

4 March 2016

MEDIA STATEMENT

Embargoed until 10.00am, Friday 4 March 2016

Paul Helm, Chief Government Accountant

Financial Statements of the Government of New Zealand for the seven months ended 31 January 2016

The *Financial Statements of the Government of New Zealand* for the seven months ended 31 January 2016 were released by the Treasury today. The statements are compared against forecasts based on the *2015 Half Year Economic and Fiscal Update (HYEFU)* published in December.

The **operating balance before gains and losses** (OBEGAL) was a surplus of \$934 million for the seven months to 31 January, \$724 million higher than forecast.

Core Crown revenue at \$42.5 billion was \$200 million higher than forecast with higher than expected core Crown tax revenue (mainly GST and source deductions) being the main contributor to this favourable variance. In addition to this result, **core Crown expenses**, at \$42.1 billion, were \$403 million (0.9%) lower than forecast primarily due to timing differences relating to items such as Treaty settlements.

Net losses were \$3.5 billion higher than forecast due to higher than expected actuarial losses on the ACC claims liability (reflecting the impact of changes in valuation assumptions used compared to forecast) and higher than expected losses on financial instruments due to unfavourable market conditions in January. Both ACC and NZSF have large long term assets and liabilities that are revalued each month based on current market prices which can result in significant monthly volatility in gains and losses.

When these gains and losses are combined with the OBEGAL result, the **operating balance** (excluding minority interests) was a deficit of \$2.9 billion (\$2.8 billion greater than forecast).

The **core Crown residual cash** position, at a deficit of \$1.5 billion, was \$1.0 billion lower than forecast resulting in **net debt** also being lower than forecast at \$61.8 billion (25.4% of GDP).

At 31 January 2016, total Crown assets were valued at \$275.7 billion and liabilities were \$186.5 billion while the **Crown's share of net worth** stood at \$83.4 billion.

The current OBEGAL surplus of \$934 million compared to a surplus of \$77 million at the same time last year. Core Crown tax revenue has increased by 4.6%, while core Crown expenses have grown by 2.2%, over that time.

\$ million	Year to date				Full Year
	January 2016	January 2016 HYEFU 15 Forecast ¹	Variance to HYEFU 15 \$m	Variance to HYEFU 15 %	June 2016 HYEFU 15 Forecast ²
	Actual ¹	Forecast ¹	\$m	%	Forecast ²
Core Crown					
Core Crown tax revenue	39,528	39,082	446	1.1	68,414
Core Crown revenue	42,544	42,344	200	0.5	74,338
Core Crown expenses	42,147	42,550	403	0.9	74,911
Core Crown residual cash	(1,452)	(2,500)	1,048	41.9	(5,398)
Gross debt ³	85,784	86,368	584	0.7	87,123
<i>as a percentage of GDP</i>	35.2%	35.4%			35.6%
Net debt ⁴	61,837	63,015	1,178	1.9	65,890
<i>as a percentage of GDP</i>	25.4%	25.8%			26.9%
Total Crown					
Operating balance before gains and losses	934	210	724	344.8	(401)
Operating balance	(2,875)	(92)	(2,783)	-	298
Net worth attributable to the Crown	83,431	86,371	(2,940)	(3.4)	86,862

1 Using the most recently published GDP (for the year ended 30 Sept 2015) of \$243,803 million (Source: Statistics New Zealand).

2 Using forecast GDP for the year ending 30 June 2016 of \$244,923 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 Seven Months Ended
31 January 2016



Prepared by the Treasury
4 March 2016

This document is available on the New Zealand Treasury's internet site.
The URL for this site is <http://www.treasury.govt.nz>

New Zealand Government

978-0-908337-60-6 (Print)
978-0-908337-61-3 (Online)

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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 seven months ended 31 January 2016 and its financial position as at that date.

The January results are reported against forecasts based on the 2015 *Half Year Economic and Fiscal Update (HYEFU)*, published on 15 December 2015.

At a Glance

Table 1 – Key indicators for the seven months ended 31 January 2016 compared to HYEFU

\$ million	Year to date				Full Year
	January 2016	January 2016	Variance to HYEFU 15	Variance to HYEFU 15	June 2016
	Actual ¹	Forecast ¹	\$m	%	HYEFU 15 Forecast ²
Core Crown					
Core Crown tax revenue	39,528	39,082	446	1.1	68,414
Core Crown revenue	42,544	42,344	200	0.5	74,338
Core Crown expenses	42,147	42,550	403	0.9	74,911
Core Crown residual cash	(1,452)	(2,500)	1,048	41.9	(5,398)
Gross debt ³	85,784	86,368	584	0.7	87,123
<i>as a percentage of GDP</i>	35.2%	35.4%			35.6%
Net debt ⁴	61,837	63,015	1,178	1.9	65,890
<i>as a percentage of GDP</i>	25.4%	25.8%			26.9%
Total Crown					
Operating balance before gains and losses	934	210	724	344.8	(401)
Operating balance	(2,875)	(92)	(2,783)	-	298
Net worth attributable to the Crown	83,431	86,371	(2,940)	(3.4)	86,862

1 Using the most recently published GDP (for the year ended 30 Sept 2015) of \$243,803 million (Source: Statistics New Zealand).

2 Using forecast GDP for the year ending 30 June 2016 of \$244,923 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.

Results for the seven months ended 31 January 2016

The **operating balance before gains and losses** (OBEGAL) was a surplus of \$934 million for the seven months to 31 January, \$724 million higher than forecast.

Core Crown revenue at \$42.5 billion was \$200 million higher than forecast with higher than expected core Crown tax revenue (mainly GST and source deductions) being the main contributor to this favourable variance. In addition to this result, **core Crown expenses**, at \$42.1 billion, were \$403 million (0.9%) lower than forecast primarily due to timing differences relating to items such as Treaty settlements.

Net losses were \$3.5 billion higher than forecast due to higher than expected actuarial losses on the ACC claims liability (reflecting the impact of changes in valuation assumptions used compared to forecast) and higher than expected losses on financial instruments due to unfavourable market conditions in January. Both ACC and NZSF have large long term assets and liabilities that are revalued each month based on current market prices which can result in significant monthly volatility in gains and losses.

When these gains and losses are combined with the OBEGAL result, the **operating balance** (excluding minority interests) was a deficit of \$2.9 billion (\$2.8 billion greater than forecast).

The **core Crown residual cash** position, at a deficit of \$1.5 billion, was \$1.0 billion lower than forecast resulting in **net debt** also being lower than forecast at \$61.8 billion (25.4% of GDP).

At 31 January 2016, total Crown assets were valued at \$275.7 billion and liabilities were \$186.5 billion while the **Crown's share of net worth** stood at \$83.4 billion.

The current OBEGAL surplus of \$934 million compared to a surplus of \$77 million at the same time last year. Core Crown tax revenue has increased by 4.6%, while core Crown expenses have grown by 2.2%, over that time.

ANALYSIS

Table 2 – Key indicator variances for the seven months ended 31 January 2016 compared to *HYEFU*:

Item/indicator	Variance ¹	Key drivers
Core Crown		
Core Crown revenue	\$200 million higher than forecast	<p>Core Crown revenue was higher than forecast due to core Crown tax revenue being \$446m higher than forecast, offset partially by interest revenue being \$240m lower than forecast.</p> <p>While overall core Crown tax revenue was close to forecast (1.1%), two tax types drove most of the positive variance in core Crown tax revenue, while offsetting variances from other sources were relatively small:</p> <ul style="list-style-type: none"> • Source deductions were \$227m (1.4%) above forecast. Labour market data released for the December quarter showed that total labour income growth was stronger than forecast in the December quarter. • GST was \$220m (2.2%) above forecast. Indicators point to stronger than forecast domestic consumption in the December quarter, although some of the variance is expected to be timing related. <p>The difference in interest revenue against forecast is largely due to some financial derivatives being replaced at maturity, whereas they had been forecast to mature into interest-bearing deposits.</p>
Core Crown expenses	\$403 million lower than forecast	<p>Core Crown expenses at \$42.1b were relatively close to forecast (0.9% variance). Excluding the top-down expense adjustment of \$359m, underlying expenses were \$762m lower than expected.</p> <ul style="list-style-type: none"> • Treaty settlements were \$177m below forecast due to on-going negotiations. • IRD were \$90m below forecast due to timing differences relating to the recognition of impairment in sovereign revenue. • Education expenses were \$117m less than forecast due to a number of positive variances spread across various expenditure areas. <p>The remainder of the variance was spread across a number of departments.</p>
Core Crown residual cash deficit	\$1,048 million lower than forecast	<p>The residual cash deficit was lower than forecast. Core Crown tax receipts were tracking \$1,145m above forecast, with corporate tax, source deductions and GST driving this variance (\$630m, \$267m and \$167m greater than forecast respectively). The favourable corporate tax variance is due to greater than forecast deposits to tax pools while source deductions and GST followed the revenue variance.</p>
Gross debt	\$584 million lower than forecast	<p>Gross debt at \$85.8b (35.2% of GDP) was relatively close to forecast (0.7% lower).</p>
Net debt	\$1,178 million lower than forecast	<p>Net debt was \$1,178m lower than forecast (1.9%) at \$61.8b, largely as a result of the lower than forecast residual cash deficit.</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	\$724 million higher than forecast	The OBEGAL surplus at \$934m was \$724m higher than forecast. The key drivers of the OBEGAL variance were higher than forecast core Crown tax revenue supplemented by lower than forecast core Crown expenses (discussed above).
Operating balance deficit	(\$2,783 million) higher than forecast	The operating balance was in deficit by \$2.9b and higher than forecast by \$2.8b. In addition to the OBEGAL result, net losses were tracking \$3.5b more than forecast. This was largely due to \$2.2b of higher than expected actuarial losses on the ACC liability arising from the impact of changes in valuation assumptions used, compared to that in the forecast. In addition, NZSF had net losses on financial instruments of \$1.2b, reflecting unfavourable market conditions during January.
Net worth attributable to the Crown	(\$2,940 million) lower than forecast	Net worth at \$83.4b was \$2.9b lower than forecast mainly due to a higher-than-forecast operating balance deficit as explained above.

Table 3 – Fiscal strategy and financial results

Fiscal Strategy		Financial Results				31 Jan 2016	31 Jan 2016			Annual
				Ret	Actual	Forecast	Variance	Variance ²	Forecast	Forecast
					\$m	\$m	\$m	%	\$m	
			Taxation as a % of GDP	1	27.8%	27.5%				27.9%
Operating revenue Ensure sufficient operating revenue to meet the operating balance objective			Core Crown taxation revenue ...		39,528	39,082	446	1.1		68,414
			... combined with other core Crown revenue ...		3,016	3,262	(246)	(7.5)		5,924
			... fund core Crown expenses...		(42,147)	(42,550)	403	0.9		(74,911)
Operating expenses To control the growth in spending so that, over time, core Crown expenses are reduced to below 30% of GDP			... and with SOE and Crown entity results and core Crown gains and losses...		(3,272)	114	(3,386)	-		871
			... result in an operating surplus or deficit...		(2,875)	(92)	(2,783)	-		298
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			...with income in SOEs, CEs and the NZS Fund retained...		3,041	(604)	3,645	-		(1,750)
			... and some items do not impact cash ...		406	292	114	39.0		1,567
			... leaving operating cash flows to ...		572	(404)	976	241.6		115
			... meet the capital expenditure budget ...		(1,111)	(1,172)	61	5.2		(2,930)
Debt Manage total debt at prudent levels ensuring net debt is reduced to around 20% of GDP by 2020. Beyond 2020, maintain net debt within a range of around 0% to 20% of GDP over the economic cycle.			... make advances (e.g. to students and DHBs)...		(913)	(924)	11	1.1		(2,583)
			With the residual cash ...		(1,452)	(2,500)	1,048	41.9		(5,398)
			... when combined with opening net debt ...		60,631	60,631	-	-		60,631
			... and fair value movements and other changes in financial assets and financial liabilities ...		(246)	(116)	130	112.6		(139)
			... results in a closing net debt ...		61,837	63,015	1,178	1.9		65,890
		... and as a % of GDP		25.4%	25.8%				26.9%	

1 GDP for the seven months ended 31 January 2016 (actual and forecast) is the actual data for the year ended 30 September 2015 (Source: Statistics New Zealand) pro-rated for seven 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

	January 2016 Actual \$m	January 2015 Actual \$m	Change ¹ \$m	Change %
Statement of Financial Performance				
Core Crown Revenue				
Taxation revenue	39,528	37,779	1,749	4.6
Other revenue	3,016	2,999	17	0.6
Total core Crown revenue	42,544	40,778	1,766	4.3
Core Crown Expenses				
Social security and welfare	14,041	13,731	(310)	(2.3)
GSF pension expenses	159	205	46	22.4
Health	9,053	8,735	(318)	(3.6)
Education	7,060	6,945	(115)	(1.7)
Core government services	2,187	2,342	155	6.6
Law and order	2,083	2,013	(70)	(3.5)
Defence	1,149	1,078	(71)	(6.6)
Transport and communications	1,195	1,120	(75)	(6.7)
Economic and industrial services	1,155	1,235	80	6.5
Primary services	441	375	(66)	(17.6)
Heritage, culture and recreation	515	509	(6)	(1.2)
Environmental protection	306	393	87	22.1
Housing and community development	396	212	(184)	(86.8)
Other	272	79	(193)	(244.3)
Finance costs	2,135	2,262	127	5.6
Total core Crown expenses	42,147	41,234	(913)	(2.2)
Net surplus of SOE/CE's (and inter-segment eliminations)	537	533	4	0.8
OBEGAL	934	77	857	-
Total gains/(losses)	(3,962)	(2,854)	(1,108)	(38.8)
Other operating items	153	498	(345)	(69.3)
Operating balance	(2,875)	(2,279)	(596)	(26.2)
Core Crown residual cash	(1,452)	(2,398)	946	39.4
Debt indicators				
Gross debt²	85,784	87,232	1,448	1.7
Net debt³	61,837	61,784	(53)	(0.1)

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 seven months ended 31 January 2016 increased by \$1,749 million (4.6%) on the same period last year. Growth in total labour incomes, private consumption and tourist spending led to growth in source deductions (\$878m) and GST (\$693m).

Core Crown expenses increased by 2.2% 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:		
Health	+ \$318 million	Funding provided in the 2015 Budget to maintain and improve existing service levels.
Social security and welfare	+ \$310 million	Indexation of welfare benefits and increase in recipient numbers, particularly NZ Superannuitants.
Housing and community development	+ \$184 million	Mainly relates to funding for community participation and strong families and connected communities programmes, that was previously classified in the social security and welfare and economic and industrial services functional expense classifications.
Core government	- \$155 million	Largely relates to the impairment of tax revenue.
Education	+ \$115 million	Funding provided in the 2015 Budget to maintain and improve existing service levels.
Other functional classes	+ \$141 million	
Total	\$913 million	

Gains/Losses

Total net losses were \$3,962 million in the seven months to 31 January 2016, compared to losses of \$2,854 million in the previous year. Last year, large actuarial losses on non-financial instruments more than offset gains on financial instruments. This year while actuarial losses are lower, unfavourable market conditions have led to losses on financial instruments.

Debt

Gross debt decreased by \$1,448 million or 1.7 % to \$85.8 billion from January 2015 while **net debt** increased by \$53 million or 0.1% over the same time.



FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL PERFORMANCE

for the seven months ended 31 January 2016

Year to 30 Jun 2015	7 months to 31 Jan 2015		Note	Current Year Actual vs Forecast			Annual Forecast \$m	
				Actual \$m	Forecast \$m	Variance \$m		%
		Revenue						
66,055	37,368	Taxation revenue	2	39,072	38,620	452	1.2	67,648
4,953	2,878	Other sovereign revenue	2	2,634	2,554	80	3.1	4,459
71,008	40,246	Total Revenue Levied through the Crown's Sovereign Power		41,706	41,174	532	1.3	72,107
16,866	9,613	Sales of goods and services		9,931	9,940	(9)	(0.1)	17,039
3,524	1,973	Interest revenue and dividends	3	2,049	2,366	(317)	(13.4)	4,067
3,615	2,070	Other revenue		2,061	1,967	94	4.8	3,592
24,005	13,656	Total revenue earned through the Crown's operations		14,041	14,273	(232)	(1.6)	24,698
95,013	53,902	Total revenue (excluding gains)		55,747	55,447	300	0.5	96,805
		Expenses						
23,723	13,765	Transfer payments and subsidies	4	13,929	13,999	70	0.5	24,485
21,124	12,246	Personnel expenses	5	12,604	12,607	3	-	21,849
4,842	2,778	Depreciation and amortisation	6	2,718	2,701	(17)	(0.6)	4,936
35,910	20,234	Other operating expenses	7	20,743	21,457	714	3.3	37,788
4,563	2,648	Finance costs	8	2,594	2,542	(52)	(2.0)	4,421
4,110	2,009	Insurance expenses	9	1,942	2,026	84	4.1	3,997
-	-	Forecast new operating spending		-	-	-	-	271
-	-	Top-down expense adjustment		-	(359)	(359)	(100.0)	(1,025)
94,272	53,680	Total expenses (excluding losses)		54,530	54,973	443	0.8	96,722
(327)	(145)	Minority interests share of operating balance before gains/(losses)		(283)	(264)	(19)	(7.2)	(484)
414	77	Operating balance before gains/(losses) (excluding minority interests)		934	210	724	344.8	(401)
5,978	3,533	Net gains/(losses) on financial instruments	10	(1,346)	(219)	(1,127)	-	534
(1,649)	(6,387)	Net gains/(losses) on non-financial instruments	11	(2,616)	(231)	(2,385)	-	(101)
4,329	(2,854)	Total gains/(losses)		(3,962)	(450)	(3,512)	-	433
1,028	498	Net surplus/(deficit) from associates and joint ventures		153	148	5	3.4	266
5,771	(2,279)	Operating balance (excluding minority interests)		(2,875)	(92)	(2,783)	-	298

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

ANALYSIS OF EXPENSES BY FUNCTIONAL CLASSIFICATION

for the seven months ended 31 January 2016

Year to 30 Jun 2015 Actual \$m	7 months to 31 Jan 2015 Actual \$m		Current Year Actual vs Forecast				Annual Forecast \$m
			Actual \$m	Forecast \$m	Variance \$m	%	
Total Crown expenses							
28,231	15,996	Social security and welfare	16,402	16,432	30	0.2	28,928
373	213	GSF pension expenses	167	179	12	6.7	283
14,696	8,590	Health	8,835	8,788	(47)	(0.5)	15,150
13,537	7,657	Education	7,733	7,871	138	1.8	13,993
3,898	2,117	Core government services	2,084	2,377	293	12.3	4,818
3,730	2,160	Law and order	2,205	2,183	(22)	(1.0)	3,853
1,917	1,048	Defence	1,142	1,170	28	2.4	2,051
9,279	5,086	Transport and communications	5,108	5,304	196	3.7	9,449
8,235	4,824	Economic and industrial services	4,273	4,235	(38)	(0.9)	7,505
2,198	1,334	Heritage, culture and recreation	1,352	1,420	68	4.8	2,319
1,740	1,019	Primary services	1,102	1,145	43	3.8	1,993
1,114	619	Housing and community development	954	930	(24)	(2.6)	1,535
616	290	Environmental protection	307	305	(2)	(0.7)	639
145	79	Other	272	451	179	39.7	539
4,563	2,648	Finance costs	2,594	2,542	(52)	(2.0)	4,421
-	-	Forecast new operating spending	-	-	-	-	271
-	-	Top-down expense adjustment	-	(359)	(359)	(100.0)	(1,025)
94,272	53,680	Total Crown expenses excluding losses	54,530	54,973	443	0.8	96,722

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 2015 Actual \$m	7 months to 31 Jan 2015 Actual \$m		Current Year Actual vs Forecast				Annual Forecast \$m
			Actual \$m	Forecast \$m	Variance \$m	%	
Core Crown expenses							
23,523	13,731	Social security and welfare	14,041	14,091	50	0.4	24,325
358	205	GSF pension expenses	159	158	(1)	(0.6)	265
15,058	8,735	Health	9,053	9,040	(13)	(0.1)	15,601
12,879	6,945	Education	7,060	7,177	117	1.6	13,222
4,134	2,342	Core government services	2,187	2,467	280	11.3	4,976
3,515	2,013	Law and order	2,083	2,087	4	0.2	3,635
1,961	1,078	Defence	1,149	1,184	35	3.0	2,079
2,291	1,120	Transport and communications	1,195	1,198	3	0.3	2,265
2,228	1,235	Economic and industrial services	1,155	1,217	62	5.1	2,196
778	509	Heritage, culture and recreation	515	546	31	5.7	828
667	375	Primary services	441	463	22	4.8	822
320	212	Housing and community development	396	419	23	5.5	619
723	393	Environmental protection	306	304	(2)	(0.7)	637
145	79	Other	272	451	179	39.7	539
3,783	2,262	Finance costs	2,135	2,107	(28)	(1.3)	3,656
-	-	Forecast new operating spending	-	-	-	-	271
-	-	Top-down expense adjustment	-	(359)	(359)	(100.0)	(1,025)
72,363	41,234	Core Crown expenses excluding losses	42,147	42,550	403	0.9	74,911

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

STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

for the seven months ended 31 January 2016

Year to 30 Jun 2015	7 months to 31 Jan 2015		Current Year Actual vs Forecast				Annual Forecast \$m
			Actual \$m	Forecast \$m	Variance \$m	%	
6,316	(2,141)	Operating Balance (including minority interest)	(2,581)	220	(2,801)	-	824
		Other comprehensive revenue and expense					
5,519	(10)	Revaluation of physical assets	(59)	(25)	(34)	(136.0)	19
(99)	(58)	Net change in hedging instruments entered into for cash flow hedges	(101)	(13)	(88)	-	19
51	49	Foreign currency translation differences for foreign operations	(18)	12	(30)	(250.0)	53
43	21	Valuation gains/(losses) on investments available for sale taken to reserves	(20)	3	(23)	-	5
(13)	-	Other movements	(40)	(24)	(16)	(66.7)	(5)
5,501	2	Total other comprehensive revenue and expense	(238)	(47)	(191)	(406.4)	91
11,817	(2,139)	Total comprehensive revenue and expense	(2,819)	173	(2,992)	-	915
		Attributable to:					
849	(44)	- minority interest	204	256	(52)	(20.3)	507
10,968	(2,095)	- the Crown	(3,023)	(83)	(2,940)	-	408
11,817	(2,139)	Total comprehensive revenue and expense	(2,819)	173	(2,992)	-	915

STATEMENT OF CHANGES IN NET WORTH

for the seven months ended 31 January 2016

Year to 30 Jun 2015	7 months to 31 Jan 2015		Current Year Actual vs Forecast				Annual Forecast \$m
			Actual \$m	Forecast \$m	Variance \$m	%	
80,697	80,779	Opening net worth	92,236	92,236	-	-	92,236
6,316	(2,141)	Operating balance (including minority interest)	(2,581)	220	(2,801)	-	824
5,519	(10)	Net revaluations	(59)	(25)	(34)	(136.0)	19
-	(31)	Transfers to/(from) reserves (Gains)/losses transferred to the	(185)	(58)	(127)	(219.0)	3
(56)	-	Statement of Financial Performance	31	22	9	40.9	18
38	43	Other movements	(25)	14	(39)	(278.6)	51
11,817	(2,139)	Total comprehensive revenue and expense	(2,819)	173	(2,992)	-	915
(278)	(198)	Transactions with minority interests	(212)	(236)	24	10.2	(413)
92,236	78,442	Closing net worth	89,205	92,173	(2,968)	(3.2)	92,738

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

STATEMENT OF CASH FLOWS

for the seven months ended 31 January 2016

Year to 30 Jun 2015 Actual \$m	7 months to 31 Jan 2015 Actual \$m		Current Year Actual vs Forecast				Annual Forecast \$m
			Actual \$m	Forecast \$m	Variance \$m	%	
		Cash Flows from Operations					
		Cash was provided from					
64,945	36,844	Taxation receipts	39,740	38,294	1,446	3.8	66,505
4,731	3,155	Other sovereign receipts	3,099	2,871	228	7.9	4,453
17,232	9,696	Sales of goods and services	9,994	10,281	(287)	(2.8)	17,219
3,364	1,907	Interest and dividends receipts	1,974	2,051	(77)	(3.8)	3,517
3,823	2,203	Other operating receipts	2,280	2,258	22	1.0	4,001
94,095	53,805	Total cash provided from operations	57,087	55,755	1,332	2.4	95,695
		Cash was disbursed to					
23,896	14,010	Transfer payments and subsidies	14,095	13,986	(109)	(0.8)	24,489
60,009	36,133	Personnel and operating payments	36,828	37,213	385	1.0	62,893
4,598	2,350	Interest payments	2,258	2,244	(14)	(0.6)	4,385
-	-	Forecast new operating spending	-	-	-	-	271
-	-	Top-down expense adjustment	-	(359)	(359)	(100.0)	(1,025)
88,503	52,493	Total cash disbursed to operations	53,181	53,084	(97)	(0.2)	91,013
5,592	1,312	Net cash flows from operations	3,906	2,671	1,235	46.2	4,682
		Cash Flows from Investing Activities					
		Cash was provided from/(disbursed to)					
(6,177)	(3,212)	Net (purchase)/sale of physical assets	(3,652)	(4,052)	400	9.9	(7,619)
(4,912)	(2,450)	Net (purchase)/sale of shares and other securities	2,201	1,325	876	66.1	2,842
(632)	(319)	Net (purchase)/sale of intangible assets	(272)	(402)	130	32.3	(793)
(1,685)	(658)	Net (issue)/repayment of advances	(508)	(869)	361	41.5	(1,987)
153	72	Net acquisition of investments in associates	95	(32)	127	396.9	(13)
-	-	Forecast new capital spending	-	-	-	-	(451)
-	-	Top-down capital adjustment	-	194	(194)	(100.0)	555
(13,253)	(6,567)	Net cash flows from investing activities	(2,136)	(3,836)	1,700	44.3	(7,466)
(7,661)	(5,255)	Net cash flows from operating and investing activities	1,770	(1,165)	2,935	251.9	(2,784)
		Cash Flows from Financing Activities					
		Cash was provided from/(disbursed to)					
372	444	Issues of circulating currency	564	247	317	128.3	214
579	-	Net proceeds from Government share offer programme	-	-	-	-	-
1,548	4,354	Net issue/(repayment) of Government bonds	4,690	4,905	(215)	(4.4)	6,613
(2,321)	(1,435)	Net issue/(repayment) of foreign currency borrowing	135	(808)	943	116.7	(1,067)
7,077	2,021	Net issue/(repayment) of other New Zealand dollar borrowing	(4,343)	(1,307)	(3,036)	(232.3)	(796)
(478)	(293)	Dividends paid to minority interests	(298)	(282)	(16)	(5.7)	(494)
6,777	5,091	Net cash flows from financing activities	748	2,755	(2,007)	(72.8)	4,470
(884)	(164)	Net movement in cash	2,518	1,590	928	58.4	1,686
11,888	11,888	Opening cash balance	11,982	11,982	-	-	11,982
978	690	Foreign-exchange gains/(losses) on opening cash	330	489	(159)	(32.5)	490
11,982	12,414	Closing cash balance	14,830	14,061	769	5.5	14,158

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

STATEMENT OF CASH FLOWS (CONTINUED)

for the seven months ended 31 January 2016

Year to 30 Jun 2015 Actual \$m	7 months to 31 Jan 2015 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							
5,592	1,312	Net Cash Flows from Operations	3,906	2,671	1,235	46.2	4,682
<i>Items included in the operating balance but not in net cash flows from operations</i>							
Gains/(losses)							
5,978	3,533	Net gains/(losses) on financial instruments	(1,346)	(219)	(1,127)	-	534
(1,649)	(6,387)	Net gains/(losses) on non-financial instruments	(2,616)	(231)	(2,385)	-	(101)
4,329	(2,854)	Total gains/(losses)	(3,962)	(450)	(3,512)	-	433
Other Non-cash Items in Operating Balance							
(4,842)	(2,778)	Depreciation and amortisation	(2,718)	(2,701)	(17)	(0.6)	(4,936)
(696)	(248)	Cost of concessionary lending	(224)	(239)	15	6.3	(775)
(305)	(25)	Impairment of financial assets (excluding receivables)	(27)	(12)	(15)	(125.0)	(120)
373	232	Decrease/(increase) in defined benefit retirement plan liabilities	272	262	10	3.8	463
746	2,031	Decrease/(increase) in insurance liabilities	1,687	2,020	(333)	(16.5)	925
699	352	Other	(130)	(115)	(15)	(13.0)	(214)
(4,025)	(436)	Total other non-cash Items	(1,140)	(785)	(355)	(45.2)	(4,657)
Movements in Working Capital							
141	(1,704)	Increase/(decrease) in receivables	(3,085)	(2,323)	(762)	(32.8)	28
196	(250)	Increase/(decrease) in accrued interest	(260)	17	(277)	-	513
(105)	(14)	Increase/(decrease) in inventories	6	(16)	22	137.5	(27)
(12)	222	Increase/(decrease) in prepayments	169	(32)	201	-	(50)
(149)	(34)	Decrease/(increase) in deferred revenue	(33)	(131)	98	74.8	(57)
(196)	1,479	Decrease/(increase) in payables/provisions	1,524	957	567	59.2	(567)
(125)	(301)	Total movements in working capital	(1,679)	(1,528)	(151)	(9.9)	(160)
5,771	(2,279)	Operating balance (excluding minority interests)	(2,875)	(92)	(2,783)	-	298

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

STATEMENT OF FINANCIAL POSITION

as at 31 January 2016

As at 30 Jun 2015 Actual \$m	As at 31 Jan 2015 Actual \$m		Note	Current Year Actual vs Forecast				Annual Forecast \$m
				Actual \$m	Forecast \$m	Variance \$m	%	
Assets								
11,982	12,414	Cash and cash equivalents	13	14,830	14,061	769	5.5	14,158
17,602	15,937	Receivables	13	14,694	15,835	(1,141)	(7.2)	17,828
		Marketable securities, deposits and derivatives in gain						
54,298	50,599		13	50,130	51,300	(1,170)	(2.3)	49,345
25,408	23,897	Share investments	13	23,705	25,687	(1,982)	(7.7)	26,344
26,497	25,292	Advances	13	27,505	27,320	185	0.7	28,087
995	1,085	Inventory		1,001	979	22	2.2	967
2,389	2,694	Other assets		2,572	2,169	403	18.6	2,085
124,558	117,507	Property, plant and equipment	14	126,144	126,651	(507)	(0.4)	128,472
11,918	10,689	Equity accounted investments ¹		12,070	12,049	21	0.2	12,157
3,056	2,940	Intangible assets and goodwill	15	3,043	3,193	(150)	(4.7)	3,392
-	-	Forecast for new capital spending		-	-	-	-	451
-	-	Top-down capital adjustment		-	(194)	194	100.0	(555)
278,703	263,054	Total assets		275,694	279,050	(3,356)	(1.2)	282,731
Liabilities								
5,336	5,408	Issued currency		5,900	5,583	(317)	(5.7)	5,560
11,953	10,468	Payables	17	11,603	11,985	382	3.2	12,380
2,112	1,997	Deferred revenue		2,145	2,242	97	4.3	2,169
112,580	109,754	Borrowings		112,323	115,279	2,956	2.6	116,976
36,431	39,593	Insurance liabilities	18	36,719	34,233	(2,486)	(7.3)	35,217
10,834	11,058	Retirement plan liabilities		10,933	10,943	10	0.1	10,741
7,221	6,334	Provisions	19	6,866	6,612	(254)	(3.8)	6,950
186,467	184,612	Total liabilities		186,489	186,877	388	0.2	189,993
92,236	78,442	Total assets less total liabilities		89,205	92,173	(2,968)	(3.2)	92,738
Net Worth								
19,354	11,103	Taxpayers' funds	20	16,498	19,278	(2,780)	(14.4)	19,648
67,107	62,178	Property, plant and equipment revaluation reserve	20	67,007	67,055	(48)	(0.1)	67,128
(7)	(6)	Other reserves	20	(74)	38	(112)	(294.7)	86
86,454	73,275	Total net worth attributable to the Crown		83,431	86,371	(2,940)	(3.4)	86,862
		Net worth attributable to minority interest	20	5,774	5,802	(28)	(0.5)	5,876
5,782	5,167							
92,236	78,442	Total net worth		89,205	92,173	(2,968)	(3.2)	92,738

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 31 January 2016

As at 30 Jun 2015 Actual \$m	As at 31 Jan 2015 Actual \$m		Current Year Actual vs Forecast				Annual Forecast \$m
			Actual \$m	Forecast \$m	Variance \$m	%	
58,743	62,489	Government bonds ¹	62,942	63,411	469	0.7	64,563
6,734	3,278	Treasury bills	3,573	4,219	646	15.3	3,925
188	179	Government retail stock	190	194	4	2.1	193
7,931	7,311	Settlement deposits with Reserve Bank	7,674	6,990	(684)	(9.8)	6,990
6,261	4,726	Derivatives in loss	5,065	6,190	1,125	18.2	5,931
1,788	1,860	Finance lease liabilities	1,774	1,717	(57)	(3.3)	2,755
30,935	29,911	Other borrowings	31,105	32,558	1,453	4.5	32,619
112,580	109,754	Total borrowings	112,323	115,279	2,956	2.6	116,976
84,008	82,014	Sovereign-guaranteed debt	82,633	85,672	3,039	3.5	86,458
28,572	27,740	Non sovereign-guaranteed debt	29,690	29,607	(83)	(0.3)	30,518
112,580	109,754	Total borrowings	112,323	115,279	2,956	2.6	116,976
Net Debt:							
95,649	95,051	Core Crown borrowings ²	94,944	97,397	2,453	2.5	98,090
(2,493)	(1,786)	Add back NZS Fund holdings of sovereign-issued debt and NZS Fund borrowings	(1,803)	(3,239)	(1,436)	(44.3)	(3,177)
93,156	93,265	Gross sovereign-issued debt³	93,141	94,158	1,017	1.1	94,913
76,434	73,414	Less core Crown financial assets ⁴	73,212	76,186	(2,974)	(3.9)	75,213
16,722	19,851	Net core Crown debt	19,929	17,972	(1,957)	(10.9)	19,700
14,140	13,990	Add back core Crown advances	14,140	14,192	52	0.4	14,613
30,862	33,841	Net core Crown debt (incl NZS Fund)⁵	34,069	32,164	(1,905)	(5.9)	34,313
29,769	27,943	Add back NZS Fund holdings of core Crown financial assets and NZS Fund fin assets ⁶	27,768	30,851	3,083	10.0	31,577
60,631	61,784	Net core Crown debt (excl NZS Fund and advances)⁷	61,837	63,015	1,178	1.9	65,890
Gross Debt:							
93,156	93,265	Gross sovereign-issued debt ³	93,141	94,158	1,017	1.1	94,913
(8,631)	(7,633)	Less Reserve Bank settlement cash and Reserve Bank bills	(8,957)	(9,390)	(433)	(4.6)	(9,390)
1,600	1,600	Add back changes to DMO borrowing due to settlement cash ⁸	1,600	1,600	-	-	1,600
86,125	87,232	Gross sovereign-issued debt excluding Reserve Bank settlement cash and Reserve Bank bills	85,784	86,368	584	0.7	87,123

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 31 January 2016

	As at 31 Jan 2016 \$m	As at 30 Jun 2015 \$m	As at 31 Jan 2015 \$m
Capital Commitments			
Specialist military equipment	540	420	478
Land and buildings	1,986	1,122	1,200
Other property, plant and equipment	2,877	2,958	1,623
Other capital commitments	659	694	852
State highways	3,893	4,060	3,893
Tertiary Education Institutions	480	480	201
Total capital commitments	10,435	9,734	8,247
Operating Commitments			
Non-cancellable accommodation leases	3,217	3,088	2,872
Other non-cancellable leases	2,167	2,291	2,399
Tertiary Education Institutions	542	540	494
Total operating commitments	5,926	5,919	5,765
Total commitments	16,361	15,653	14,012
Total Commitments by Segment			
Core Crown	5,301	4,453	4,745
Crown entities	7,071	7,231	5,379
State-owned Enterprises	4,783	4,887	5,030
Inter-segment eliminations	(794)	(918)	(1,142)
Total commitments	16,361	15,653	14,012

STATEMENT OF CONTINGENT LIABILITIES AND ASSETS

as at 31 January 2016

	As at 31 Jan 2016 \$m	As at 30 Jun 2015 \$m	As at 31 Jan 2015 \$m
Quantifiable Contingent Liabilities			
Guarantees and indemnities	297	310	233
Uncalled capital	8,228	7,337	6,330
Legal proceedings and disputes	202	247	466
Other contingent liabilities	322	379	373
Total quantifiable contingent liabilities	9,049	8,273	7,402
Total Quantifiable Contingent Liabilities by Segment			
Core Crown	8,865	8,025	7,140
Crown entities	59	30	42
State-owned Enterprises	125	218	220
Inter-segment eliminations	-	-	-
Total quantifiable contingent liabilities	9,049	8,273	7,402
Quantifiable Contingent Assets			
Core Crown	146	160	141
Crown entities	3	3	4
State owned enterprises	28	75	12
Inter-segment eliminations	-	-	-
Total quantifiable contingent assets	177	238	157

A list of unquantifiable contingent liabilities is included on the Treasury's website

<http://www.treasury.govt.nz/budget/forecasts/hyefu2015/046.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
- the 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
- Legal entities 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 99 - 101 of the 2015 *Half Year Economic and Fiscal Update* released on 15 December 2015.

With the exception of the 30 June 2015 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) – Tier 1, 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.

The measurement base applied is historic cost modified by the revaluation of certain assets and liabilities, and prepared on an accrual basis, unless otherwise specified (for example, the Statement of Cash Flows).

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 2016, based on the 2015 *Half Year Economic and Fiscal Update (HYEFU)*.

The accounting policies underlying the preparation of forecasts are the same as the specific accounting policies set out above.

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.

Comparative figures for 31 January 2015 were restated for the impact from the new PBE standards. Note 33 in the *Financial Statements of the Government for the year ended 30 June 2015* outlines the impact of adoption of NZ PBE standards.

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, revenue 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.

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 2015 Actual \$m	7 months to 31 Jan 2015 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							
25,309	14,998	Source deductions	15,874	15,647	227	1.5	26,333
5,848	3,156	Other persons	3,152	3,071	81	2.6	5,593
(1,595)	(674)	Refunds	(728)	(742)	14	1.9	(1,753)
514	282	Fringe benefit tax	272	280	(8)	(2.9)	526
30,076	17,762	Total individuals	18,570	18,256	314	1.7	30,699
Corporate Tax							
9,972	4,545	Gross companies tax	4,340	4,494	(154)	(3.4)	9,860
(143)	(67)	Refunds	(128)	(123)	(5)	(4.1)	(243)
470	259	Non-resident withholding tax	430	390	40	10.3	573
(3)	(4)	Foreign-source dividend w/holding payments	(9)	1	(10)	-	2
10,296	4,733	Total corporate tax	4,633	4,762	(129)	(2.7)	10,192
Other Direct Income Tax							
1,830	987	Resident w/holding tax on interest income	993	1,037	(44)	(4.2)	1,925
543	290	Resident w/holding tax on dividend income	348	311	37	11.9	538
2,373	1,277	Total other direct income tax	1,341	1,348	(7)	(0.5)	2,463
42,745	23,772	Total income tax	24,544	24,366	178	0.7	43,354
Goods and Services Tax							
28,123	16,340	Gross goods and services tax	17,071	17,143	(72)	(0.4)	29,792
(10,954)	(6,593)	Refunds	(6,630)	(6,922)	292	4.2	(11,776)
17,169	9,747	Total goods and services tax	10,441	10,221	220	2.2	18,016
Other Indirect Taxation							
1,283	748	Road user charges	793	829	(36)	(4.3)	1,342
1,739	960	Petroleum fuels excise ¹	1,061	1,037	24	2.3	1,803
910	558	Alcohol excise ¹	564	594	(30)	(5.1)	967
1,507	1,191	Tobacco excise ¹	1,280	1,154	126	10.9	1,497
214	102	Other customs duty	72	111	(39)	(35.1)	173
214	127	Gaming duties	130	128	2	1.6	215
181	112	Motor vehicle fees	143	135	8	5.9	197
57	30	Approved issuer levy and cheque duty	29	30	(1)	(3.3)	47
36	21	Energy resources levies	15	15	-	-	37
6,141	3,849	Total other indirect taxation	4,087	4,033	54	1.3	6,278
23,310	13,596	Total indirect taxation	14,528	14,254	274	1.9	24,294
66,055	37,368	Total taxation revenue	39,072	38,620	452	1.2	67,648
Other Sovereign Revenue (accrual)							
3,276	1,970	ACC levies	1,654	1,596	58	3.6	2,739
351	226	Fire Service levies	208	200	8	4.0	362
281	163	EQC levies	164	162	2	1.2	281
283	170	Child support and working for families penalties	169	170	(1)	(0.6)	278
110	47	Court fines	59	63	(4)	(6.3)	110
652	302	Other miscellaneous items	380	363	17	4.7	689
4,953	2,878	Total other sovereign revenue	2,634	2,554	80	3.1	4,459
71,008	40,246	Total sovereign revenue	41,706	41,174	532	1.3	72,107

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

NOTES TO THE FINANCIAL STATEMENTS

Year to 30 Jun 2015 Actual \$m	7 months to 31 Jan 2015 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							
25,128	14,770	Source deductions	15,592	15,328	264	1.7	26,208
6,044	2,981	Other persons	3,082	2,954	128	4.3	5,789
(2,275)	(1,297)	Refunds	(1,356)	(1,345)	(11)	(0.8)	(2,416)
498	353	Fringe benefit tax	356	362	(6)	(1.7)	524
29,395	16,807	Total individuals	17,674	17,299	375	2.2	30,105
Corporate Tax							
10,484	5,542	Gross companies tax	6,675	5,797	878	15.1	10,393
(600)	(320)	Refunds	(630)	(613)	(17)	(2.8)	(929)
532	318	Non-resident withholding tax	419	379	40	10.6	577
(5)	(5)	Foreign-source dividend w/holding payments	(6)	-	(6)	-	2
10,411	5,535	Total corporate tax	6,458	5,563	895	16.1	10,043
Other Direct Income Tax							
1,810	1,020	Resident w/holding tax on interest income	1,030	1,088	(58)	(5.3)	1,924
542	299	Resident w/holding tax on dividend income	358	317	41	12.9	538
2,352	1,319	Total other direct income tax	1,388	1,405	(17)	(1.2)	2,462
42,158	23,661	Total income tax	25,520	24,267	1,253	5.2	42,610
Goods and Services Tax							
27,609	15,709	Gross goods and services tax	16,186	16,312	(126)	(0.8)	28,843
(10,900)	(6,514)	Refunds	(6,256)	(6,464)	208	3.2	(11,226)
16,709	9,195	Total goods and services tax	9,930	9,848	82	0.8	17,617
Other Indirect Taxation							
1,283	747	Road user charges	797	829	(32)	(3.9)	1,342
1,924	1,260	Excise duties	1,478	1,381	97	7.0	2,156
2,395	1,675	Customs duty	1,676	1,660	16	1.0	2,284
214	128	Gaming duties	130	128	2	1.6	215
173	126	Motor vehicle fees	167	135	32	23.7	197
53	31	Approved issuer levy and cheque duty	27	31	(4)	(12.9)	47
36	21	Energy resources levies	15	15	-	-	37
6,078	3,988	Total other indirect taxation	4,290	4,179	111	2.7	6,278
22,787	13,183	Total indirect taxation	14,220	14,027	193	1.4	23,895
64,945	36,844	Total tax receipts collected	39,740	38,294	1,446	3.8	66,505
Other Sovereign Receipts (cash)							
3,170	2,110	ACC levies	2,138	1,954	184	9.4	2,924
351	226	Fire Service levies	233	200	33	16.5	362
281	171	EQC levies	155	174	(19)	(10.9)	285
208	120	Child support and working for families penalties	126	126	-	-	213
148	89	Court fines	78	84	(6)	(7.1)	150
573	439	Other miscellaneous items	369	333	36	10.8	519
4,731	3,155	Total other sovereign receipts	3,099	2,871	228	7.9	4,453
69,676	39,999	Total sovereign receipts	42,839	41,165	1,674	4.1	70,958

NOTES TO THE FINANCIAL STATEMENTS

Year to 30 Jun 2015 Actual \$m	7 months to 31 Jan 2015 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>					
2,802	1,628	Interest revenue	1,643	1,888	(245)	(13.0)	3,225
722	345	Dividends	406	478	(72)	(15.1)	842
3,524	1,973	Total interest revenue and dividends	2,049	2,366	(317)	(13.4)	4,067
		<i>By source</i>					
2,452	1,440	Core Crown	1,324	1,641	(317)	(19.3)	2,839
1,429	820	Crown entities	846	908	(62)	(6.8)	1,552
1,043	620	State-owned Enterprises	606	611	(5)	(0.8)	1,054
(1,400)	(907)	Inter-segment eliminations	(727)	(794)	67	8.4	(1,378)
3,524	1,973	Total interest revenue and dividends	2,049	2,366	(317)	(13.4)	4,067
		NOTE 4: Transfer Payments and Subsidies					
11,591	6,744	New Zealand superannuation	7,096	7,089	(7)	(0.1)	12,223
1,684	1,014	Jobseeker support and emergency benefit	995	996	1	0.1	1,676
1,515	890	Supported living payment	896	896	-	-	1,526
1,186	708	Sole parent support	669	667	(2)	(0.3)	1,157
1,854	1,059	Family tax credit	1,011	1,015	4	0.4	1,834
549	294	Other working for families tax credits	296	298	2	0.7	567
1,129	667	Accommodation assistance	669	674	5	0.7	1,154
703	411	Income related rents	436	452	16	3.5	778
377	222	Disability assistance	222	222	-	-	378
511	288	Student allowances	268	273	5	1.8	509
1,255	775	Other social assistance benefits	786	817	31	3.8	1,415
22,354	13,072	Total social assistance grants	13,344	13,399	55	0.4	23,217
		Subsidies					
856	483	KiwiSaver	396	398	2	0.5	709
		Other transfer payments					
513	209	Official development assistance	189	202	13	6.4	559
23,723	13,764	Total transfer payments and subsidies	13,929	13,999	70	0.5	24,485
		NOTE 5: Personnel Expenses					
6,552	3,754	Core Crown	3,794	3,789	(5)	(0.1)	6,739
11,660	6,807	Crown entities	7,106	7,103	(3)	-	12,209
2,935	1,694	State-owned Enterprises	1,715	1,726	11	0.6	2,921
(23)	(9)	Inter-segment eliminations	(11)	(11)	-	-	(20)
21,124	12,246	Total personnel expenses	12,604	12,607	3	-	21,849
		NOTE 6: Depreciation and Amortisation					
1,441	858	Core Crown	870	879	9	1.0	1,550
1,751	971	Crown entities	1,014	1,015	1	0.1	1,777
1,650	949	State-owned Enterprises	834	808	(26)	(3.2)	1,609
-	-	Inter-segment eliminations	-	(1)	(1)	(100.0)	-
4,842	2,778	Total depreciation and amortisation	2,718	2,701	(17)	(0.6)	4,936

NOTES TO THE FINANCIAL STATEMENTS

Year to 30 Jun 2015 Actual \$m	7 months to 31 Jan 2015 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>							
36,860	20,592	Core Crown	21,418	22,135	717	3.2	39,233
17,914	10,242	Crown entities	10,577	10,711	134	1.3	18,495
9,333	5,499	State-owned Enterprises	5,335	5,332	(3)	(0.1)	9,118
(28,197)	(16,099)	Inter-segment eliminations	(16,587)	(16,721)	(134)	(0.8)	(29,058)
35,910	20,234	Total other operating expenses	20,743	21,457	714	3.3	37,788
NOTE 8: Finance Costs							
<i>By type</i>							
4,522	2,627	Interest on financial liabilities	2,573	2,519	(54)	(2.1)	4,364
41	21	Interest unwind on provisions	21	23	2	8.7	57
4,563	2,648	Total finance costs	2,594	2,542	(52)	(2.0)	4,421
<i>By source</i>							
3,783	2,262	Core Crown	2,135	2,107	(28)	(1.3)	3,656
221	131	Crown entities	125	127	2	1.6	220
1,280	746	State-owned Enterprises	707	733	26	3.5	1,271
(721)	(491)	Inter-segment eliminations	(373)	(425)	(52)	(12.2)	(726)
4,563	2,648	Total finance costs	2,594	2,542	(52)	(2.0)	4,421
NOTE 9: Insurance Expenses							
<i>By entity</i>							
4,104	1,939	ACC	1,874	1,975	101	5.1	3,970
(357)	(90)	EQC	34	54	20	37.0	50
335	148	Southern Response	27	(10)	(37)	(370.0)	(35)
28	12	Other insurance expenses	7	7	-	-	12
4,110	2,009	Total insurance expenses	1,942	2,026	84	4.1	3,997
NOTE 10: Net Gains and Losses on Financial Instruments							
<i>By source</i>							
4,389	2,392	Core Crown	(1,365)	(134)	(1,231)	-	650
2,752	2,561	Crown entities	195	(49)	244	498.0	(20)
(281)	(171)	State-owned Enterprises	4	88	(84)	(95.5)	101
(882)	(1,249)	Inter-segment eliminations	(180)	(124)	(56)	(45.2)	(197)
5,978	3,533	Net gains/(losses) on financial instruments	(1,346)	(219)	(1,127)	-	534

NOTES TO THE FINANCIAL STATEMENTS

Year to 30 Jun 2015 Actual \$m	7 months to 31 Jan 2015 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							
<i>By type</i>							
(322)	(405)	Actuarial gains/(losses) on GSF liability ¹	(370)	(370)	-	-	(370)
(1,352)	(5,799)	Actuarial gains/(losses) on ACC liability ²	(1,975)	177	(2,152)	-	288
25	(183)	Other	(271)	(38)	(233)	-	(19)
(1,649)	(6,387)	Net gains/(losses) on non-financial instruments	(2,616)	(231)	(2,385)	-	(101)
<i>By source</i>							
(719)	(633)	Core Crown	(672)	(394)	(278)	(70.6)	(359)
(1,335)	(5,796)	Crown entities	(1,981)	163	(2,144)	-	258
405	42	State-owned Enterprises	37	-	37	-	-
-	-	Inter-segment eliminations	-	-	-	-	-
(1,649)	(6,387)	Net gains/(losses) on non-financial instruments	(2,616)	(231)	(2,385)	-	(101)
NOTE 12: Operating Balance (excluding Minority Interests)							
<i>By source</i>							
3,879	1,325	Core Crown	(1,598)	(696)	(902)	(129.6)	(203)
2,786	(1,860)	Crown entities	(1,005)	734	(1,739)	(236.9)	559
689	204	State-owned Enterprises	589	579	10	1.7	783
(1,583)	(1,948)	Inter-segment eliminations	(861)	(709)	(152)	(21.4)	(841)
5,771	(2,279)	Total operating balance	(2,875)	(92)	(2,783)	-	298

1. The most recent GSF valuation was as at 30 September 2015.

2. The most recent ACC valuation was as at 30 June 2015, updated monthly for changes to discount rates.

NOTES TO THE FINANCIAL STATEMENTS

As at 30 June 2015 \$m	As at 31 Jan 2015 \$m		Current Year Actual vs Forecast				Annual Forecast \$m
			Actual \$m	Forecast \$m	Variance \$m	%	
NOTE 13: Financial Assets and Sovereign Receivables							
11,982	12,414	Cash and cash equivalents	14,830	14,061	769	5.5	14,158
8,957	7,757	Tax receivables	7,885	8,554	(669)	(7.8)	8,732
8,645	8,180	Trade and other receivables	6,809	7,281	(472)	(6.5)	9,096
8,864	8,709	Student loans	8,810	8,822	(12)	(0.1)	9,118
15,598	15,112	Kiwibank mortgages	16,393	16,200	193	1.2	16,640
5,214	3,546	Long-term deposits	5,215	5,176	39	0.8	5,169
2,299	2,459	IMF financial assets	2,461	2,859	(398)	(13.9)	2,868
2,035	1,471	Other advances	2,302	2,298	4	0.2	2,329
25,408	23,897	Share investments	23,705	25,687	(1,982)	(7.7)	26,344
3,015	3,642	Derivatives in gain	3,795	3,041	754	24.8	2,946
43,770	40,952	Other marketable securities	38,659	40,224	(1,565)	(3.9)	38,362
135,787	128,139	Total financial assets and sovereign receivables	130,864	134,203	(3,339)	(2.5)	135,762
Financial Assets by Entity							
19,481	21,036	Debt Management Office	19,884	19,631	253	1.3	17,608
22,905	22,485	Reserve Bank of New Zealand	21,770	21,851	(81)	(0.4)	22,023
31,274	29,175	NZ Superannuation Fund	28,967	32,648	(3,681)	(11.3)	33,659
22,907	22,367	Other core Crown	21,705	22,209	(504)	(2.3)	22,528
(7,812)	(10,036)	Intra-segment eliminations	(8,046)	(7,918)	(128)	(1.6)	(7,783)
88,755	85,027	Total core Crown segment	84,280	88,421	(4,141)	(4.7)	88,035
35,765	32,769	ACC portfolio	35,257	34,462	795	2.3	36,194
2,485	2,877	EQC portfolio	2,196	1,731	465	26.9	1,074
10,311	9,079	Other Crown entities	9,808	9,585	223	2.3	9,341
(3,305)	(2,494)	Intra-segment eliminations	(2,911)	(2,854)	(57)	(2.0)	(2,733)
45,256	42,231	Total Crown entities segment	44,350	42,924	1,426	3.3	43,876
22,588	22,466	Total State-owned Enterprises segment	23,588	23,364	224	1.0	24,297
(20,812)	(21,585)	Inter-segment eliminations	(21,354)	(20,506)	(848)	(4.1)	(20,446)
135,787	128,139	Total financial assets and sovereign receivables	130,864	134,203	(3,339)	(2.5)	135,762

NOTES TO THE FINANCIAL STATEMENTS

As at 30 June 2015 \$m	As at 31 Jan 2015 \$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:							
39,912	37,197	Land	40,267	40,235	32	0.1	40,476
28,914	27,595	Buildings	29,286	29,333	(47)	(0.2)	30,115
21,034	20,163	State highways	21,622	21,746	(124)	(0.6)	22,271
14,739	13,750	Electricity generation assets	14,661	14,638	23	0.2	14,570
4,107	4,006	Electricity distribution network (cost)	4,078	4,145	(67)	(1.6)	4,195
3,080	3,039	Specialist military equipment	3,042	3,169	(127)	(4.0)	3,233
3,004	2,983	Specified cultural and heritage assets	2,997	3,006	(9)	(0.3)	3,041
3,272	2,616	Aircraft (excl military)	3,871	3,762	109	2.9	3,896
983	1,047	Rail network	1,077	1,125	(48)	(4.3)	1,083
5,513	5,111	Other plant and equipment (cost)	5,243	5,492	(249)	(4.5)	5,592
124,558	117,507	Total net carrying value	126,144	126,651	(507)	(0.4)	128,472
By source							
32,289	31,350	Core Crown	32,586	32,777	(191)	(0.6)	33,795
61,416	57,443	Crown entities	62,335	62,670	(335)	(0.5)	63,587
30,852	28,714	State-owned Enterprises	31,223	31,204	19	0.1	31,090
1	-	Inter-segment eliminations	-	-	-	-	-
124,558	117,507	Total net carrying value	126,144	126,651	(507)	(0.4)	128,472
Land breakdown by usage							
12,976	11,348	Housing stock	12,985	12,981	4	-	11,916
9,356	8,853	State highway corridor land	9,343	9,343	-	-	9,343
5,522	5,422	Conservation estate	5,508	5,516	(8)	(0.1)	5,520
3,363	3,255	Rail network corridor land	3,363	3,342	21	0.6	3,340
3,425	3,140	Schools	3,410	3,451	(41)	(1.2)	3,451
1,362	1,338	Commercial (SOE) excluding rail	1,814	1,771	43	2.4	1,765
3,908	3,841	Other	3,844	3,831	13	0.3	5,141
39,912	37,197	Total land	40,267	40,235	32	0.1	40,476
Schedule of Movements							
Cost or Valuation							
129,449	130,342	Opening balance	138,681	138,681	-	-	138,681
7,229	4,101	Additions (refer below)	4,085	4,615	(530)	(11.5)	8,591
(1,211)	(469)	Disposals	(385)	(316)	(69)	(21.8)	(596)
3,064	(47)	Net revaluations	(2)	3	(5)	(166.7)	80
150	(44)	Other	38	61	(23)	(37.7)	(30)
138,681	133,883	Total cost or valuation	142,417	143,044	(627)	(0.4)	146,726
Accumulated Depreciation and Impairment							
13,143	14,036	Opening balance	14,123	14,123	-	-	14,123
(655)	(161)	Eliminated on disposal	(217)	(116)	(101)	(87.1)	(157)
(2,159)	(29)	Eliminated on revaluation	25	-	25	-	-
3,951	2,353	Depreciation expense and impairment losses	2,447	2,451	(4)	(0.2)	4,291
(157)	177	Other	(105)	(65)	(40)	(61.5)	(3)
14,123	16,376	Total accumulated depreciation and impairment	16,273	16,393	(120)	(0.7)	18,254
124,558	117,507	Total property, plant and equipment	126,144	126,651	(507)	(0.4)	128,472
Additions - by functional classification							
3,364	1,501	Transport and communications	1,880	2,004	(124)	(6.2)	3,356
618	362	Economic and industrial services	281	271	10	3.7	318
893	499	Education	576	424	152	35.8	1,090
502	316	Health	379	544	(165)	(30.3)	913
523	362	Defence	173	314	(141)	(44.9)	551
1,329	1,061	Other	796	1,058	(262)	(24.8)	2,363
7,229	4,101	Total additions	4,085	4,615	(530)	(11.5)	8,591

1. Using a revaluation methodology unless otherwise stated.

NOTES TO THE FINANCIAL STATEMENTS

As at 30 June 2015 \$m	As at 31 Jan 2015 \$m		Current Year Actual vs Forecast				Annual Forecast \$m
			Actual \$m	Forecast \$m	Variance \$m	%	
		NOTE 15: Intangible Assets and Goodwill					
591	602	Goodwill	588	600	(12)	(2.0)	600
2,465	2,338	Other intangible assets	2,455	2,593	(138)	(5.3)	2,792
3,056	2,940	Total intangible assets and goodwill	3,043	3,193	(150)	(4.7)	3,392
		<i>By source</i>					
1,238	1,206	Core Crown	1,268	1,311	(43)	(3.3)	1,460
607	534	Crown entities	579	611	(32)	(5.2)	657
1,211	1,200	State-owned Enterprises	1,196	1,271	(75)	(5.9)	1,275
-	-	Inter-segment eliminations	-	-	-	-	-
3,056	2,940	Total intangible assets and goodwill	3,043	3,193	(150)	(4.7)	3,392
		NOTE 16: NZ Superannuation Fund					
760	401	Revenue	407	461	(54)	(11.7)	798
(46)	44	Less: current tax expense	120	(113)	(233)	(206.2)	(227)
(198)	(78)	Less: other expenses ¹	(74)	(88)	(14)	(15.9)	(153)
3,156	1,462	Add gains/(losses)	(1,764)	(418)	(1,346)	(322.0)	340
3,672	1,829	Operating balance	(1,311)	(158)	(1,153)	-	758
25,809	25,809	Opening net worth	29,522	29,522	-	-	29,522
3,672	1,829	Operating balance	(1,311)	(158)	(1,153)	-	758
41	40	Other movements in reserves	23	57	(34)	(59.6)	65
29,522	27,678	Closing net worth	28,234	29,421	(1,187)	(4.0)	30,345
		<i>Comprising:</i>					
31,274	29,175	Financial assets	28,967	32,648	(3,681)	(11.3)	33,659
(3,145)	(2,626)	Financial liabilities	(2,264)	(4,590)	2,326	50.7	(4,662)
1,393	1,129	Net other assets	1,531	1,363	168	12.3	1,348
29,522	27,678	Closing net worth	28,234	29,421	(1,187)	(4.0)	30,345
1. NZS Fund other expenses include deferred tax expense/(credits).							
		NOTE 17: Payables					
7,599	7,446	Accounts payable	7,568	8,149	581	7.1	8,334
4,354	3,022	Taxes repayable	4,035	3,836	(199)	(5.2)	4,046
11,953	10,468	Total payables	11,603	11,985	382	3.2	12,380
		<i>By source</i>					
8,131	7,445	Core Crown	7,682	8,420	738	8.8	8,594
5,670	4,735	Crown entities	5,736	5,216	(520)	(10.0)	5,466
4,951	4,725	State-owned Enterprises	4,753	4,900	147	3.0	4,992
(6,799)	(6,437)	Inter-segment eliminations	(6,568)	(6,551)	17	0.3	(6,672)
11,953	10,468	Total payables	11,603	11,985	382	3.2	12,380
		NOTE 18: Insurance Liabilities					
32,518	34,923	ACC liability	33,615	31,547	(2,068)	(6.6)	33,500
2,965	3,660	EQC property damage liability	2,494	2,102	(392)	(18.6)	1,353
1,216	1,274	Southern Response	883	860	(23)	(2.7)	624
68	59	Other insurance liabilities	54	61	7	11.5	73
(336)	(323)	Inter-segment eliminations	(327)	(337)	(10)	(3.0)	(333)
36,431	39,593	Total insurance liabilities	36,719	34,233	(2,486)	(7.3)	35,217

NOTES TO THE FINANCIAL STATEMENTS

As at 30 June 2015 \$m	As at 31 Jan 2015 \$m		Current Year Actual vs Forecast				Annual Forecast \$m
			Actual \$m	Forecast \$m	Variance \$m	%	
NOTE 19: Provisions							
3,533	2,983	Provision for employee entitlements	3,149	3,207	58	1.8	3,452
855	777	Provision for ETS Credits ¹	1,163	845	(318)	(37.6)	794
893	879	Provision for National Provident Fund guarantee	862	862	-	-	847
234	298	Provision for water infrastructure costs package	126	129	3	2.3	52
1,706	1,397	Other provisions	1,566	1,569	3	0.2	1,805
7,221	6,334	Total provisions	6,866	6,612	(254)	(3.8)	6,950
By source							
4,855	3,989	Core Crown	4,539	4,264	(275)	(6.4)	4,492
2,113	1,952	Crown entities	2,081	2,111	30	1.4	2,118
1,267	1,081	State-owned Enterprises	1,153	1,133	(20)	(1.8)	1,083
(1,014)	(688)	Inter-segment eliminations	(907)	(896)	11	1.2	(743)
7,221	6,334	Total provisions	6,866	6,612	(254)	(3.8)	6,950
1. Further information on the ETS, can be found on the Ministry for the Environment's climate change website www.climatechange.govt.nz							
NOTE 20: Changes in Net Worth							
19,354	11,103	Taxpayers' funds	16,498	19,278	(2,780)	(14.4)	19,648
67,107	62,178	Property, plant and equipment revaluation reserve	67,007	67,055	(48)	(0.1)	67,128
5,782	5,167	Net worth attributable to minority interests	5,774	5,802	(28)	(0.5)	5,876
(7)	(6)	Other reserves	(74)	38	(112)	(294.7)	86
92,236	78,442	Total net worth	89,205	92,173	(2,968)	(3.2)	92,738
13,218	13,300	Opening taxpayers funds	19,354	19,354	-	-	19,354
5,771	(2,279)	Operating balance excluding minority interests	(2,875)	(92)	(2,783)	-	298
365	82	Transfers from/(to) other reserves	19	16	3	18.8	(4)
19,354	11,103	Closing taxpayers funds	16,498	19,278	(2,780)	(14.4)	19,648
62,225	62,225	Opening property, plant and equipment revaluation reserve	67,107	67,107	-	-	67,107
5,274	(10)	Net revaluations	(58)	(25)	(33)	(132.0)	19
(392)	(37)	Transfers from/(to) other reserves	(42)	(27)	(15)	(55.6)	2
67,107	62,178	Closing property, plant and equipment revaluation reserve	67,007	67,055	(48)	(0.1)	67,128
5,211	5,211	Opening net worth attributable to minority interests	5,782	5,782	-	-	5,782
571	(44)	Net movements	(8)	20	(28)	(140.0)	94
5,782	5,167	Closing net worth attributable to minority interests	5,774	5,802	(28)	(0.5)	5,876
125	43	Opening other reserves	(7)	(7)	-	-	(7)
(132)	(49)	Net movements	(67)	45	(112)	(248.9)	93
(7)	(6)	Closing other reserves	(74)	38	(112)	(294.7)	86

NOTES TO THE FINANCIAL STATEMENTS

Year to 30 Jun 2015 \$m	7 months to 31 Jan 2015 \$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						
66,348	37,861	39,859	38,714	1,145	3.0	67,265
889	639	554	518	36	6.9	839
1,806	1,088	974	1,016	(42)	(4.1)	1,729
2,433	1,275	1,023	1,034	(11)	(1.1)	2,002
(23,895)	(14,010)	(14,095)	(13,985)	(110)	(0.8)	(24,489)
(42,064)	(25,370)	(25,943)	(26,248)	305	1.2	(44,345)
(3,922)	(1,956)	(1,800)	(1,812)	12	0.7	(3,640)
-	-	-	-	-	-	(271)
-	-	-	359	(359)	(100.0)	1,025
1,595	(473)	572	(404)	976	241.6	115
(1,955)	(1,116)	(1,111)	(1,366)	255	18.7	(3,034)
(570)	20	169	129	40	30.6	(609)
(897)	(829)	(1,082)	(1,053)	(29)	(2.8)	(1,974)
-	-	-	-	-	-	-
-	-	-	-	-	-	(451)
-	-	-	194	(194)	(100.0)	555
(3,422)	(1,925)	(2,024)	(2,096)	72	3.4	(5,513)
(1,827)	(2,398)	(1,452)	(2,500)	1,048	41.9	(5,398)
The residual cash deficit is funded as follows:						
Debt Programme Cash Flows						
Market:						
8,058	5,877	4,690	4,905	(215)	(4.4)	8,392
(8,684)	(1,523)	-	-	-	-	(1,779)
4,179	155	(3,753)	(2,871)	(882)	(30.7)	(3,171)
3,553	4,509	937	2,034	(1,097)	(53.9)	3,442
Non market:						
-	-	-	-	-	-	-
(482)	(293)	-	(212)	212	100.0	(573)
(480)	(280)	(100)	(100)	-	-	(100)
(962)	(573)	(100)	(312)	212	67.9	(673)
2,591	3,936	837	1,722	(885)	(51.4)	2,769
Other Borrowing Cash Flows						
3,207	1,432	(1,401)	(494)	(907)	(183.6)	(280)
(2,757)	(1,126)	1,427	941	486	51.6	(256)
450	306	26	447	(421)	(132.0)	(536)
Investing Cash Flows						
795	(1,281)	1,570	120	1,450	-	3,008
372	444	564	247	317	128.3	214
(2,381)	(1,007)	(1,545)	(36)	(1,509)	-	(57)
(1,214)	(1,844)	589	331	258	78.1	3,165
1,827	2,398	1,452	2,500	(1,048)	(41.9)	5,398

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