

# Interim Financial Statements of the Government of New Zealand

For the Ten Months Ended  
30 April 2019



Prepared by the Treasury  
6 June 2019

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The URL for this site is <http://www.treasury.govt.nz>

978-1-98-858043-2 (Print)  
978-1-98-858044-9 (Online)

New Zealand Government



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NEW ZEALAND





# Commentary

## COMMENTARY

These financial statements reflect the financial position (service potential and financial capacity) as at 30 April 2019, and the financial results of operations and cash flows for the period ended on that date.

The April results are reported against forecasts based on the *Budget Economic and Fiscal Update 2019 (BEFU 2019)*, published on 30 May 2019.

### Comparison against forecast

There are significant variances to forecast for the ten months to 30 April 2019 in core Crown tax revenue, which also flows through to other key indicators such as OBEGAL, operating balance and net worth.

Results can fluctuate from month to month as the recognition of revenue and expenses vary. The results do not necessarily indicate a deviation from the full year expected results. This is particularly relevant for tax revenue this month, we are doing analysis to determine the key drivers of this variance. We are aware some of this is timing differences, particularly in GST, underlying strength in profits and the income tax revenue estimates from the new process change (see below).

#### Core Crown tax revenue recognition process change

For financial reporting purposes, tax revenue is recognised when taxable income is earned by a taxpayer and it can be reliably measured. The recognition of tax revenue on a monthly basis requires a degree of estimation.

Over recent years, Inland Revenue have been working to improve the processes used to recognise income tax revenue throughout the fiscal year. The Treasury and Audit New Zealand have been consulted throughout the development of the tax revenue calculation methodology.

In April 2019, the administration of income tax moved to Inland Revenue's new system, START (Simplified Tax and Revenue Technology). START enables income tax revenue to be recognised more consistently during the year, as estimates are based on the most recently-available data for each individual and corporate taxpayer. The previous process largely relied on year-end assessments to estimate income tax revenue, particularly for large taxpayers.

As a result of the change to tax revenue recognition in the new system:

- The monthly profile of income tax revenue will change, as revenue will be recognised more-smoothly through the year than previously. For the next 12 months at least, income tax revenue for a month will not be directly comparable with the corresponding month of the previous year.
- This process change will have the effect of bringing forward the recognition of some tax revenue, including refunds which reduce revenue, for the 2018/19 fiscal year. The *BEFU 2019* fiscal forecasts assumed a transitional adjustment, increasing tax revenue by \$0.6 billion in the 2018/19 fiscal year. The level of the actual adjustment from the transition is still uncertain, so it is possible it may be higher than what was reflected in *BEFU 2019* fiscal forecasts.
- There will be some large differences between monthly actuals and forecasts over the coming year as monthly tax forecasts are based on historical profiles and there is no history from START yet.

**Table 1** – Key indicators for the ten months ended 30 April 2019 compared to *BEFU 2019*

	Year to date				Full Year
	April 2019 Actual <sup>1</sup> \$m	April 2019 BEFU 2019 Forecast <sup>1</sup> \$m	Variance <sup>2</sup> BEFU 2019 \$m	Variance BEFU 2019 %	June 2019 BEFU 2019 Forecast <sup>3</sup> \$m
<b>Core Crown</b>					
Core Crown tax revenue	71,073	68,821	2,252	3.3	84,650
Core Crown revenue	77,029	74,665	2,364	3.2	91,599
Core Crown expenses	70,852	71,132	280	0.4	87,300
Core Crown residual cash	(5,341)	(5,916)	575	9.7	(2,785)
Net core Crown debt <sup>4</sup>	62,277	63,398	1,121	1.8	60,299
<i>as a percentage of GDP</i>	21.2%	21.6%			20.1%
Gross debt <sup>5</sup>	86,023	84,069	(1,954)	(2.3)	83,287
<i>as a percentage of GDP</i>	29.3%	28.7%			27.8%
<b>Total Crown</b>					
Operating balance before gains and losses	5,170	2,560	2,610	102.0	3,465
Operating balance (excluding minority interests)	848	(2,060)	2,908	141.2	(284)
Total borrowings	112,111	112,530	419	0.4	112,057
Net worth attributable to the Crown	130,907	128,086	2,821	2.2	129,999

1 Using the most recently published GDP (for the year ended 31 December 2018) of \$293,233 million (Source: Statistics New Zealand).

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

3 Using BEFU 19 forecast GDP for the year ending 30 June 2019 of \$299,713 million (Source: The Treasury).

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.

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

**Core Crown tax revenue** of \$71.1 billion was \$2.3 billion (3.3%) above forecast. Within this, other individuals tax was \$0.9 billion (24.1%) above forecast, corporate tax \$0.6 billion (4.8%) and GST \$0.5 billion (2.6%) above forecast. These variances were caused by a combination of:

- some higher-than-forecast revenue relating to previous tax years. Some of this revenue is based on the evidence of higher terminal tax receipts than forecast, which will likely persist until year end
- higher-than-forecast income tax revenue estimation in relation to the transition to the new IRD process used to calculate tax revenue. As this is the first set of data from the new system, it is unclear how much of this variance may impact on the 30 June 2019 results
- Portfolio Investment Entity (PIE) tax was approximately \$0.2 billion above forecast, as PIE profits for the year to March 2019 were higher than was forecast in the *BEFU 2019*, and
- GST timing differences between actuals and forecasts relating to tax assessments, which we expect to reverse over the coming months.

**Core Crown expenses** of \$70.9 billion were \$0.3 billion (0.4%) below forecast. Most of this related to education expenses that were lower than forecast as a result of demand-driven factors across primary, secondary and tertiary sectors.

The **operating balance before gains and losses** (OBEGAL) was a surplus of \$5.2 billion, \$2.6 billion higher than forecast. This was primarily driven due to the core Crown results discussed above.

When total gains and losses are added to the OBEGAL result, the **operating balance** was a \$0.8 billion surplus, \$2.9 billion above forecast. Total net losses were \$4.5 billion, largely due to decreases in the discount rate (used to value long term liabilities in today's dollars) and favourable movements in exchange rates since the forecasts were prepared.

**Core Crown residual cash** was a deficit of \$5.3 billion, that was \$0.6 billion less than forecast due mainly to core Crown tax receipts being \$0.3 billion higher than forecast and operating payments being \$0.3 billion less than forecast.

**Net core Crown debt** at \$62.3 billion, or 21.2% of GDP was \$1.1 billion less than forecast as a result of the core Crown residual cash result discussed above and also circulating currency being \$0.3 billion higher than forecast.

**Gross debt** at \$86.0 billion was \$2.0 billion higher than forecast. \$1.5 billion of this related to unsettled trades that were settled in the first week of May 2019. Unsettled trades also result in higher holding of marketable securities, so it is neutral on net core Crown debt. The rest of the variance is due to movement in the value of derivatives.

**Net worth attributable to the Crown** at \$130.9 billion (44.6% of GDP) was \$2.8 billion higher than the forecast largely due to the higher than forecast operating balance result.



## Comparison against the prior year actuals

**Table 2** – Key indicators for the ten months ended 30 April 2019 compared to prior year actuals

	Year to date				Full Year
	April 2019 Actual <sup>1</sup> \$m	April 2018 Prior Year Actual <sup>2</sup> \$m	Variance <sup>3</sup> to 2018 \$m	Variance to 2018 %	June 2018 Prior Year Actual <sup>4</sup> \$m
<b>Core Crown</b>					
Core Crown tax revenue	71,073	65,303	5,770	8.8	80,224
Core Crown revenue	77,029	70,770	6,259	8.8	86,778
Core Crown expenses	70,852	66,116	(4,736)	(7.2)	80,576
Core Crown residual cash	(5,341)	(3,737)	(1,604)	(42.9)	1,346
Net core Crown debt <sup>5</sup>	62,277	62,508	231	0.4	57,495
<i>as a percentage of GDP</i>	21.2%	22.2%			19.9%
Gross debt <sup>6</sup>	86,023	87,475	1,452	1.7	88,053
<i>as a percentage of GDP</i>	29.3%	31.0%			30.5%
<b>Total Crown</b>					
Operating balance before gains and losses	5,170	3,406	1,764	51.8	5,534
Operating balance (excluding minority interests)	848	6,542	(5,694)	(87.0)	8,396
Total Borrowings	112,111	114,058	1,947	1.7	115,652
Net worth attributable to the Crown	130,907	117,174	13,733	11.7	129,644

1 Using the most recently published GDP (for the year ended 31 December 2018) of \$293,233 million (Source: Statistics New Zealand).

2 Using prior year published GDP (for the year ended 31 December 2017) of \$282,163 million (Source: Statistics New Zealand).

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

4 Using published GDP (revised) for the year ended 30 June 2018 of \$288,838 million (Source: Statistics New Zealand).

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

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

The **OBEGAL** surplus to April 2019 at \$5.2 billion was \$1.8 billion higher than the same time last year.

**Core Crown tax revenue** increased by \$5.8 billion with corporate tax up \$2.3 billion, source deductions \$1.9 billion and GST \$1.2 billion. See the box on tax revenue recognition changes for more details regarding corporate tax, as due to a process change the basis for the calculation has changed from the prior year.

**Core Crown expenses** grew by \$4.7 billion. The largest increases were social security and welfare up \$2.2 billion, and health expenditure which has increased \$0.9 billion. The remainder of the increase was spread amongst a number of different areas. The increases in expenditure from year to year are primarily due to *Budget 2018* Government spending decisions which impact for the first time in the current financial year. The core Crown results are the primary reason why OBEGAL is higher than last year.

The **core Crown residual cash** deficit was \$5.3 billion, compared to the deficit of \$3.7 billion recorded in April 2018:

- The net core Crown operating cash surplus was \$1.3 billion less than the same time last year due to expenditure being \$4.5 billion more largely as a result of budget decisions (as discussed above) partially offset by tax receipts being \$3.0 billion higher than the same time last year.
- Net core Crown capital investments were in line with last year.

**Net core Crown debt** in nominal terms was largely in line with the previous year, however as the economy grows, net core Crown debt as a percentage of GDP has fallen from 22.2% to 21.2%.

**Total borrowings** at \$112.2 billion were \$1.9 billion (1.7%) lower than the same time last year.

**Net worth attributable to the Crown** was \$13.7 billion higher than April 2018 at \$130.9 billion, largely reflecting the June 2018 year-end property revaluations of \$10.7 billion.





# **Unaudited Interim Financial Statements**

# STATEMENT OF FINANCIAL PERFORMANCE

For the ten months ended 30 April 2019

to 30 Jun 2018	to 30 Apr 2018		Current Year Actual vs Forecast				Annual Forecast \$m	
			Note	Actual \$m	Forecast \$m	Variance \$m		%
		<b>Revenue</b>						
79,596	64,650	Taxation revenue	2	70,430	68,177	2,253	3.3	83,957
5,223	4,368	Other sovereign revenue	2	4,917	4,833	84	1.7	5,827
<b>84,819</b>	<b>69,018</b>	<b>Total Revenue Levied through the Crown's Sovereign Power</b>		<b>75,347</b>	<b>73,010</b>	<b>2,337</b>	<b>3.2</b>	<b>89,784</b>
18,228	15,036	Sales of goods and services		16,492	16,038	454	2.8	19,386
3,675	2,970	Interest revenue and dividends	3	3,093	3,045	48	1.6	3,684
3,251	2,801	Other revenue <sup>1</sup>		3,219	3,134	85	2.7	3,564
<b>25,154</b>	<b>20,807</b>	<b>Total revenue earned through the Crown's operations</b>		<b>22,804</b>	<b>22,217</b>	<b>587</b>	<b>2.6</b>	<b>26,634</b>
<b>109,973</b>	<b>89,825</b>	<b>Total revenue (excluding gains)</b>		<b>98,151</b>	<b>95,227</b>	<b>2,924</b>	<b>3.1</b>	<b>116,418</b>
		<b>Expenses</b>						
25,366	20,816	Transfer payments and subsidies <sup>1</sup>	4	22,941	22,936	(5)	-	28,192
23,690	19,622	Personnel expenses		20,865	20,616	(249)	(1.2)	24,977
5,181	4,374	Depreciation and amortisation		4,596	4,697	101	2.2	5,723
40,708	33,468	Other operating expenses		36,190	36,629	439	1.2	44,941
4,151	3,471	Finance costs	5	3,383	3,370	(13)	(0.4)	3,987
4,918	4,279	Insurance expenses	6	4,615	4,289	(326)	(7.6)	5,274
-	-	Forecast new operating spending	7	-	-	-	-	265
-	-	Top-down expense adjustment	7	-	(213)	(213)	(100.0)	(800)
<b>104,014</b>	<b>86,030</b>	<b>Total expenses (excluding losses)</b>		<b>92,590</b>	<b>92,324</b>	<b>(266)</b>	<b>(0.3)</b>	<b>112,559</b>
(425)	(389)	Minority interests share of operating balance before gains/(losses)		(391)	(343)	(48)	(14.0)	(394)
<b>5,534</b>	<b>3,406</b>	<b>Operating balance before gains/(losses) (excluding minority interests)</b>		<b>5,170</b>	<b>2,560</b>	<b>2,610</b>	<b>102.0</b>	<b>3,465</b>
5,331	4,694	Net gains/(losses) on financial instruments		3,315	848	2,467	290.9	1,445
(2,802)	(1,678)	Net gains/(losses) on non-financial instruments	8	(7,714)	(5,559)	(2,155)	(38.8)	(5,340)
(87)	(11)	Minority interests share of total (gains)/losses		(73)	(86)	13	15.1	(76)
<b>2,442</b>	<b>3,005</b>	<b>Total gains/(losses)</b>		<b>(4,472)</b>	<b>(4,797)</b>	<b>325</b>	<b>6.8</b>	<b>(3,971)</b>
420	131	Net surplus/(deficit) from associates and joint ventures		150	177	(27)	(15.3)	222
<b>8,396</b>	<b>6,542</b>	<b>Operating balance (excluding minority interests)</b>		<b>848</b>	<b>(2,060)</b>	<b>2,908</b>	<b>141.2</b>	<b>(284)</b>

1. Other revenue and transfer payments and subsidies have been restated for April 2018 to eliminate the Income Related Rent Subsidy between government reporting entities.

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

## ANALYSIS OF EXPENSES BY FUNCTIONAL CLASSIFICATION

For the ten months ended 30 April 2019

Year 10 months to 30 Jun 2018	10 months to 30 Apr 2018		Note	Current Year Actual vs Forecast				Annual Forecast \$m
				Actual \$m	Forecast \$m	Variance \$m	%	
		<b>Total Crown expenses</b>						
30,195	25,439	Social security and welfare <sup>1</sup>		27,725	27,556	(169)	(0.6)	33,777
16,746	13,876	Health		14,935	14,883	(52)	(0.3)	17,850
14,607	12,402	Education		12,868	13,089	221	1.7	15,235
4,495	3,578	Core government services		3,535	3,659	124	3.4	4,914
4,494	3,555	Law and order		4,068	4,055	(13)	(0.3)	5,182
9,940	8,062	Transport and communications		8,812	8,797	(15)	(0.2)	11,205
8,928	7,135	Economic and industrial services		8,495	8,265	(230)	(2.8)	9,982
2,239	1,817	Defence		1,954	1,978	24	1.2	2,410
2,518	2,150	Heritage, culture and recreation		2,187	2,173	(14)	(0.6)	2,582
2,134	1,697	Primary services		1,891	1,937	46	2.4	2,428
1,878	1,557	Housing and community development		1,692	1,707	15	0.9	2,132
1,227	834	Environmental protection		841	851	10	1.2	1,123
163	165	GSF pension expenses		137	146	9	6.2	173
299	292	Other		67	71	4	5.6	114
4,151	3,471	Finance costs		3,383	3,370	(13)	(0.4)	3,987
-	-	Forecast new operating spending	7	-	-	-	-	265
-	-	Top-down expense adjustment	7	-	(213)	(213)	(100.0)	(800)
<b>104,014</b>	<b>86,030</b>	<b>Total Crown expenses excluding losses</b>		<b>92,590</b>	<b>92,324</b>	<b>(266)</b>	<b>(0.3)</b>	<b>112,559</b>

1. Social security and welfare expenses have been restated for April 2018 to eliminate the payments of Income Related Rent Subsidy between government reporting entities.

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 10 months to 30 Jun 2018	10 months to 30 Apr 2018		Note	Current Year Actual vs Forecast				Annual Forecast \$m
				Actual \$m	Forecast \$m	Variance \$m	%	
		<b>Core Crown expenses</b>						
25,999	21,448	Social security and welfare		23,598	23,690	92	0.4	28,961
17,159	14,323	Health		15,214	15,192	(22)	(0.1)	18,277
13,629	11,318	Education		11,641	11,898	257	2.2	14,312
4,670	3,636	Core government services		3,885	3,945	60	1.5	5,326
4,184	3,344	Law and order		3,719	3,708	(11)	(0.3)	4,757
2,559	1,849	Transport and communications		2,233	2,262	29	1.3	3,212
2,732	2,335	Economic and industrial services		2,460	2,515	55	2.2	3,028
2,251	1,825	Defence		1,957	1,986	29	1.5	2,418
850	776	Heritage, culture and recreation		804	807	3	0.4	913
807	588	Primary services		750	780	30	3.8	1,088
552	468	Housing and community development		655	594	(61)	(10.3)	711
1,238	836	Environmental protection		844	852	8	0.9	1,125
150	154	GSF pension expenses		126	135	9	6.7	159
299	292	Other		67	71	4	5.6	114
3,497	2,924	Finance costs		2,899	2,910	11	0.4	3,434
-	-	Forecast new operating spending	7	-	-	-	-	265
-	-	Top-down expense adjustment	7	-	(213)	(213)	(100.0)	(800)
<b>80,576</b>	<b>66,116</b>	<b>Core Crown expenses excluding losses</b>		<b>70,852</b>	<b>71,132</b>	<b>280</b>	<b>0.4</b>	<b>87,300</b>

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



# STATEMENT OF CASH FLOWS

For the ten months ended 30 April 2019

Year 10 months to 30 Jun 2018		to 30 Apr 2018		Current Year Actual vs Forecast					
Actual \$m	Actual \$m			Note	Actual \$m	Forecast \$m	Variance \$m	%	Annual Forecast \$m
<b>Cash Flows from Operations</b>									
<b>Cash was provided from</b>									
78,566	61,448	Taxation receipts	65,392		65,051	341	0.5		82,622
4,594	3,809	Other sovereign receipts	3,967		4,067	(100)	(2.5)		4,860
18,387	15,252	Sales of goods and services	16,397		16,118	279	1.7		19,331
2,466	2,078	Interest receipts	2,181		2,063	118	5.7		2,462
4,038	4,103	Other operating receipts	3,486		3,382	104	3.1		4,271
<b>108,051</b>	<b>86,690</b>	<b>Total cash provided from operations</b>	<b>91,423</b>		<b>90,681</b>	<b>742</b>	<b>0.8</b>		<b>113,546</b>
<b>Cash was disbursed to</b>									
25,382	21,713	Transfer payments and subsidies	23,153		23,185	32	0.1		28,156
67,687	56,876	Personnel and operating payments	60,367		60,291	(76)	(0.1)		73,036
4,098	3,631	Interest payments	3,434		3,524	90	2.6		4,056
-	-	Forecast new operating spending	7	-	-	-	-		265
-	-	Top-down expense adjustment	7	-	(213)	(213)	(100.0)		(800)
<b>97,167</b>	<b>82,220</b>	<b>Total cash disbursed to operations</b>	<b>86,954</b>		<b>86,787</b>	<b>(167)</b>	<b>(0.2)</b>		<b>104,713</b>
<b>10,884</b>	<b>4,470</b>	<b>Net cash flows from operations</b>	<b>4,469</b>		<b>3,894</b>	<b>575</b>	<b>14.8</b>		<b>8,833</b>
<b>Cash Flows from Investing Activities</b>									
<b>Cash was provided from/(disbursed to)</b>									
(7,672)	(6,416)	Net (purchase)/sale of physical assets	(6,964)		(7,620)	656	8.6		(9,843)
(4,792)	(1,051)	Net (purchase)/sale of shares and other securities	8,193		12,364	(4,171)	(33.7)		9,593
(817)	(591)	Net (purchase)/sale of intangible assets	(567)		(619)	52	8.4		(913)
(499)	(545)	Net (issue)/repayment of advances	(2,117)		(1,549)	(568)	(36.7)		(1,729)
(378)	(232)	Net acquisition of investments in associates	54		(23)	77	334.8		(35)
-	-	Forecast new capital spending	7	-	-	-	-		(458)
-	-	Top-down capital adjustment	7	-	313	(313)	(100.0)		1,250
<b>(14,158)</b>	<b>(8,835)</b>	<b>Net cash flows from investing activities</b>	<b>(1,401)</b>		<b>2,866</b>	<b>(4,267)</b>	<b>(148.9)</b>		<b>(2,135)</b>
<b>(3,274)</b>	<b>(4,365)</b>	<b>Net cash flows from operating and investing activities</b>	<b>3,068</b>		<b>6,760</b>	<b>(3,692)</b>	<b>(54.6)</b>		<b>6,698</b>
<b>Cash Flows from Financing Activities</b>									
<b>Cash was provided from/(disbursed to)</b>									
395	549	Issues of circulating currency	578		248	330	133.1		233
215	68	Net issue/(repayment) of Government bonds	(3,852)		(3,628)	(224)	(6.2)		(3,544)
(670)	(1,247)	Net issue/(repayment) of foreign currency borrowing	86		(1,745)	1,831	104.9		(2,151)
3,055	3,269	Net issue/(repayment) of other New Zealand dollar borrowing	1,864		2,197	(333)	(15.2)		2,249
(541)	(552)	Dividends paid to minority interests	(508)		(522)	14	2.7		(518)
<b>2,454</b>	<b>2,087</b>	<b>Net cash flows from financing activities</b>	<b>(1,832)</b>		<b>(3,450)</b>	<b>1,618</b>	<b>46.9</b>		<b>(3,731)</b>
<b>(820)</b>	<b>(2,278)</b>	<b>Net movement in cash</b>	<b>1,236</b>		<b>3,310</b>	<b>(2,074)</b>	<b>(62.7)</b>		<b>2,967</b>
18,732	18,732	Opening cash balance	19,340		19,340	-	-		19,340
1,428	1,070	Foreign-exchange gains/(losses) on opening cash	198		(87)	285	327.6		(93)
<b>19,340</b>	<b>17,524</b>	<b>Closing cash balance</b>	<b>20,774</b>		<b>22,563</b>	<b>(1,789)</b>	<b>(7.9)</b>		<b>22,214</b>

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

## STATEMENT OF CASH FLOWS (CONTINUED)

For the ten months ended 30 April 2019

Year 10 months to 30 Jun 2018		to 30 Apr 2018		Current Year Actual vs Forecast				
Actual \$m	Actual \$m			Actual \$m	Forecast \$m	Variance \$m	%	Annual Forecast \$m
<b>Reconciliation Between the Net Cash Flows from Operations and the Operating Balance</b>								
<b>10,884</b>	<b>4,470</b>	<b>Net Cash Flows from Operations</b>		<b>4,469</b>	<b>3,894</b>	<b>575</b>	<b>14.8</b>	<b>8,833</b>
<b>Gains/(losses)</b>								
5,331	4,694	Net gains/(losses) on financial instruments		3,315	848	2,467	290.9	1,445
(2,802)	(1,678)	Net gains/(losses) on non-financial instruments		(7,714)	(5,559)	(2,155)	(38.8)	(5,340)
87	11	Less minority interests share of net gains/(losses)		73	86	(13)	(15.1)	76
<b>2,442</b>	<b>3,005</b>	<b>Total gains/(losses)</b>		<b>(4,472)</b>	<b>(4,797)</b>	<b>325</b>	<b>6.8</b>	<b>(3,971)</b>
<b>Other Non-cash Items in Operating Balance</b>								
(5,181)	(4,374)	Depreciation and amortisation		(4,596)	(4,697)	101	2.2	(5,723)
(704)	(579)	Cost of concessionary lending		(735)	(753)	18	2.4	(902)
105	(3)	Impairment of financial assets (excluding receivables)		(14)	(12)	(2)	(16.7)	158
568	456	Decrease/(increase) in defined benefit retirement plan liabilities		466	501	(35)	(7.0)	594
(628)	(1,054)	Decrease/(increase) in insurance liabilities		(1,425)	(1,009)	(416)	(41.2)	(824)
529	137	Other		225	262	(37)	(14.1)	(532)
<b>(5,311)</b>	<b>(5,417)</b>	<b>Total other non-cash items</b>		<b>(6,079)</b>	<b>(5,708)</b>	<b>(371)</b>	<b>(6.5)</b>	<b>(7,229)</b>
<b>Movements in Working Capital</b>								
1,614	3,251	Increase/(decrease) in receivables		6,139	3,462	2,677	77.3	1,163
265	360	Increase/(decrease) in accrued interest		128	206	(78)	(37.9)	53
177	(75)	Increase/(decrease) in inventories		216	98	118	120.4	75
(8)	76	Increase/(decrease) in prepayments		217	232	(15)	(6.5)	67
(200)	(68)	Decrease/(increase) in deferred revenue		3	31	(28)	(90.3)	39
(1,467)	940	Decrease/(increase) in payables/provisions		227	522	(295)	(56.5)	686
<b>381</b>	<b>4,484</b>	<b>Total movements in working capital</b>		<b>6,930</b>	<b>4,551</b>	<b>2,379</b>	<b>52.3</b>	<b>2,083</b>
<b>8,396</b>	<b>6,542</b>	<b>Operating balance (excluding minority interests)</b>		<b>848</b>	<b>(2,060)</b>	<b>2,908</b>	<b>141.2</b>	<b>(284)</b>

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



# STATEMENT OF FINANCIAL POSITION

As at 30 April 2019

As at 30 Jun 2018 Actual \$m	As at 30 Apr 2018 Actual \$m		Current Year Actual vs Forecast				Annual Forecast \$m	
			Note	Actual \$m	Forecast \$m	Variance \$m		%
		<b>Assets</b>						
19,340	17,524	Cash and cash equivalents	9	20,774	22,563	(1,789)	(7.9)	22,214
21,385	22,284	Receivables	9	26,642	23,916	2,726	11.4	21,622
		Marketable securities, deposits and						
51,117	48,468	derivatives in gain	9	42,000	36,977	5,023	13.6	38,533
36,256	35,183	Share investments	9	40,017	38,232	1,785	4.7	39,267
29,422	29,156	Advances <sup>1</sup>	9	31,913	31,831	82	0.3	32,131
1,344	1,091	Inventory		1,560	1,442	118	8.2	1,418
2,817	2,945	Other assets		3,011	3,013	(2)	(0.1)	2,914
159,018	148,152	Property, plant and equipment	10	162,215	163,031	(816)	(0.5)	164,316
15,416	14,664	Equity accounted investments <sup>2</sup>		15,606	15,670	(64)	(0.4)	15,729
3,817	3,713	Intangible assets and goodwill		3,950	3,937	13	0.3	4,026
-	-	Forecast for new capital spending	7	-	-	-	-	458
-	-	Top-down capital adjustment	7	-	(313)	313	100.0	(1,250)
<b>339,932</b>	<b>323,180</b>	<b>Total assets</b>		<b>347,688</b>	<b>340,299</b>	<b>7,389</b>	<b>2.2</b>	<b>341,378</b>
		<b>Liabilities</b>						
6,375	6,529	Issued currency		6,954	6,624	(330)	(5.0)	6,609
14,422	13,253	Payables	12	15,516	14,018	(1,498)	(10.7)	13,726
2,424	2,292	Deferred revenue		2,415	2,394	(21)	(0.9)	2,384
115,652	114,058	Borrowings		112,111	112,530	419	0.4	112,057
45,294	44,824	Insurance liabilities	13	52,943	50,193	(2,750)	(5.5)	49,794
10,991	10,673	Retirement plan liabilities		11,541	11,506	(35)	(0.3)	11,414
9,137	8,506	Provisions	14	9,332	8,957	(375)	(4.2)	9,228
<b>204,295</b>	<b>200,135</b>	<b>Total liabilities</b>		<b>210,812</b>	<b>206,222</b>	<b>(4,590)</b>	<b>(2.2)</b>	<b>205,212</b>
<b>135,637</b>	<b>123,045</b>	<b>Total assets less total liabilities</b>		<b>136,876</b>	<b>134,077</b>	<b>2,799</b>	<b>2.1</b>	<b>136,166</b>
		<b>Net Worth</b>						
34,841	33,031	Taxpayers' funds	15	36,258	33,426	2,832	8.5	35,205
		Property, plant and equipment revaluation						
94,750	84,107	reserve	15	94,697	94,705	(8)	-	94,686
53	36	Other reserves	15	(48)	(45)	(3)	(6.7)	108
<b>129,644</b>	<b>117,174</b>	<b>Total net worth attributable to the Crown</b>		<b>130,907</b>	<b>128,086</b>	<b>2,821</b>	<b>2.2</b>	<b>129,999</b>
		Net worth attributable to						
5,993	5,871	minority interest	15	5,969	5,991	(22)	(0.4)	6,167
<b>135,637</b>	<b>123,045</b>	<b>Total net worth</b>		<b>136,876</b>	<b>134,077</b>	<b>2,799</b>	<b>2.1</b>	<b>136,166</b>

1. Refer to pages 19 and 20 for the impacts of adoption of NZ PBE IFRS 9: *Financial Instruments*.

2. Equity accounted investments include tertiary education institutions and City Rail Link Limited.

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

## STATEMENT OF SEGMENTS

For the ten months ended 30 April 2019

	Current Year Actual vs Forecast (Budget Economic and Fiscal Update 2019)									
	Core Crown		Crown entities		State-owned Enterprises		Inter-segment eliminations		Total Crown	
	Actual \$m	Forecast \$m	Actual \$m	Forecast \$m	Actual \$m	Forecast \$m	Actual \$m	Forecast \$m	Actual \$m	Forecast \$m
<b>Revenue</b>										
Taxation revenue	71,073	68,821	-	-	-	-	(643)	(644)	70,430	68,177
Other sovereign revenue	1,657	1,630	4,523	4,503	-	-	(1,263)	(1,300)	4,917	4,833
Revenue from core Crown funding	-	-	25,295	25,495	156	152	(25,451)	(25,647)	-	-
Sales of goods and services	1,328	1,320	1,835	1,836	13,780	13,361	(451)	(479)	16,492	16,038
Interest and dividend revenue	2,224	2,195	1,229	1,237	830	796	(1,190)	(1,183)	3,093	3,045
Other revenue	747	699	2,914	2,448	898	863	(1,340)	(876)	3,219	3,134
<b>Total Revenue (excluding gains)</b>	<b>77,029</b>	<b>74,665</b>	<b>35,796</b>	<b>35,519</b>	<b>15,664</b>	<b>15,172</b>	<b>(30,338)</b>	<b>(30,129)</b>	<b>98,151</b>	<b>95,227</b>
<b>Expenses</b>										
Transfer payments and subsidies	23,707	23,710	-	-	-	-	(766)	(774)	22,941	22,936
Personnel expenses	6,416	6,353	11,983	11,791	2,500	2,507	(34)	(35)	20,865	20,616
Other operating expenses	37,830	38,372	24,324	23,847	11,284	10,999	(28,037)	(27,603)	45,401	45,615
Interest expenses	2,899	2,910	95	72	864	864	(475)	(476)	3,383	3,370
Forecast new operating spending and top down adjustment	-	(213)	-	-	-	-	-	-	-	(213)
<b>Total Expenses (excluding losses)</b>	<b>70,852</b>	<b>71,132</b>	<b>36,402</b>	<b>35,710</b>	<b>14,648</b>	<b>14,370</b>	<b>(29,312)</b>	<b>(28,888)</b>	<b>92,590</b>	<b>92,324</b>
Minority interest share of operating balance before gains/(losses)	(12)	(6)	-	-	(400)	(356)	21	19	(391)	(343)
<b>Operating Balance before gains and losses (excluding minority interests)</b>	<b>6,165</b>	<b>3,527</b>	<b>(606)</b>	<b>(191)</b>	<b>616</b>	<b>446</b>	<b>(1,005)</b>	<b>(1,222)</b>	<b>5,170</b>	<b>2,560</b>
Gains/(losses) and other items	1,049	(115)	(3,768)	(2,596)	148	145	(1,751)	(2,054)	(4,322)	(4,620)
<b>Operating Balance (excluding minority interests)</b>	<b>7,214</b>	<b>3,412</b>	<b>(4,374)</b>	<b>(2,787)</b>	<b>764</b>	<b>591</b>	<b>(2,756)</b>	<b>(3,276)</b>	<b>848</b>	<b>(2,060)</b>
<b>Assets</b>										
Financial assets	106,006	99,378	54,994	53,185	27,018	26,695	(26,672)	(25,739)	161,346	153,519
Property, plant and equipment	42,233	42,260	86,462	87,125	33,523	33,646	(3)	-	162,215	163,031
Investments in associates, CEs and SOEs	47,755	47,997	12,745	12,745	338	340	(45,232)	(45,412)	15,606	15,670
Other assets	4,308	4,419	1,855	1,712	2,705	2,647	(347)	(386)	8,521	8,392
Forecast adjustments	-	(313)	-	-	-	-	-	-	-	(313)
<b>Total Assets</b>	<b>200,302</b>	<b>193,741</b>	<b>156,056</b>	<b>154,767</b>	<b>63,584</b>	<b>63,328</b>	<b>(72,254)</b>	<b>(71,537)</b>	<b>347,688</b>	<b>340,299</b>
<b>Liabilities</b>										
Borrowings	93,240	92,746	6,859	6,477	32,318	32,288	(20,306)	(18,981)	112,111	112,530
Other liabilities	36,593	34,309	61,601	58,946	8,718	8,543	(8,211)	(8,106)	98,701	93,692
<b>Total Liabilities</b>	<b>129,833</b>	<b>127,055</b>	<b>68,460</b>	<b>65,423</b>	<b>41,036</b>	<b>40,831</b>	<b>(28,517)</b>	<b>(27,087)</b>	<b>210,812</b>	<b>206,222</b>
<b>Net Worth</b>	<b>70,469</b>	<b>66,686</b>	<b>87,596</b>	<b>89,344</b>	<b>22,548</b>	<b>22,497</b>	<b>(43,737)</b>	<b>(44,450)</b>	<b>136,876</b>	<b>134,077</b>
<b>Cost of Acquisition of Physical Assets (Cash)</b>	<b>2,181</b>	<b>2,190</b>	<b>3,429</b>	<b>3,831</b>	<b>1,609</b>	<b>1,737</b>	<b>-</b>	<b>-</b>	<b>7,219</b>	<b>7,758</b>

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

# STATEMENT OF BORROWINGS

As at 30 April 2019

As at 30 Jun 2018 Actual \$m	As at 30 Apr 2018 Actual \$m		Current Year Actual vs Forecast				
			Actual \$m	Forecast \$m	Variance \$m	%	Annual Forecast \$m
62,393	62,940	Government bonds	56,880	58,421	1,541	2.6	58,701
7,603	7,557	Settlement deposits with Reserve Bank	7,048	6,713	(335)	(5.0)	6,713
5,067	3,762	Derivatives in loss	3,725	2,895	(830)	(28.7)	2,784
4,114	4,057	Treasury bills	4,525	4,481	(44)	(1.0)	3,312
1,318	2,411	Finance lease liabilities	2,551	2,515	(36)	(1.4)	2,537
182	183	Government retail stock	171	178	7	3.9	177
34,975	33,148	Other borrowings	37,211	37,327	116	0.3	37,833
<b>115,652</b>	<b>114,058</b>	<b>Total borrowings</b>	<b>112,111</b>	<b>112,530</b>	<b>419</b>	<b>0.4</b>	<b>112,057</b>
83,230	82,745	Sovereign-guaranteed debt	76,968	77,624	656	0.8	76,759
32,422	31,313	Non sovereign-guaranteed debt	35,143	34,906	(237)	(0.7)	35,298
<b>115,652</b>	<b>114,058</b>	<b>Total borrowings</b>	<b>112,111</b>	<b>112,530</b>	<b>419</b>	<b>0.4</b>	<b>112,057</b>
<b>Net Debt:</b>							
98,295	96,921	Core Crown borrowings <sup>1</sup>	94,784	92,748	(2,036)	(2.2)	91,725
(2,858)	(2,087)	Add back NZS Fund holdings of sovereign-issued debt and NZS Fund borrowings	(2,284)	(2,920)	(636)	(21.8)	(2,679)
<b>95,437</b>	<b>94,834</b>	<b>Gross sovereign-issued debt<sup>2</sup></b>	<b>92,500</b>	<b>89,828</b>	<b>(2,672)</b>	<b>(3.0)</b>	<b>89,046</b>
88,226	81,806	Less core Crown financial assets <sup>3</sup>	85,105	80,929	4,176	5.2	83,889
<b>7,211</b>	<b>13,028</b>	<b>Net core Crown debt</b>	<b>7,395</b>	<b>8,899</b>	<b>1,504</b>	<b>16.9</b>	<b>5,157</b>
12,249	12,203	Add back core Crown advances	12,944	12,910	(34)	(0.3)	13,199
<b>19,460</b>	<b>25,231</b>	<b>Net core Crown debt (incl NZS Fund)<sup>4</sup></b>	<b>20,339</b>	<b>21,809</b>	<b>1,470</b>	<b>6.7</b>	<b>18,356</b>
38,035	37,277	Add back NZS Fund holdings of core Crown financial assets and NZS Fund fin assets <sup>5</sup>	41,938	41,589	(349)	(0.8)	41,943
<b>57,495</b>	<b>62,508</b>	<b>Net core Crown debt (excl NZS Fund and advances)<sup>6</sup></b>	<b>62,277</b>	<b>63,398</b>	<b>1,121</b>	<b>1.8</b>	<b>60,299</b>
<b>Gross Debt:</b>							
95,437	94,834	Gross sovereign-issued debt <sup>2</sup>	92,500	89,828	(2,672)	(3.0)	89,046
(8,984)	(8,959)	Less Reserve Bank settlement cash and Reserve Bank bills	(8,077)	(7,359)	718	9.8	(7,359)
1,600	1,600	Add back changes to government borrowing due to settlement cash <sup>7</sup>	1,600	1,600	-	-	1,600
<b>88,053</b>	<b>87,475</b>	<b>Gross sovereign-issued debt excluding Reserve Bank settlement cash and Reserve Bank bills</b>	<b>86,023</b>	<b>84,069</b>	<b>(1,954)</b>	<b>(2.3)</b>	<b>83,287</b>

## 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.

1. Core Crown borrowings includes unsettled purchases of securities (classified as accounts payable in the statement of financial position).
2. 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.
3. Core Crown financial assets exclude receivables.
4. 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.
5. 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.
6. Net core Crown debt (excluding NZS Fund and advances) excludes financial assets which are held for public policy rather than treasury management purposes.
7. The Reserve Bank has used \$1.6 billion of settlement cash to purchase reserves that were to have been funded by the Treasury 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 30 April 2019

	As at 30 Apr 2019 \$m	As at 30 Jun 2018 \$m	As at 30 Apr 2018 \$m
<b>Capital Commitments</b>			
State highways	4,101	4,410	6,963
Specialist military equipment	1,880	377	414
Land and buildings	4,441	3,016	3,112
Other property, plant and equipment	1,725	2,028	2,102
Other capital commitments	872	398	218
Tertiary Education Institutions	752	752	673
<b>Total capital commitments</b>	<b>13,771</b>	<b>10,981</b>	<b>13,482</b>
<b>Operating Commitments</b>			
Non-cancellable accommodation leases	3,737	3,708	3,230
Other non-cancellable leases	2,745	2,879	2,500
Tertiary Education Institutions	649	649	499
<b>Total operating commitments</b>	<b>7,131</b>	<b>7,236</b>	<b>6,229</b>
<b>Total commitments</b>	<b>20,902</b>	<b>18,217</b>	<b>19,711</b>
<b>Total Commitments by Segment<sup>1</sup></b>			
Core Crown	9,076	5,885	5,507
Crown entities	7,980	7,980	10,046
State-owned Enterprises	4,020	4,526	4,504
Inter-segment eliminations	(174)	(174)	(346)
<b>Total commitments</b>	<b>20,902</b>	<b>18,217</b>	<b>19,711</b>

1. 30 June 2018 and 30 April 2018 splits by segment have been restated to correctly show inter-segment eliminations.

## STATEMENT OF CONTINGENT LIABILITIES AND ASSETS

As at 30 April 2019

	As at 30 Apr 2019 \$m	As at 30 Jun 2018 \$m	As at 30 Apr 2018 \$m
<b>Quantifiable Contingent Liabilities</b>			
Uncalled capital	8,244	8,330	8,057
Guarantees and indemnities	209	224	209
Legal proceedings and disputes	299	332	285
Other contingent liabilities	671	514	349
<b>Total quantifiable contingent liabilities</b>	<b>9,423</b>	<b>9,400</b>	<b>8,900</b>
<b>Total Quantifiable Contingent Liabilities by Segment<sup>1</sup></b>			
Core Crown	9,305	9,297	9,259
Crown entities	57	17	22
State-owned Enterprises	160	203	153
Inter-segment eliminations	(99)	(117)	(534)
<b>Total quantifiable contingent liabilities</b>	<b>9,423</b>	<b>9,400</b>	<b>8,900</b>
<b>Quantifiable Contingent Assets</b>			
Core Crown	136	133	114
Crown entities	7	-	6
State-owned Enterprises	-	-	10
Inter-segment eliminations	-	-	-
<b>Total quantifiable contingent assets</b>	<b>143</b>	<b>133</b>	<b>130</b>

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

<https://treasury.govt.nz/publications/year-end/financial-statements-2018>

These can be found in Note 25: Contingent Liabilities and Contingent Assets

1. 30 June 2018 and 30 April 2018 splits by segment have been restated to correctly show inter-segment eliminations.

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

## NOTES TO THE FINANCIAL STATEMENTS

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### 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
- Other Government entities specified by legislation

A schedule of the entities that are included in the Government reporting entity was set out on pages 95 - 97 of the *Budget Economic and Fiscal Update 2019 (BEFU 19)*, published on 30 May 2019.

The figures presented in these financial statements for 30 June 2018 are audited. All other figures 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, as set out in 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.

#### Financial Instruments

The Crown has adopted PBE IFRS 9: *Financial Instruments* in these financial statements replacing the existing standard PBE IPSAS 29: *Financial instruments: Recognition and Measurement* and NZ IAS 39: *Financial instruments: Recognition and Measurement*. The Crown has exercised the option under PBE IFRS 9 to continue to apply the hedge accounting requirements of PBE IPSAS 29.

The main changes under PBE IFRS 9 for non-hedge financial instruments are:

- New financial asset classification requirements for determining whether an asset is measured at fair value or amortised cost.
- A new impairment model for financial assets based on expected losses, which may result in the earlier recognition of impairment losses.

## NOTES TO THE FINANCIAL STATEMENTS

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The most significant impacts of adopting PBE IFRS 9 for non-hedge financial instruments from 1 July 2018 are:

- A one-off increase of \$628 million to the value of the student loans. This uplift reflects a change in the measurement classification rules of student loans to fair value, rather than the previous basis of amortised cost. This increase in the loan asset is reflected in the Statement of Changes in Net Worth as an opening balance adjustment. At the time of the annual forecast, the increase in value was \$628 million.
- A decrease in the expected credit loss model in relation to Kiwibank loans and advances of \$0.5 million.

### Specific Accounting Policies

The specific accounting policies of the Crown are detailed on the Treasury's internet site:

<https://treasury.govt.nz/information-and-services/state-sector-leadership/guidance/financial-reporting-policies-and-guidance/accounting-policies>

### Forecasts

The annual forecasts in these financial statements are for the year to 30 June 2019, based on the *BEFU 19*, published on 30 May 2019.

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

### Comparative Figures

When presentation or classification of items in the financial statements are 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, 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.

Further detail on the judgements and estimates used can be found on pages 53 - 58 of the *Financial Statements of the Government of New Zealand* for the year ended 30 June 2018 published on 9 October 2018.

## NOTES TO THE FINANCIAL STATEMENTS

Year 10 months to 30 Jun 2018 Actual \$m		to 30 Apr 2018 Actual \$m		Current Year Actual vs Forecast				Annual Forecast \$m
				Actual \$m	Forecast \$m	Variance \$m	%	
<b>NOTE 2: Sovereign Revenue</b>								
<b>Taxation Revenue</b>								
<b>Individuals</b>								
30,721	25,238	Source deductions		27,119	26,990	129	0.5	32,683
6,819	5,397	Other persons		6,106	5,551	555	10.0	6,782
(2,102)	(911)	Refunds		(1,824)	(2,194)	370	16.9	(2,614)
559	464	Fringe benefit tax		485	483	2	0.4	558
<b>35,997</b>	<b>30,188</b>	<b>Total individuals</b>		<b>31,886</b>	<b>30,830</b>	<b>1,056</b>	<b>3.4</b>	<b>37,409</b>
<b>Corporate Tax</b>								
13,022	9,554	Gross companies tax		12,018	11,301	717	6.3	14,376
(157)	(125)	Refunds		(286)	(158)	(128)	(81.0)	(196)
627	442	Non-resident withholding tax		479	475	4	0.8	655
3	4	Foreign-source dividend w/holding payments		-	1	(1)	(100.0)	-
<b>13,495</b>	<b>9,875</b>	<b>Total corporate tax</b>		<b>12,211</b>	<b>11,619</b>	<b>592</b>	<b>5.1</b>	<b>14,835</b>
<b>Other Direct Income Tax</b>								
1,531	1,264	Resident w/holding tax on interest income		1,390	1,316	74	5.6	1,613
753	597	Resident w/holding tax on dividend income		655	625	30	4.8	743
<b>2,284</b>	<b>1,861</b>	<b>Total other direct income tax</b>		<b>2,045</b>	<b>1,941</b>	<b>104</b>	<b>5.4</b>	<b>2,356</b>
<b>51,776</b>	<b>41,924</b>	<b>Total income tax</b>		<b>46,142</b>	<b>44,390</b>	<b>1,752</b>	<b>3.9</b>	<b>54,600</b>
<b>Goods and Services Tax</b>								
33,899	27,498	Gross goods and services tax		29,472	29,182	290	1.0	35,721
(13,086)	(10,746)	Refunds		(11,488)	(11,651)	163	1.4	(13,745)
<b>20,813</b>	<b>16,752</b>	<b>Total goods and services tax</b>		<b>17,984</b>	<b>17,531</b>	<b>453</b>	<b>2.6</b>	<b>21,976</b>
<b>Other Indirect Taxation</b>								
1,551	1,294	Road user charges		1,388	1,382	6	0.4	1,655
1,898	1,554	Petroleum fuels excise <sup>1</sup>		1,644	1,620	24	1.5	1,976
1,017	869	Alcohol excise <sup>1</sup>		918	915	3	0.3	1,066
1,807	1,661	Tobacco excise <sup>1</sup>		1,760	1,746	14	0.8	1,959
172	142	Other customs duty		146	147	(1)	(0.7)	177
246	195	Gaming duties		184	185	(1)	(0.5)	227
227	192	Motor vehicle fees		191	193	(2)	(1.0)	236
63	47	Approved issuer levy and cheque duty		53	47	6	12.8	58
26	20	Energy resources levies		20	21	(1)	(4.8)	27
<b>7,007</b>	<b>5,974</b>	<b>Total other indirect taxation</b>		<b>6,304</b>	<b>6,256</b>	<b>48</b>	<b>0.8</b>	<b>7,381</b>
<b>27,820</b>	<b>22,726</b>	<b>Total indirect taxation</b>		<b>24,288</b>	<b>23,787</b>	<b>501</b>	<b>2.1</b>	<b>29,357</b>
<b>79,596</b>	<b>64,650</b>	<b>Total taxation revenue</b>		<b>70,430</b>	<b>68,177</b>	<b>2,253</b>	<b>3.3</b>	<b>83,957</b>
<b>Other Sovereign Revenue</b>								
2,643	2,270	ACC levies		2,430	2,382	48	2.0	2,851
568	444	Fire Service levies		455	450	5	1.1	573
309	252	EQC levies		321	322	(1)	(0.3)	387
231	191	Child support and working for families penalties		186	185	1	0.5	225
118	94	Court fines		109	98	11	11.2	107
669	558	Emissions trading revenue		807	804	3	0.4	965
685	559	Other miscellaneous items		609	592	17	2.9	719
<b>5,223</b>	<b>4,368</b>	<b>Total other sovereign revenue</b>		<b>4,917</b>	<b>4,833</b>	<b>84</b>	<b>1.7</b>	<b>5,827</b>
<b>84,819</b>	<b>69,018</b>	<b>Total sovereign revenue</b>		<b>75,347</b>	<b>73,010</b>	<b>2,337</b>	<b>3.2</b>	<b>89,784</b>

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

Further information on the monthly tax outturns (revenue and receipts) can be found on the Treasury's website  
<https://treasury.govt.nz/information-and-services/financial-management-and-advice/revenue-expenditure/tax-outturn-data>

## NOTES TO THE FINANCIAL STATEMENTS

Year 10 months to 30 Jun 2018		to 30 Apr 2018		Current Year Actual vs Forecast				Annual Forecast
Actual \$m	Actual \$m			Actual \$m	Forecast \$m	Variance \$m	%	\$m
<b>NOTE 3: Interest Revenue and Dividends</b>								
2,798	2,284	Interest revenue		2,272	2,239	33	1.5	2,694
877	686	Dividends		821	806	15	1.9	990
<b>3,675</b>	<b>2,970</b>	<b>Total interest revenue and dividends</b>		<b>3,093</b>	<b>3,045</b>	<b>48</b>	<b>1.6</b>	<b>3,684</b>
<b>NOTE 4: Transfer Payments and Subsidies</b>								
13,699	11,328	New Zealand superannuation		12,042	12,043	1	-	14,562
1,639	1,290	Family tax credit		1,712	1,803	91	5.0	2,271
1,697	1,417	Jobseeker support and emergency benefit		1,539	1,542	3	0.2	1,854
1,541	1,282	Supported living payment		1,292	1,293	1	0.1	1,556
1,204	958	Accommodation assistance		1,350	1,353	3	0.2	1,641
1,117	930	Sole parent support		926	927	1	0.1	1,116
19	61	Income related rent subsidy <sup>2</sup>		40	27	(13)	(48.1)	27
897	742	KiwiSaver subsidies		784	742	(42)	(5.7)	892
556	455	Other working for families tax credits		484	419	(65)	(15.5)	543
643	428	Official development assistance		416	432	16	3.7	697
511	382	Student allowances		457	454	(3)	(0.7)	583
-	-	Winter energy payment		262	262	-	-	441
-	-	Best start		29	29	-	-	52
379	316	Disability allowances		321	321	-	-	386
1,464	1,227	Other social assistance benefits		1,287	1,289	2	0.2	1,571
<b>25,366</b>	<b>20,816</b>	<b>Total transfer payments and subsidies</b>		<b>22,941</b>	<b>22,936</b>	<b>(5)</b>	<b>-</b>	<b>28,192</b>
<b>NOTE 5: Finance Costs</b>								
4,112	3,452	Interest on financial liabilities		3,366	3,355	(11)	(0.3)	3,963
39	19	Interest unwind on provisions		17	15	(2)	(13.3)	24
<b>4,151</b>	<b>3,471</b>	<b>Total finance costs</b>		<b>3,383</b>	<b>3,370</b>	<b>(13)</b>	<b>(0.4)</b>	<b>3,987</b>
<b>NOTE 6: Insurance Expenses</b>								
4,363	4,132	ACC		4,370	4,035	(335)	(8.3)	5,012
514	106	EQC		192	200	8	4.0	207
(28)	(19)	Southern Response		(16)	(16)	-	-	(19)
69	60	Other insurance expenses		69	70	1	1.4	74
<b>4,918</b>	<b>4,279</b>	<b>Total insurance expenses</b>		<b>4,615</b>	<b>4,289</b>	<b>(326)</b>	<b>(7.6)</b>	<b>5,274</b>

### NOTE 7: Forecast Adjustments

#### Top Down Adjustment

An adjustment to capital and operating expenditure forecasts to reflect the extent to which departments use appropriations (upper spending limits) rather than their best estimates when preparing their forecasts. As appropriations apply to the core Crown only, no adjustment is required to SOE or Crown entity forecasts.

#### Forecast for new operating and new capital spending

Forecast new capital spending is an amount provided in the forecast to represent the balance sheet impact of capital initiatives expected to be introduced over the forecast period.

Forecast new operating spending and forecast new capital spending includes unallocated contingencies. Unallocated contingencies represent expenses or capital spending from Budget 2019 and previous Budgets that has yet to be allocated to appropriations for departments.

- Income related rent subsidy expenses have been restated for April 2018 to eliminate the transactions between government reporting entities.



## NOTES TO THE FINANCIAL STATEMENTS

As at 30 June 2018 \$m	As at 30 Apr 2018 \$m		Current Year Actual vs Forecast				
			Actual \$m	Forecast \$m	Variance \$m	%	Annual Forecast \$m
		<b>NOTE 8: Net Gains and Losses on Non-Financial Instruments</b>					
		<i>By type</i>					
(553)	(123)	Actuarial gains/(losses) on GSF liability	(1,017)	(1,017)	-	-	(1,017)
(1,881)	(985)	Actuarial gains/(losses) on ACC liability	(6,223)	(3,890)	(2,333)	(60.0)	(3,676)
(462)	(518)	Gains/(losses) on the Emissions Trading Scheme	(549)	(558)	9	1.6	(558)
94	(52)	Other	75	(94)	169	179.8	(89)
<b>(2,802)</b>	<b>(1,678)</b>	<b>Net gains/(losses) on non-financial instruments</b>	<b>(7,714)</b>	<b>(5,559)</b>	<b>(2,155)</b>	<b>(38.8)</b>	<b>(5,340)</b>
		<b>NOTE 9: Financial Assets and Sovereign Receivables</b>					
19,340	17,524	Cash and cash equivalents	20,774	22,563	(1,789)	(7.9)	22,214
11,559	13,302	Tax receivables	16,863	14,279	2,584	18.1	12,181
9,826	8,982	Other receivables	9,779	9,637	142	1.5	9,441
9,301	9,257	Student loans <sup>3</sup>	9,861	9,842	19	0.2	10,085
18,281	18,129	Kiwibank mortgages	20,009	19,929	80	0.4	19,946
5,379	4,897	Long-term deposits	4,627	3,772	855	22.7	3,496
2,053	1,940	IMF financial assets	2,311	2,334	(23)	(1.0)	2,334
1,840	1,770	Other advances	2,043	2,060	(17)	(0.8)	2,100
36,256	35,183	Share investments	40,017	38,232	1,785	4.7	39,267
3,153	2,819	Derivatives in gain	3,607	3,943	(336)	(8.5)	3,882
40,532	38,812	Other marketable securities	31,455	26,928	4,527	16.8	28,821
<b>157,520</b>	<b>152,615</b>	<b>Total financial assets and sovereign receivables</b>	<b>161,346</b>	<b>153,519</b>	<b>7,827</b>	<b>5.1</b>	<b>153,767</b>
		<b>Financial Assets by Entity</b>					
23,998	18,862	The Treasury	16,593	15,663	930	5.9	16,608
22,040	21,400	Reserve Bank of New Zealand	21,436	19,091	2,345	12.3	19,096
40,643	39,091	NZ Superannuation Fund	43,757	43,495	262	0.6	43,984
26,796	29,535	Other core Crown	34,095	31,077	3,018	9.7	28,490
(9,222)	(9,953)	Intra-segment eliminations	(9,875)	(9,948)	73	0.7	(8,312)
<b>104,255</b>	<b>98,935</b>	<b>Total core Crown segment</b>	<b>106,006</b>	<b>99,378</b>	<b>6,628</b>	<b>6.7</b>	<b>99,866</b>
42,679	43,006	ACC portfolio	46,493	45,066	1,427	3.2	44,661
484	559	EQC portfolio	634	571	63	11.0	498
11,195	10,545	Other Crown entities	10,325	10,008	317	3.2	9,811
(3,056)	(2,605)	Intra-segment eliminations	(2,458)	(2,460)	2	0.1	(2,393)
<b>51,302</b>	<b>51,505</b>	<b>Total Crown entities segment</b>	<b>54,994</b>	<b>53,185</b>	<b>1,809</b>	<b>3.4</b>	<b>52,577</b>
<b>25,287</b>	<b>24,582</b>	<b>Total State-owned Enterprises segment</b>	<b>27,018</b>	<b>26,695</b>	<b>323</b>	<b>1.2</b>	<b>26,935</b>
(23,324)	(22,407)	Inter-segment eliminations	(26,672)	(25,739)	(933)	(3.6)	(25,611)
<b>157,520</b>	<b>152,615</b>	<b>Total financial assets and sovereign receivables</b>	<b>161,346</b>	<b>153,519</b>	<b>7,827</b>	<b>5.1</b>	<b>153,767</b>

3. Refer to pages 19 and 20 for the impacts of adoption of NZ PBE IFRS 9: *Financial Instruments*.

## NOTES TO THE FINANCIAL STATEMENTS

As at 30 June 2018 \$m	As at 30 Apr 2018 \$m	Current Year Actual vs Forecast				
		Actual \$m	Forecast \$m	Variance \$m	%	Annual Forecast \$m
<b>NOTE 10: Property, Plant and Equipment</b>						
<b>Net Carrying Value<sup>4</sup></b>						
<b>By class of asset:</b>						
52,693	50,047	52,880	53,025	(145)	(0.3)	53,067
37,179	35,447	38,269	38,853	(584)	(1.5)	39,343
31,702	25,519	33,050	33,115	(65)	(0.2)	33,507
15,878	15,762	15,489	15,563	(74)	(0.5)	15,589
4,097	4,065	4,140	4,022	118	2.9	4,027
3,184	3,128	3,324	3,308	16	0.5	3,426
3,138	3,121	3,139	3,152	(13)	(0.4)	3,151
4,686	4,600	5,068	5,078	(10)	(0.2)	5,269
1,188	1,067	1,350	1,358	(8)	(0.6)	1,455
5,273	5,396	5,506	5,557	(51)	(0.9)	5,482
<b>159,018</b>	<b>148,152</b>	<b>162,215</b>	<b>163,031</b>	<b>(816)</b>	<b>(0.5)</b>	<b>164,316</b>
<b>Land breakdown by usage</b>						
18,301	18,078	18,400	18,481	(81)	(0.4)	18,554
12,351	10,877	12,327	12,345	(18)	(0.1)	12,316
6,063	5,700	6,238	6,234	4	0.1	6,239
3,522	3,523	3,522	3,522	-	-	3,497
5,709	5,699	5,742	5,760	(18)	(0.3)	5,781
1,252	1,274	1,277	1,283	(6)	(0.5)	1,282
5,495	4,896	5,374	5,400	(26)	(0.5)	5,398
<b>52,693</b>	<b>50,047</b>	<b>52,880</b>	<b>53,025</b>	<b>(145)</b>	<b>(0.3)</b>	<b>53,067</b>
<b>Schedule of Movements</b>						
<b>Cost or Valuation</b>						
160,631	160,631	175,652	175,652	-	-	175,652
8,912	6,398	7,459	8,299	(840)	(10.1)	10,935
(1,771)	(1,290)	(513)	(458)	(55)	(12.0)	(687)
7,972	26	(42)	7	(49)	-	(32)
(92)	243	(35)	(17)	(18)	(105.9)	(39)
<b>175,652</b>	<b>166,008</b>	<b>182,521</b>	<b>183,483</b>	<b>(962)</b>	<b>(0.5)</b>	<b>185,829</b>
<b>Accumulated Depreciation &amp; Impairment</b>						
16,081	16,081	16,634	16,634	-	-	16,634
(1,561)	(1,964)	(276)	(265)	(11)	(4.2)	(71)
(2,255)	(1)	(58)	-	(58)	-	-
4,378	3,734	3,955	4,071	(116)	(2.8)	4,972
(9)	6	51	12	39	325.0	(22)
<b>16,634</b>	<b>17,856</b>	<b>20,306</b>	<b>20,452</b>	<b>(146)</b>	<b>(0.7)</b>	<b>21,513</b>
<b>159,018</b>	<b>148,152</b>	<b>162,215</b>	<b>163,031</b>	<b>(816)</b>	<b>(0.5)</b>	<b>164,316</b>

4. Using a revaluation methodology unless otherwise stated.

## NOTES TO THE FINANCIAL STATEMENTS

As at 30 June 2018 \$m	As at 30 Apr 2018 \$m		Current Year Actual vs Forecast				
			Actual \$m	Forecast \$m	Variance \$m	%	Annual Forecast \$m
<b>NOTE 11: NZ Superannuation Fund</b>							
935	738	Revenue	890	837	53	6.3	999
(241)	(351)	Less current tax expense	(479)	(536)	(57)	(10.6)	(675)
(341)	(216)	Less other expenses <sup>5</sup>	(264)	(265)	(1)	(0.4)	(308)
3,564	3,027	Add gains/(losses)	2,175	1,205	970	80.5	1,677
<b>3,917</b>	<b>3,198</b>	<b>Operating balance</b>	<b>2,322</b>	<b>1,241</b>	<b>1,081</b>	<b>87.1</b>	<b>1,693</b>
34,506	34,506	Opening net worth	39,053	39,053	-	-	39,053
500	357	Contributions from the Crown	833	833	-	-	1,000
3,917	3,198	Operating balance	2,322	1,241	1,081	87.1	1,693
130	93	Other movements in reserves	94	60	34	57.0	65
<b>39,053</b>	<b>38,154</b>	<b>Closing net worth</b>	<b>42,302</b>	<b>41,187</b>	<b>1,115</b>	<b>2.7</b>	<b>41,811</b>
<b>Comprising:</b>							
40,643	39,091	Financial assets	43,757	43,495	262	0.6	43,984
(3,871)	(2,806)	Financial liabilities	(3,675)	(4,537)	862	19.0	(4,425)
2,281	1,869	Net other assets	2,220	2,229	(9)	(0.4)	2,252
<b>39,053</b>	<b>38,154</b>	<b>Closing net worth</b>	<b>42,302</b>	<b>41,187</b>	<b>1,115</b>	<b>2.7</b>	<b>41,811</b>
<b>NOTE 12: Payables</b>							
9,221	8,695	Accounts payable	9,569	8,889	(680)	(7.6)	8,485
5,201	4,558	Taxes repayable	5,947	5,129	(818)	(15.9)	5,241
<b>14,422</b>	<b>13,253</b>	<b>Total payables</b>	<b>15,516</b>	<b>14,018</b>	<b>(1,498)</b>	<b>(10.7)</b>	<b>13,726</b>
<b>NOTE 13: Insurance Liabilities</b>							
43,314	43,173	ACC liability <sup>6</sup>	51,440	48,736	(2,704)	(5.5)	48,441
1,453	1,162	EQC property damage liability	1,135	1,089	(46)	(4.2)	986
401	444	Southern Response	186	186	-	-	186
126	107	Other insurance liabilities	182	182	-	-	181
-	(62)	Inter-segment eliminations	-	-	-	-	-
<b>45,294</b>	<b>44,824</b>	<b>Total insurance liabilities</b>	<b>52,943</b>	<b>50,193</b>	<b>(2,750)</b>	<b>(5.5)</b>	<b>49,794</b>

5. NZS Fund other expenses include deferred tax expense/(credits).

6. The most recent ACC valuation was as at 31 December 2018, updated monthly for changes to discount rates.

## NOTES TO THE FINANCIAL STATEMENTS

As at 30 June 2018 \$m	As at 30 Apr 2018 \$m		Current Year Actual vs Forecast				
			Actual \$m	Forecast \$m	Variance \$m	%	Annual Forecast \$m
<b>NOTE 14: Provisions</b>							
3,677	3,494	Provision for employee entitlements	3,881	3,471	(410)	(11.8)	3,679
2,541	2,427	Provision for ETS Credits <sup>7</sup>	2,687	2,699	12	0.4	2,671
835	813	Provision for National Provident Fund guarantee	793	790	(3)	(0.4)	782
2,084	1,772	Other provisions	1,971	1,997	26	1.3	2,096
<b>9,137</b>	<b>8,506</b>	<b>Total provisions</b>	<b>9,332</b>	<b>8,957</b>	<b>(375)</b>	<b>(4.2)</b>	<b>9,228</b>
<b>NOTE 15: Changes in Net Worth</b>							
34,841	33,031	Taxpayers' funds	36,258	33,426	2,832	8.5	35,205
94,750	84,107	Property, plant and equipment revaluation reserve	94,697	94,705	(8)	-	94,686
5,993	5,871	Net worth attributable to minority interests	5,969	5,991	(22)	(0.4)	6,167
53	36	Other reserves	(48)	(45)	(3)	(6.7)	108
<b>135,637</b>	<b>123,045</b>	<b>Total net worth</b>	<b>136,876</b>	<b>134,077</b>	<b>2,799</b>	<b>2.1</b>	<b>136,166</b>
26,456	26,456	Opening taxpayers funds	34,841	34,841	-	-	34,841
-	-	Opening balance adjustment for IFRS 9 <sup>8</sup>	642	642	-	-	628
8,396	6,542	Operating balance excluding minority interests	848	(2,060)	2,908	141.2	(284)
(11)	33	Transfers from/(to) other reserves	(73)	3	(76)	-	20
<b>34,841</b>	<b>33,031</b>	<b>Closing taxpayers funds</b>	<b>36,258</b>	<b>33,426</b>	<b>2,832</b>	<b>8.5</b>	<b>35,205</b>
84,164	84,164	Opening property, plant and equipment revaluation reserve	94,750	94,750	-	-	94,750
10,668	(15)	Net revaluations	(15)	(24)	9	37.5	(33)
(82)	(42)	Transfers from/(to) other reserves	(38)	(21)	(17)	(81.0)	(31)
<b>94,750</b>	<b>84,107</b>	<b>Closing property, plant and equipment revaluation reserve</b>	<b>94,697</b>	<b>94,705</b>	<b>(8)</b>	<b>-</b>	<b>94,686</b>
5,940	5,940	Opening net worth attributable to minority interests	5,993	5,993	-	-	5,993
53	(69)	Net movements	(24)	(2)	(22)	-	174
<b>5,993</b>	<b>5,871</b>	<b>Closing net worth attributable to minority interests</b>	<b>5,969</b>	<b>5,991</b>	<b>(22)</b>	<b>(0.4)</b>	<b>6,167</b>
(88)	(88)	Opening other reserves	53	53	-	-	53
141	124	Net movements	(101)	(98)	(3)	(3.1)	55
<b>53</b>	<b>36</b>	<b>Closing other reserves</b>	<b>(48)</b>	<b>(45)</b>	<b>(3)</b>	<b>(6.7)</b>	<b>108</b>

7. Further information on the ETS, can be found on the Ministry for the Environment's climate change website <http://www.climatechange.govt.nz>

8. Refer to pages 19 & 20 for the impacts of adoption of NZ PBE IFRS 9: *Financial Instruments*.

## NOTES TO THE FINANCIAL STATEMENTS

Year 10 months to 30 Jun 2018 \$m		Year 10 months to 30 Apr 2018 \$m		Current Year Actual vs Forecast				Annual Forecast \$m
		Actual \$m	Forecast \$m	Variance \$m	%			
<b>NOTE 16: Core Crown Residual Cash</b>								
<b>Core Crown Cash Flows from Operations</b>								
80,079	62,833	65,882	65,543	339	0.5			83,238
900	746	772	789	(17)	(2.2)			982
650	1,363	607	578	29	5.0			691
3,127	1,789	2,713	2,616	97	3.7			3,236
(26,253)	(21,713)	(23,897)	(23,962)	65	0.3			(29,097)
(47,740)	(40,640)	(42,996)	(43,263)	267	0.6			(52,146)
(3,483)	(2,990)	(2,954)	(3,001)	47	1.6			(3,487)
-	-	-	-	-	-			(265)
-	-	-	213	(213)	(100.0)			800
<b>7,280</b>	<b>1,388</b>	<b>127</b>	<b>(487)</b>	<b>614</b>	<b>126.1</b>			<b>3,952</b>
(2,515)	(1,921)	(2,338)	(2,471)	133	5.4			(3,362)
(92)	(187)	(231)	(158)	(73)	(46.2)			(94)
(2,827)	(2,660)	(2,065)	(2,279)	214	9.4			(3,073)
(500)	(357)	(834)	(834)	-	-			(1,000)
-	-	-	-	-	-			(458)
-	-	-	313	(313)	(100.0)			1,250
<b>(5,934)</b>	<b>(5,125)</b>	<b>(5,468)</b>	<b>(5,429)</b>	<b>(39)</b>	<b>(0.7)</b>			<b>(6,737)</b>
<b>1,346</b>	<b>(3,737)</b>	<b>(5,341)</b>	<b>(5,916)</b>	<b>575</b>	<b>9.7</b>			<b>(2,785)</b>
<i>The residual cash surplus / (deficit) is funded or invested by the Treasury as follows:</i>								
<b>Debt Programme Cash Flows</b>								
Market:								
7,043	6,047	7,113	7,082	31	0.4			8,430
(6,828)	(5,979)	(10,964)	(10,710)	(254)	(2.4)			(11,974)
100	0	395	395	-	-			(705)
<b>315</b>	<b>68</b>	<b>(3,456)</b>	<b>(3,233)</b>	<b>(223)</b>	<b>(6.9)</b>			<b>(4,249)</b>
Non market:								
-	-	-	-	-	-			-
-	-	-	-	-	-			-
-	-	-	-	-	-			-
<b>315</b>	<b>68</b>	<b>(3,456)</b>	<b>(3,233)</b>	<b>(223)</b>	<b>(6.9)</b>			<b>(4,249)</b>
<b>Other Borrowing Cash Flows</b>								
2,190	8,767	(814)	261	(1,075)	(411.9)			643
(865)	(1,325)	17	(1,818)	1,835	100.9			(2,235)
<b>1,325</b>	<b>7,442</b>	<b>(797)</b>	<b>(1,557)</b>	<b>760</b>	<b>(310.9)</b>			<b>(1,592)</b>
<b>Investing Cash Flows</b>								
(3,041)	244	9,004	12,229	(3,225)	(26.4)			10,178
396	549	578	248	330	133.1			233
(341)	(4,566)	12	(1,771)	1,783	100.7			(1,785)
<b>(2,986)</b>	<b>(3,773)</b>	<b>9,594</b>	<b>10,706</b>	<b>(1,112)</b>	<b>(10.4)</b>			<b>8,626</b>
<b>(1,346)</b>	<b>3,737</b>	<b>5,341</b>	<b>5,916</b>	<b>(575)</b>	<b>(9.7)</b>			<b>2,785</b>

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