



CROWN FIBRE HOLDINGS LIMITED
Statement of Performance Expectations
July 2015 – June 2016

June 2015

Presented to the House of Representatives

pursuant to the Crown Entities Act 2004

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1. Introduction

This Statement of Performance Expectations (**SPE**) is submitted by the Board of Directors of Crown Fibre Holdings Limited (**CFH**), pursuant to the Crown Entities Act 2004. It sets out the performance expected of CFH for the period 1 July 2015 to 30 June 2016.

Statement of responsibility

CFH is responsible for the statements contained in this document, including the appropriateness of the business assumptions underlying them. CFH is also responsible for internal control systems that provide reasonable assurance as to the integrity of its financial reporting.



Simon Allen
Chair
25 June 2015



Keith Tempest
Director
25 June 2015

2. CFH's objective, scope & outputs for financial year 2016

2.1 CFH's objective

The key objective of CFH is to implement the Government's Ultra-Fast Broadband¹ policy (the **Initial UFB Objective**), as follows:

To accelerate the roll-out of UFB to 75% of New Zealanders by December 2019, concentrating until December 2015 on **priority users** (businesses, schools and health services)², plus greenfields and tranches of residential areas.

In addition, CFH has been asked to manage an expansion of the UFB programme ("**UFB2**"). The Government's key objective for UFB2 (the **UFB2 Objective**) is:

To expand the rollout of UFB to reach at least an additional 5% of the New Zealand population within a fiscal envelope of \$152m to \$210m.

¹ For the purposes of the UFB initiative, UFB means a broadband service making available a minimum uncontested 100 megabits per second (Mbps) downstream (from the internet to the user) and 50 Mbps upstream (from the user to the internet), capable of being upgraded to 10 times these speeds.

² Priority users are businesses (of any size, including private-sector health providers), schools (including state, state-integrated and independent schools) and health-service providers (hospitals and significant health-care provider sites, for example emergency and medical centres, and radiologists). The target is to make UFB available to 100% of schools and urban public hospitals, and at least 90% of businesses (including health facilities), by December 2015.

CFH's Statement of Intent for July 2014 to June 2018 outlines CFH's vision, strategic priorities and functions to achieve the Initial UFB Objective, and this will be updated during 2015 to reflect the UFB2 Objective.

2.2 CFH's outputs for financial year 2016

Section 3 describes CFH's outputs for the period from 1 July 2015 to 30 June 2016 which are reportable under Section 149E(1)(a) of the Crown Entities Act. These outputs relate to the level of UFB deployment, and key financial metrics.

In addition, CFH monitors the operational & service performance of the Co-Investment Partners³ (**Partners**), as described in Section 4. These matters are the responsibility of each Partner; CFH's role is to monitor performance to ensure contractually agreed service levels are being met. Accordingly these matters are regarded by CFH as non-reportable outputs for financial year 2015 under Section 149E(1)(c) of the Crown Entities Act.

3. CFH's reportable outputs

CFH's performance targets for financial year 2016 relate first to UFB deployment and, second, to CFH's financial and operational efficiency. CFH's performance against these measures will be reported in CFH's Annual Report.

3.1 UFB deployment

CFH's performance targets for UFB deployment						
Financial year		Fiscal 2015		Fiscal 2016		Fiscal 2020
		To June 2015		To June 2016		To December 2019
		Plan (per FY15 CFH SOI)	% Completed	Plan	% Completed	Estimated Total Premises Target
1.	The number of premises ⁴ handed over by Partners to CFH or the applicable Local Fibre Company (LFC) (<i>thousands</i>)	550	47%	711	61%	1,170
2.	The number of priority user premises handed over by Partners to CFH or the applicable LFC (<i>thousands</i>)	91	91%	97	97%	100
3.	The number of broadband end users (such as households and businesses) able to connect to UFB (<i>thousands</i>)	647	48%	812	61%	1,340

³ Co-Investment Partners and Local Fibre Companies (LFCs) and their relationships with CFH are described in CFH's Statement of Intent.

⁴ Each premises is a single building or structure located on a defined geographical site (as evidenced by a certificate of title), which has a unique physical address recognised by New Zealand Post and is occupied by, or could readily be occupied by, a potential end user or users. To clarify, a multi-tenanted building, such as an apartment block or office building, constitutes a single premises for the purposes of the CFH funding of its Partners.

This class of outputs tracks CFH’s progress towards achievement of the UFB Objective.

CFH’s performance in terms of the number of premises handed over is based on the number of premises handed over by the Partners, a verifiable and audited measure.

CFH’s performance in terms of the number of end users (such as households and businesses) able to connect to UFB is measured using an Agreed Premises Dataset (**APD**). This is used by CFH and its Partners use to track the estimated number of end users within a given area. This is required as some premises such as Multi Dwelling Units contain more than one potential UFB end user. The APD has been derived from premises data held by the Geographic Information System mapping service Corelogic.

The percentage of the UFB Objective completed is tracked in terms of end users able to connect, which is closely aligned to the level of NZ’s actual population with access to UFB. As part of regular planning, CFH cross-checks the alignment between the APD and available NZ Census data to ensure the UFB Objective will indeed be met.

Towns/cities where UFB deployment (excluding any incremental greenfields) has been completed include Whangarei, Te Awamutu, Cambridge, Tokoroa, Taupo, Hawera, Whanganui, Blenheim, Ashburton, Timaru and Oamaru. The 100,000th UFB customer was connected in June 2015.

3.2 Financial & operational efficiency

Each year the CFH Board, in conjunction with its Shareholding Ministers and the Minister for Communications and Information Technology, plans CFH’s future level of resourcing, depending on:

- The overall progress made towards achieving the UFB Objective;
- The Partners’ performance in satisfactorily meeting their contractual obligations for deployment and operations; and
- The degree to which the Crown investment is actively monitored, based on the current level of risk and the level of support required by the Government.

CFH’s performance targets for financial and operational efficiency				
	Financial year:	Fiscal 2015 Forecast	Fiscal 2016 Forecast	Comment
1.	CFH Funding per Premises handed over	\$1,092	\$1,093	Measures level of CFH funding for each premises handed over
2.	Percentage of UFB Objective completed	47%	61%	Measures progress towards target of 75% population coverage for UFB and percentage of fiscal envelope utilised
3.	Percentage of fiscal envelope invested	47%	60%	
4.	Net CFH operational cost as percentage of annual investment ⁵	4%	4%	Measures CFH’s efficiency over time against annual investment

⁵ Excludes operational costs for the proposed tender to extend the UFB scheme to 80% population coverage (known as “UFB2”). This measure will be updated for both the operational costs and capital funds to be invested in UFB2 once the investment has commenced. Due to costs associated with additional tasks which CFH has been asked to perform, for example in relation to UFB2, net CFH operational cost as a percentage of annual investment is not expected to decline until 2018 as CFH absorbs the additional responsibilities.

Financial statements outlining CFH’s planned operational expenditure for financial year 2016 can be found in Section 7.

4. Partners’ operational & service performance

CFH monitors the operational & service performance of the Partners as described in this section. These are the Partners’ responsibility; CFH’s role is to monitor performance to ensure contractually agreed service levels are being met.

4.1 UFB service performance

The minimum service performance measures detailed in Table 3 have been contractually agreed with the Partners as their agreements with CFH. Enhanced service levels are also available. For clarity, CFH is responsible for monitoring service performance as per its contracts, with the Partners being responsible for meeting these targets.

CFH’s partners’ performance targets for UFB service performance	
Service	Target
1. <i>Provisioning⁶ per end user</i> <ul style="list-style-type: none"> • Residential • Business/Priority 	<ul style="list-style-type: none"> • Within 4 business days • Within 6 business days <i>(or date & time as agreed with customer)</i>
2. <i>Layer 2⁷ performance per end user</i> <ul style="list-style-type: none"> • Residential Restoration • Business/Priority Restoration 	<ul style="list-style-type: none"> • Within 12 hours • Within 12 hours
3. <i>Layer 2 Network Performance per Candidate Area⁸</i> <ul style="list-style-type: none"> • Frame Loss⁹ (99% of Frames) • Frame Delay (99% of Frames) • Frame Delay Variation (99% of Frames) • Availability Time/Network 	<ul style="list-style-type: none"> • No more than 0.1% • No more than 5ms (milliseconds) • Less than 1ms • Less than 30 minutes or 99.99%
4. <i>Layer 1¹⁰ Performance per end user</i> <ul style="list-style-type: none"> • Default Restoration • Level 1 Restoration (Priority) • Level 2 Restoration (Priority) • Level 3 Restoration (Priority) 	<ul style="list-style-type: none"> • Within 48 hours • Within 24 hours • Within 12 hours • Within 8 hours

⁶ Provisioning means installation and activation of a UFB service for an end user such as a household or business.

⁷ Layer 2 of the Open Systems Interconnection (OSI), associated with active fibre optic network infrastructure.

⁸ A Candidate Area is one of the 33 towns and cities eligible for UFB, selected on the basis of Statistics NZ’s 2021 population projections, to meet the UFB Objective.

⁹ A measure of data loss between two specified points.

¹⁰ Layer 1 of the OSI Model, associated with passive fibre optic network infrastructure.

CFH's partners' performance targets for UFB service performance		
	Service	Target
5.	<i>Layer 1 Performance by Candidate Area</i> <ul style="list-style-type: none"> • Average Downtime • Minimum Availability 	<ul style="list-style-type: none"> • No more than 2 hours • At least 99.98%, measured over a 12 month period

CFH reports on the Partners' progress against these measures in its Annual Report.

4.2 Occupational Health & Safety (OSH)

CFH will continue to ensure it complies with its obligations under the Health and Safety in Employment Act 1992. CFH is committed to the health and safety of its employees, contractors and the community. CFH will continue to encourage the Partners to achieve zero serious harm injuries. CFH will also continually seek to improve health and safety processes, awareness, and compliance, across its own organisation and through its involvement in the LFCs, and will encourage its contractors to do the same. CFH benchmarks the performance of the Partners against key OSH metrics such as Lost Time Injury Frequency Rate (**LTIFR**). Performance on LTIFR across the Partners as at 31 March 2015 (on the basis of a rolling 12 months average) is shown below:

CFH's partners' performance against OSH benchmark				
	Safety Metric	UFB	Benchmarks	
			NZ Construction	NZ Mining & Utilities
1.	Lost Time Injury Frequency Rate (LTIFR)	2.8	5.1	4.0

By way of explanation, a LTIFR of 10 means there were 10 lost time injuries per 1,000,000 hours worked by the respective project.

5. Key business assumptions

5.1 Reporting entity:

The reporting entity is CFH ("**the Company**"). The Group includes CFH and its controlled entities, being the LFCs, namely Northpower Fibre Limited, Ultrafast Fibre Limited, and Enable Networks Limited.

CFH is a limited liability company incorporated in New Zealand under the Companies Act 1993, and is a Crown entity as defined by the Crown Entities Act 2004. It is listed in Schedule 4A of the Public Finance Act 1989.

The purpose of the Company is to implement the Government's objectives in relation to the availability of, and access to, UFB by co-investing with private sector participants to deploy telecommunications network infrastructure. As such, CFH's aim is to provide services to the public, rather than make a financial return.

Accordingly, CFH has designated itself as a public benefit entity (**PBE**) for the purposes of New Zealand equivalents to International Financial Reporting Standards (**NZ IFRS**). CFH is a public authority and consequently is exempt from the payment of income tax. Accordingly, no provision has been made for income tax in CFH's financial statements. However, the LFCs are profit-oriented entities and as such are not exempt from the payment of income tax. Accordingly, the Group financial statements reflect the tax of subsidiaries, in accordance with the income tax policy set out in Section 6.

5.2 Basis of preparation:

Statement of compliance:

The prospective financial statements:

- Are for the years ended 30 June 2015 and 30 June 2016;
- Have been prepared in accordance with the Crown Entities Act 2004, which includes the requirement to comply with NZ Generally Accepted Accounting Practice (NZ GAAP);
- Comply with FRS-42 Prospective Financial Statements and NZ GAAP as it relates to prospective financial statements; and
- Were authorised for issue by the Board of Directors on 4 June 2015.

Annual historical financial statements for these periods will be prepared in accordance with NZ GAAP, NZ IFRS and other applicable financial reporting standards as appropriate for PBEs using the policies outlined in Section 6. The Board of Directors is responsible for the prospective financial statements presented, including the appropriateness of the assumptions underlying the prospective financial statements and all other required disclosures.

Measurement base:

The financial statements have been prepared on a historical cost basis.

Functional and presentation currency:

The financial statements are presented in New Zealand dollars, and all values are rounded to the nearest thousand (\$000). The functional currency of CFH is New Zealand dollars.

NZ International Public Sector Accounting Standards:

For financial year 2015 and beyond, CFH has adopted Tier 1 New Zealand International Public Sector Accounting Standards (**NZ IPSAS**) for PBEs. There have been no material changes to the Financial Statements, or change to the presentation of the Financial Statements on adoption of NZ IPSAS. The prospective financial information in the SPE has been prepared with consideration of NZ IPSAS and NZ GAAP.

Standards and interpretations that are not yet effective and have not been adopted:

There are a number of Standards, amendments and interpretations issued but not yet effective that have not been adopted early. The Group may be subject to further significant changes in future in relation to expected revisions to the Accounting Standards Framework.

5.3 Notes to the accounts:

- i. *Interest Income*: interest earned on cash balances with financial institutions.
- ii. *UFB income*: connection and access revenue earned by the LFCs.
- iii. *Fair value changes on investments*: gains and losses arising from changes in the fair value of CFH's investments.
- iv. *Depreciation and amortisation*: depreciation charges on property, plant and equipment, including network assets at a Group level.
- v. *Other company overheads*: administrative costs for CFH and the LFCs.
- vi. *UFB contribution – Chorus Securities*: The difference on initial recognition between the fair value of the investment and the contribution by CFH represents CFH's and the Crown's contribution towards the deployment by one of its Partners, Chorus, that is funded through the issue of Debt and Equity Securities.
- vii. *Cash and cash equivalents*: cash on hand with New Zealand's major trading banks.
- viii. *Capital*: the Crown investment made in CFH is represented by 1,345,400,200 \$1.00 ordinary shares issued, with 702.5 million shares expected to be fully paid in 2015 and 892.5 million shares in 2016. The Crown holds all the issued capital of CFH. All shares have equal voting and dividend rights and share equally in any distribution on wind-up.
- ix. *Available-for-sale reserve*: fair value gains and losses on the investment in Enable Networks Limited.

6. Significant accounting policies

6.1 Revenue:

Interest income is recognised using the effective interest method. Interest income on an impaired financial asset is recognised using the original effective interest rate.

6.2 Investment in Chorus:

CFH's investment in Chorus debt securities is categorised as a "loans and receivables" financial asset and is measured initially at fair value and subsequently at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest method. In CFH's financial statements, the investment in unlisted equity securities of Chorus is categorised as an available-for-sale financial asset, is measured at fair value.

Any difference on initial recognition between the fair value of the investment in the debt and equity securities and the contribution by CFH represents CFH's and the Crown's contribution to the deployment of UFB in New Zealand, and is reflected in the line "UFB contributions – Chorus Securities" in surplus or deficit in the statement of comprehensive income.

CFH's investment in Chorus's warrants is treated as a derivative, which is categorised as a "fair value through profit or loss" financial instrument, is measured at fair value and is accounted for in the same manner as the "fair value through profit or loss" financial instruments above.

6.3 Creditors and other payables:

Creditors and other payables are non-interest bearing and are normally settled on 30-day terms, therefore the carrying values of creditors and other payables approximate their fair values.

6.4 Goods and services tax:

All items in the financial statements are presented exclusive of goods and services tax (GST), except for receivables and payables, which are presented on a GST-inclusive basis. Where GST is not recoverable as input tax, it is recognised as part of the related asset or expense. The net amount of GST recoverable from, or payable to, Inland Revenue is included as part of receivables or payables in the statement of financial position. The net GST paid to or received from Inland Revenue, including the GST relating to investing and financing activities, is classified as operating cash flow in the statement of cash flows. Commitments and contingencies are disclosed excluding GST.

6.5 Income tax:

The Company is a public authority and consequently is exempt from the payment of income tax. Accordingly, no provision has been made for income tax by CFH in the Company's financial statements. However, the LFCs are not exempt from the payment of income tax and accordingly the Group financial statements reflect the tax positions of subsidiaries in accordance with the following policies:

- The tax currently payable is based on taxable profit for the reporting period plus any adjustments to income tax payable in respect of prior years. Taxable profit differs from the surplus/(deficit) as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other periods and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period;
- Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary differences arise from the initial recognition of other assets and liabilities in transactions that affect neither the taxable profit nor the accounting profit;
- The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered;
- Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the periods in which the liabilities are settled or the assets realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities;
- Deferred tax assets and liabilities are offset when there is a legally enforceable right to set-off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis; and
- Current tax and deferred tax are recognised as an expense or income in surplus or deficit, except when they relate to items recognised in other comprehensive income or directly in equity, in which case the taxes are also recognised in other comprehensive income or directly in equity.

6.6 Statement of cash flows:

The following are the definitions of the terms used in the statement of cash flows:

- *Cash and cash equivalents* comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less that are readily converted to known amounts of cash and are subject to an insignificant risk of changes in value.
- *Operating activities* are the principal revenue-producing activities of the Company and other activities that are not investing or financing activities.
- *Investing activities* are those activities relating to the acquisition and disposal of current and non-current investments, property, plant and equipment, intangible assets and other non-current assets.
- *Financing activities* are those activities that result in changes in the size and composition of the contributed equity of the Company.

6.7 Critical accounting estimates and assumptions:

In preparing these financial statements CFH has made estimates and assumptions concerning the future, which may differ from subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In particular management has exercised its judgement in respect of arriving at the fair values of its investments in Chorus, including assumptions in respect of fibre uptake by Chorus customers by June 2020. Further detail as to the fair value is set out in Section 6.2 above.

7. Financial statements

Statement of Forecast Comprehensive Income for the Period 2015-2016:

	2014/15	2015/16
	GROUP	GROUP
	\$000	\$000
Income		
Interest income - cash balance	2,071	1,287
Interest income - Chorus instruments	6,281	10,356
UFB income	20,364	37,196
Other income	288	2,674
Net Fair value gain (losses) on derivatives	(123)	42
Total income	28,881	51,555
Expenses		
Board operations	808	883
Audit fees	286	286
Depreciation and amortisation	14,593	23,959
Occupancy costs	362	362
Interest expenses	3,072	7,366
Other company overheads	35,501	44,547
Total operating expenses	54,622	77,403
Net surplus/(deficit) before UFB contributions	(25,741)	(25,848)
UFB Contributions:		
UFB contributions – Chorus Equity Securities	47,729	47,840
UFB contributions – Chorus Debt Securities	43,688	43,977
Total UFB contributions	91,417	91,817
Surplus/(deficit) before tax	(117,158)	(117,665)
Tax expense/(credit)	(7,801)	(7,416)
Net surplus/(deficit) for the year	(109,357)	(110,249)
Other comprehensive income		
Net fair value changes on available for sale investments – gain/(loss) ENL and Equity Sec	(1,789)	(2,541)
Net surplus/(deficit):	(111,146)	(112,790)
Attributed to members of the parent	(91,055)	(93,720)
Attributed to non-controlling interests	(20,091)	(19,070)
	(111,146)	(112,790)

Statement of Forecast Changes in Equity for the Period 2015-2016:

	Capital	A4S Reserve	Retained Earnings	Attributed to Parent	NCI Capital	NCI Retained Earnings	Total NCI	Total Group
Closing balance 30 June 2014	527,900	846	(263,535)	265,211	92,422	(33,503)	58,919	324,130
Opening Balance 1 July 2014	527,900	846	(263,535)	265,211	92,422	(33,503)	58,919	324,130
<u>Comprehensive income</u>								
Net surplus during the year			(90,209)	(90,209)		(20,091)	(20,091)	(110,300)
Other comprehensive income		(846)		(846)				(846)
Total comprehensive income/(loss)		(846)	(90,209)	(91,055)		(20,091)	(20,091)	(111,146)
<u>Owners transactions</u>								
Capital contributions - Crown	210,000			210,000				210,000
Capital contributions - Partner Cash					47,777		47,777	47,777
Capital contributions - Partner Non Cash					4,431		4,431	4,431
Capital contributions - Partner Recycle	-			-	13,986		13,986	13,986
Closing balance 30 June 2015	737,900	-	(353,744)	384,156	158,616	(53,594)	105,022	489,178
Opening Balance 1 July 2015	737,900	-	(353,744)	384,156	158,616	(53,594)	105,022	489,178
<u>Comprehensive income</u>								
Net surplus during the year			(93,720)	(93,720)		(19,070)	(19,070)	(112,790)
Other comprehensive income		-		-				-
Total comprehensive income/(loss)		-	(93,720)	(93,720)		(19,070)	(19,070)	(112,790)
<u>Owners transactions</u>								
Capital contributions - Crown	190,000			190,000				190,000
Capital contributions - Partner Cash					22,586		22,586	22,586
Capital contributions - Partner Non Cash					-		-	-
Capital contributions - Partner Recycle	-			-	-		-	-
Closing balance 30 June 2016	927,900	-	(447,464)	480,436	181,202	(72,664)	108,538	588,974

Statement of Forecast Financial Position for 2015-2016:

	2014/15 GROUP	2015/16 GROUP
	\$000	\$000
Current assets		
Cash and cash equivalents	37,740	49,138
Trade and other receivables	1,206	6,639
Income tax receivable	-	-
GST receivable	-	-
Prepayments	8	8
Total current assets	38,954	55,785
Non-current assets		
Property, plant and equipment	389,158	495,415
Investments in Chorus Equity Securities	45,398	61,598
Investments in Chorus Debt Securities	56,825	79,603
Deferred tax assets	19,506	27,448
Derivatives FV asset/(liabilities)	33	42
Other non-current assets	-	-
Total non-current assets	510,920	664,106
Total assets	549,874	719,891
Current liabilities		
Creditors and other payables	6,199	10,514
Employee entitlements	467	547
Total current liabilities	6,666	11,061
Term liabilities		
Term debt and loans	53,355	118,883
Other term liabilities	675	973
Total term liabilities	54,030	119,856
Total liabilities	60,696	130,917
Net Assets	489,178	588,974
Capital	896,515	1,124,957
Available-for-sale reserve	-	-
Retained earnings	(296,191)	(423,006)
Current yr profit	(111,146)	(112,790)
Dividend payments		(187)
Total equity	489,178	588,974
Equity attributable to parent	384,156	480,436
Non-controlling interests	105,022	108,538
Total equity	489,178	588,974

Statement of Forecast Cash Flows for 2015-2016:

	2014/15 GROUP	2015/16 GROUP
	\$000	\$000
Cash flows from operating activities		
Receipts from customers	18,382	39,293
Interest received	1,870	1,285
Other income	300	2,674
Payments to suppliers & employees	(35,933)	(50,962)
Interest payments	(4,875)	(7,366)
Goods and services tax (net)	557	311
<i>Net cash inflow/(outflow) from operating activities</i>	<i>(19,699)</i>	<i>(14,765)</i>
Cash flows from investing activities		
Purchase of property, plant and equipment	(143,873)	(118,187)
Acquisition of investments in Chorus Equity Securities	(77,122)	(61,490)
Acquisition of investments in Chorus Debt Securities	(77,122)	(61,490)
Sale of A shares - CFH to UFF	13,986	-
<i>Net cash outflow from investing activities</i>	<i>(284,131)</i>	<i>(241,167)</i>
Cash flows from financing activities		
Proceeds from loans	28,792	37,976
Capital contributions – Crown	210,000	190,000
Capital contributions – non-controlling-interests	47,777	39,354
<i>Net cash inflow from financing activities</i>	<i>286,569</i>	<i>267,330</i>
Net increase/(decrease) in cash and cash equivalents	(17,261)	11,398
Cash and cash equivalents at the beginning of the year	55,001	37,740
Cash and cash equivalents at the end of the year	37,740	49,138

Appendix 1: Directory

Shareholders

The Minister of Finance (Hon Bill English) and
The Minister for State Owned Enterprises (Hon Todd McClay)

Registered office

c/- Bell Gully
Level 22, Vero Centre
48 Shortland Street
Auckland 1010 New Zealand

Contact address

PO Box 105321
Auckland 1143 New Zealand

Email: info@crowdfibre.govt.nz Web: www.crowdfibre.govt.nz
Phone: +64 9 912 1970 Fax: +64 9 368 9201

Auditor

The Auditor-General, pursuant to section 15 of the Public Audit Act 2001

Solicitor

Bell Gully

Bankers

ANZ Bank New Zealand Limited
Bank of New Zealand Limited
ASB Bank Limited

Senior Management

Graham Mitchell, Chief Executive
Philip Campbell, Planning Director
John Greenhough, Chief Technology Officer
Rohan MacMahon, Strategy Director
Kathryn Mitchell, General Counsel
Sean Wynne, Chief Commercial Officer

Board of Directors

Simon Allen (Chairman)
Miriam Dean CNZM QC
Danelle Dinsdale
Jack Matthews
Dr Murray Milner
Keith Tempest