,340	Debt Management Office	20,842	19,672	1,170	5.9	13,411
18,849	18,346	Reserve Bank of New Zealand	20,837	19,341	1,496	7.7	18,408
26,990	25,510	NZ Superannuation Fund	29,662	28,475	1,187	4.2	29,167
24,358	23,511	Other core Crown	23,660	23,610	50	0.2	24,346
(8,473)	(8,283)	Intra-segment eliminations	(10,036)	(10,754)	718	6.7	(7,439)
80,083	78,424	Total core Crown segment	84,965	80,344	4,621	5.8	77,893
30,897	28,969	ACC portfolio	33,152	31,520	1,632	5.2	32,616
3,605	4,087	EQC portfolio	2,723	2,266	457	20.2	1,431
9,806	8,950	Other Crown entities	9,131	8,830	301	3.4	10,042
(2,464)	(1,812)	Intra-segment eliminations	(2,510)	(2,519)	9	0.4	(2,315)
41,844	40,194	Total Crown entities segment	42,496	40,097	2,399	6.0	41,774
21,151	20,707	Total State-owned Enterprises segment	22,611	22,751	(140)	(0.6)	23,318
(19,901)	(19,383)	Inter-segment eliminations	(21,591)	(19,407)	(2,184)	(11.3)	(19,612)
123,177	119,942	Total financial assets and sovereign receivables	128,481	123,785	4,696	3.8	123,373

1. Other advances include finance lease receivables.

NOTES TO THE FINANCIAL STATEMENTS

As at 30 June 2014 \$m	As at 28 Feb 2014 \$m	Current Year Actual vs Forecast				Annual Forecast \$m
		Actual \$m	Forecast \$m	Variance \$m	%	
NOTE 14: Property, Plant and Equipment						
Net Carrying Value¹						
By class of asset:						
37,138	34,376	37,192	37,339	(147)	(0.4)	37,379
27,396	25,660	27,631	27,832	(201)	(0.7)	28,528
19,709	18,627	20,259	20,326	(67)	(0.3)	21,102
13,941	13,512	13,691	13,881	(190)	(1.4)	13,778
3,992	4,010	4,011	4,068	(57)	(1.4)	4,130
2,891	2,790	3,002	3,110	(108)	(3.5)	3,146
2,975	2,622	2,982	2,975	7	0.2	3,073
2,287	2,416	2,709	2,531	178	7.0	2,780
936	1,110	1,061	1,036	25	2.4	1,089
5,041	5,428	5,114	5,335	(221)	(4.1)	5,041
116,306	110,551	117,652	118,433	(781)	(0.7)	120,046
By source						
30,963	29,363	31,358	31,741	(383)	(1.2)	32,242
56,802	52,369	57,541	57,778	(237)	(0.4)	58,945
28,541	28,819	28,753	28,914	(161)	(0.6)	28,859
-	-	-	-	-	-	-
116,306	110,551	117,652	118,433	(781)	(0.7)	120,046
Land breakdown by usage						
11,361	9,579	11,348	11,337	11	0.1	11,371
8,853	8,003	8,853	8,853	-	-	8,853
5,432	5,359	5,423	5,418	5	0.1	5,439
3,256	3,257	3,255	3,249	6	0.2	3,231
3,167	2,866	3,136	3,161	(25)	(0.8)	3,175
1,312	1,320	1,340	1,321	19	1.4	1,327
3,757	3,992	3,837	4,000	(163)	(4.1)	3,983
37,138	34,376	37,192	37,339	(147)	(0.4)	37,379
Schedule of Movements						
Cost or Valuation						
122,796	122,796	130,342	130,342	-	-	130,342
6,672	3,969	4,584	5,205	(621)	(11.9)	8,663
(1,432)	(540)	(502)	(326)	(176)	(54.0)	(656)
3,038	(419)	(53)	(20)	(33)	(165.0)	(2)
(732)	(98)	(71)	(17)	(54)	(317.6)	(45)
130,342	125,708	134,300	135,184	(884)	(0.7)	138,302
Accumulated Depreciation and Impairment						
12,963	12,963	14,036	14,036	-	-	14,036
(813)	(219)	(175)	(89)	(86)	(96.6)	(62)
(2,133)	(73)	(31)	-	(31)	-	-
4,151	2,458	2,676	2,620	56	2.1	4,192
(132)	28	142	184	(42)	(22.8)	90
14,036	15,157	16,648	16,751	(103)	(0.6)	18,256
116,306	110,551	117,652	118,433	(781)	(0.7)	120,046
Additions - by functional classification						
2,363	1,386	1,770	1,738	32	1.8	3,325
1,108	798	392	481	(89)	(18.5)	759
529	306	574	576	(2)	(0.3)	913
443	313	344	522	(178)	(34.1)	762
386	178	356	466	(110)	(23.6)	626
1,843	988	1,148	1,422	(274)	(19.3)	2,278
6,672	3,969	4,584	5,205	(621)	(11.9)	8,663

1. Using a revaluation methodology unless otherwise stated.

NOTES TO THE FINANCIAL STATEMENTS

As at 30 June 2014 \$m	As at 28 Feb 2014 \$m		Current Year Actual vs Forecast				Annual Forecast \$m
			Actual \$m	Forecast \$m	Variance \$m	%	
NOTE 15: Intangible Assets and Goodwill							
628	647	Goodwill	602	613	(11)	(1.8)	613
2,292	2,214	Other intangible assets	2,364	2,357	7	0.3	2,453
2,920	2,861	Total intangible assets and goodwill	2,966	2,970	(4)	(0.1)	3,066
<i>By source</i>							
1,184	1,133	Core Crown	1,210	1,226	(16)	(1.3)	1,281
542	558	Crown entities	554	556	(2)	(0.4)	612
1,194	1,170	State-owned Enterprises	1,202	1,188	14	1.2	1,173
-	-	Inter-segment eliminations	-	-	-	-	-
2,920	2,861	Total intangible assets and goodwill	2,966	2,970	(4)	(0.1)	3,066
NOTE 16: NZ Superannuation Fund							
767	461	Revenue	446	484	(38)	(7.9)	730
(1,074)	(775)	Less: current tax expense	(306)	(371)	(65)	(17.5)	(576)
(164)	(91)	Less: other expenses ¹	(83)	(97)	(14)	(14.4)	(151)
3,735	2,704	Add gains/(losses)	2,656	1,673	983	58.8	2,338
3,264	2,299	Operating balance	2,713	1,689	1,024	60.6	2,341
22,549	22,549	Opening net worth	25,809	25,809	-	-	25,809
3,264	2,299	Operating balance	2,713	1,689	1,024	60.6	2,341
(4)	1	Other movements in reserves	15	23	(8)	(34.8)	29
25,809	24,849	Closing net worth	28,537	27,521	1,016	3.7	28,179
<i>comprising:</i>							
26,990	25,510	Financial assets	29,662	28,475	1,187	4.2	29,167
(2,323)	(1,798)	Financial liabilities	(2,258)	(2,153)	(105)	(4.9)	(2,233)
1,142	1,137	Net other assets	1,133	1,199	(66)	(5.5)	1,245
25,809	24,849	Closing net worth	28,537	27,521	1,016	3.7	28,179
1. NZS Fund other expenses include deferred tax expense/(credits).							
NOTE 17: Payables							
7,626	7,404	Accounts payable	7,372	7,425	53	0.7	7,768
3,668	3,099	Taxes repayable	3,047	3,454	407	11.8	4,551
11,294	10,503	Total payables	10,419	10,879	460	4.2	12,319
<i>By source</i>							
7,800	6,617	Core Crown	7,160	7,230	70	1.0	8,370
5,382	5,350	Crown entities	4,991	5,258	267	5.1	5,449
4,832	5,101	State-owned Enterprises	4,788	4,850	62	1.3	5,067
(6,720)	(6,565)	Inter-segment eliminations	(6,520)	(6,459)	61	0.9	(6,567)
11,294	10,503	Total intangible assets and goodwill	10,419	10,879	460	4.2	12,319
NOTE 18: Insurance Liabilities							
29,948	27,321	ACC liability	32,867	30,314	(2,553)	(8.4)	32,472
4,747	5,085	EQC property damage liability	3,487	3,123	(364)	(11.7)	2,814
1,434	1,526	Southern Response	1,229	1,064	(165)	(15.5)	817
63	58	Other insurance liabilities	55	63	8	12.7	70
(367)	(406)	Inter-segment eliminations	(322)	-	322	-	-
35,825	33,584	Total insurance liabilities	37,316	34,564	(2,752)	(8.0)	36,173

NOTES TO THE FINANCIAL STATEMENTS

As at 30 June 2014 \$m	As at 28 Feb 2014 \$m		Current Year Actual vs Forecast				Annual Forecast \$m
			Actual \$m	Forecast \$m	Variance \$m	%	
NOTE 19: Provisions							
3,444	2,955	Provision for employee entitlements	3,061	2,985	(76)	(2.5)	3,200
521	365	Provision for ETS Credits ¹	761	581	(180)	(31.0)	567
910	945	Provision for National Provident Fund guarantee	876	874	(2)	(0.2)	872
394	455	Provision for Infrastructure costs	287	272	(15)	(5.5)	204
		Provision for weathertight services					
92	120	financial assistance package	94	64	(30)	(46.9)	67
1,594	1,421	Other provisions	1,412	1,399	(13)	(0.9)	1,525
6,955	6,261	Total provisions	6,491	6,175	(316)	(5.1)	6,435
By source							
4,208	3,761	Core Crown	4,129	3,880	(249)	(6.4)	4,045
2,076	1,940	Crown entities	1,984	2,004	20	1.0	1,996
1,177	1,085	State-owned Enterprises	1,080	955	(125)	(13.1)	996
(506)	(525)	Inter-segment eliminations	(702)	(664)	38	5.7	(602)
6,955	6,261	Total provisions	6,491	6,175	(316)	(5.1)	6,435
1. Further information on the ETS, and the Kyoto net asset (included as an intangible asset in these financial statements) can be found on the Ministry for the Environment's climate change website www.climatechange.govt.nz							
NOTE 20: Changes in Net Worth							
13,300	14,339	Taxpayers' funds	12,431	14,303	(1,872)	(13.1)	15,271
62,225	56,677	Property, plant and equipment revaluation reserve	62,167	62,196	(29)	-	62,153
5,211	4,468	Net worth attributable to minority interests	5,234	5,261	(27)	(0.5)	5,184
43	(93)	Other reserves	(28)	(45)	17	37.8	(48)
80,779	75,391	Total Net Worth	79,804	81,715	(1,911)	(2.3)	82,560
10,862	10,862	Opening taxpayers funds	13,300	13,300	-	-	13,300
2,808	3,721	Operating balance excluding minority interests	(952)	941	(1,893)	(201.2)	1,900
		Gain/(loss) on Government share offers in					
(577)	(361)	state-owned enterprises	-	-	-	-	-
207	117	Transfers from/(to) other reserves	83	62	21	33.9	71
13,300	14,339	Closing taxpayers funds	12,431	14,303	(1,872)	(13.1)	15,271
		Opening property, plant and equipment					
57,068	57,068	revaluation reserve	62,225	62,225	-	-	62,225
5,386	(347)	Net revaluations	(13)	(9)	(4)	(44.4)	(21)
(229)	(44)	Transfers from/(to) other reserves	(45)	(20)	(25)	(125.0)	(51)
62,225	56,677	Closing property, plant and equipment revaluation reserve	62,167	62,196	(29)	-	62,153
		Opening net worth attributable to					
1,940	1,940	minority interests	5,211	5,211	-	-	5,211
3,271	2,528	Net movements	23	50	(27)	(54.0)	(27)
5,211	4,468	Closing net worth attributable to minority interests	5,234	5,261	(27)	(0.5)	5,184
141	141	Opening other reserves	43	43	-	-	43
(98)	(234)	Net movements	(71)	(88)	17	19.3	(91)
43	(93)	Closing other reserves	(28)	(45)	17	37.8	(48)

NOTES TO THE FINANCIAL STATEMENTS

Year to 30 Jun 2014 \$m	8 months to 28 Feb 2014 \$m	Current Year Actual vs Forecast				Annual Forecast \$m
		Actual \$m	Forecast \$m	Variance \$m	%	
NOTE 21: Core Crown Residual Cash						
Core Crown Cash Flows from Operations						
61,321	39,533	41,545	41,469	76	0.2	65,447
747	603	704	500	204	40.8	788
1,627	1,085	1,149	1,149	-	-	1,678
2,397	1,495	1,550	1,715	(165)	(9.6)	2,232
(23,447)	(15,800)	(15,733)	(15,799)	66	0.4	(24,015)
(41,989)	(28,271)	(28,290)	(28,643)	353	1.2	(43,011)
(3,642)	(1,854)	(2,018)	(2,032)	14	0.7	(3,906)
-	-	-	-	-	-	(123)
-	-	-	428	(428)	(100.0)	950
(2,986)	(3,209)	(1,093)	(1,213)	120	9.9	40
(1,867)	(1,087)	(1,278)	(1,704)	426	25.0	(2,588)
(716)	(505)	(395)	(513)	119	23.1	(890)
(865)	(748)	(917)	(939)	22	2.3	(1,661)
2,325	1,598	-	-	-	-	628
-	-	-	-	-	-	(113)
-	-	-	259	(259)	(100.0)	575
(1,123)	(742)	(2,590)	(2,897)	308	10.6	(4,049)
(4,109)	(3,951)	(3,683)	(4,110)	428	10.4	(4,009)
<i>The residual cash deficit is funded as follows:</i>						
Debt Programme Cash Flows						
Market:						
7,716	6,076	6,324	6,479	(155)	(2.4)	8,137
(2,196)	(148)	(1,523)	(1,523)	-	-	(8,684)
(935)	(755)	1,210	710	500	70.4	1,180
4,585	5,173	6,011	5,666	345	6.1	633
Non market:						
-	-	-	-	-	-	-
-	-	(193)	(501)	308	61.5	(760)
-	-	(280)	(280)	-	-	(480)
-	-	(473)	(781)	308	39.4	(1,240)
4,585	5,173	5,538	4,885	653	13.4	(607)
Other Borrowing Cash Flows						
(674)	(925)	879	308	571	185.4	852
1,083	189	(1,189)	(1,114)	(75)	(6.7)	(1,523)
409	(736)	(310)	(806)	496	178.7	(671)
Investing Cash Flows						
(1,510)	(1,591)	(1,269)	(737)	(533)	(72.3)	4,731
274	357	451	143	308	215.4	130
351	748	(727)	625	(1,352)	(216.3)	426
(885)	(486)	(1,545)	31	(1,577)	-	5,287
4,109	3,951	3,683	4,110	(428)	(10.4)	4,009

1. Short-term borrowing consists of Treasury Bills and Euro-Commercial Paper (ECP).