

READING BOROUGH COUNCIL

REPORT BY EXECUTIVE DIRECTOR OF RESOURCES

TO: AUDIT & GOVERNANCE

DATE: 28th JANUARY 2021

TITLE ANNUAL TREASURY MANAGEMENT REVIEW 2019/20

LEAD COUNCILLOR: COUNCILLOR EMBERSON PORTFOLIO: COPRPORATE & CONSUMER SERVICES

SERVICE: FINANCIAL SERVICES WARDS: BOROUGHWIDE

LEAD OFFICER: PETER ROBINSON

JOB TITLE: ASSISTANT DIRECTOR FINANCE E-MAIL: peter.robinson@reading.gov.uk

1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 The Council adopted a Treasury Management Strategy and an Annual Investment Strategy for 2019/20 at its meeting on 26th February 2019.
- 1.2 The Treasury Management Strategy requires an Annual Outturn Report reviewing the Treasury Management activity which took place during the year. This report covers the period from 1st April 2019 to 31st March 2020. This report has been delayed due to officers having prioritised the finalisation of the 2017/18 Statement of Accounts audit process.
- 1.3 The Council has continued to finance capital expenditure through maximising the use of capital receipts, capital grants and internal borrowing. In order to take advantage of low borrowing rates that were considered to be good value and to reduce the refinancing risk associated with existing internal borrowing, the Council took out £45.000 million of external borrowing (from the PWLB) in 2019/20 at an average interest rate of 1.80%
- 1.4 Overall, the Council was under borrowed by £185.607 million as at 31st March 2020, after taking account of the £45.000 million new loans. This has avoided the Council having to budget for and pay out external interest costs in the order of £6.069 million, based on the average rate for the existing debt portfolio of 3.27%.
- 1.5 Against the 2019/20 General Fund budget there was an overall net General Fund underspend in respect of interest receivable/payable of £0.579 million as reported in the 2019/20 Quarter 4 Performance report to Policy Committee on 22nd June 2020.
- 1.6 The Council did not breach any of its treasury management performance indicators during 2019/2020.

2. RECOMMENDED ACTION

That the Committee notes:

- 2.1 The Treasury Management Outturn Report for 2019/20.

APPENDICES

Appendix 1 - Borrowing Portfolio
Appendix 2 - Investment Portfolio

3. POLICY CONTEXT

- 3.1 The Council is required by regulations issued under the Local Government Act 2003 to review and report on its treasury management activity and achievement against its prudential and treasury indicators on an annual basis. This report meets the requirements of both the CIPFA Code of Practice on Treasury Management (the Code) and the CIPFA Prudential Code for Capital Finance in Local Authorities, (the Prudential Code).
- 3.2 The regulatory environment places responsibility on Members for the review and scrutiny of the Council's Treasury Management Policy and activities. This report facilitates that process providing details of the Council's 2019/20 treasury management activity.

4. CAPITAL EXPENDITURE AND FINANCING

- 4.1 The Council undertakes capital expenditure on long-term assets. This expenditure may either be:
- Financed immediately through the application of capital or revenue resources (capital receipts, capital grants, revenue contributions etc.), which have no impact on the Council's borrowing need; or
 - Financed by borrowing. This is funded either through actual external borrowing for example from the PWLB or through internal borrowing from the Council's own cash resources.

4.2 The table below shows the Council's actual capital expenditure and how this was financed.

Table 1. Capital Expenditure and Financing - General Fund

General Fund	2018/19 Actual (£m)	2019/20 Original Budget (£m)	2019/20 Actual (£m)
Capital Expenditure	53.941	98.291	85.462
Financed by:			
Capital Receipts	(3.183)	(12.077)	(7.424)
Government Grants & Other Contributions	(19.069)	(34.784)	(24.095)
Direct Revenue Financing	(0.022)	0.000	(0.139)
Net Borrowing Requirement	31.667	51.430	53.804

Table 2. Capital Expenditure and Financing - Housing Revenue Account (HRA)

HRA	2018/19 Actual (£m)	2019/20 Original Budget (£m)	2019/20 Actual (£m)
Capital Expenditure	15.481	15.780	14.504
Financed by:			
Capital Receipts	(8.078)	(1.264)	(3.462)
Government Grants & Other Contributions	0.000	(0.437)	(0.014)

Direct Revenue Financing	0.000	(0.111)	0.000
Major Repairs Reserve	(7.403)	(9.264)	(10.041)
Net Borrowing Requirement	0.000	4.704	0.987

5 THE COUNCIL'S BORROWING NEED

5.1 The Council's underlying need to borrow, or net borrowing requirement is termed the Capital Financing Requirement (CFR).

5.2 In order to ensure that borrowing levels are prudent over the medium term and only for a capital purpose, the Council should ensure that its gross external borrowing does not, except in the short term, exceed the total of the capital financing requirement in the preceding year (2018/19) plus the estimates of any additional capital financing requirement for the current (2019/20) and next two financial years. This essentially means that the Council is not borrowing to support revenue expenditure. The table below highlights the Council's gross borrowing position against the CFR. The Council has complied with this prudential indicator.

Table 3. Gross Borrowing and the CFR

	31 st March 2019 Actual (£m)	31 st March 2020 Original Estimate (£m)	31 st March 2020 Actual (£m)
Gross Borrowing	399.396	411.442	406.981
PFI Liabilities	27.233	26.260	26.244
Total Gross Borrowing	426.629	437.702	433.225
CFR - General Fund	361.886	403.375	406.958
CFR - HRA	185.643	191.504	185.630
Total CFR	547.529	594.879	592.588
(Under)/Over Funding of CFR	(120.900)	(157.177)	(159.363)
(Under)/Over Borrowing (exc PFI)	(148.133)	(183.437)	(185.607)

5.3 The movement in gross borrowing in 2019/20 is outlined in paragraphs 6.3-6.5.

5.4 The 2019/20 prudential indicators for gross borrowing were set as part of the Treasury Management Strategy report to Council on 26th February 2019 and revised as part of the Treasury Management Strategy report to Council on 25th February 2020. The Council's performance against these indicators is set out below, neither the Authorised Limit or Operational Boundary were breached in 2019/20:

Table 4. Gross Borrowing v Operational Boundary and Authorised Limit

Authorised Limit (£m)	Operational Boundary (£m)	Maximum Gross Borrowing Position During the Year (£m)	Average Gross Borrowing Position (£m)
654.879	614.879	413.381	397.711

5.5 **Actual financing costs as a proportion of net revenue stream** - this indicator identifies the trend in the cost of capital, (borrowing and other long-term obligation costs net of investment income), against the net revenue budget. This indicator for 2019/20, revised as part of the Treasury Management Strategy report to Council on 25th February 2020, was set at 11.60%. The actual performance against this indicator for 2019/20 was 11.08% which reflects the reported underspend on the revenue Capital Financing budget reported at Outturn.

6 DEBT AND INVESTMENT PORTFOLIO

- 6.1 The Council's treasury management debt and investment position is managed by the Treasury Management Team to ensure adequate liquidity for revenue and capital activities, security for investments and to manage risks within all treasury management activities. Procedures and controls to achieve these objectives are well established both through Member reporting to Audit and Governance Committee and through officer activity detailed in the Council's Treasury Management Practices.

Outturn Position

- 6.2 At the end of 2019/20 the Council's treasury position (excluding borrowing by PFI and finance leases) was as follows:

Table 5. Treasury Position as at 31st March 2020

General Fund & HRA	31 st March 2019			31 st March 2020		
	Principal (£m)	Average Rate %	Average Life Years	Principal (£m)	Average Rate %	Average Life Years
Fixed Rate Loans						
PWLB	321.575	3.45	34.56	362.160	3.26	38.75
Market	73.000	2.43	29.43	40.000	3.71	54.34
Variable Rate Loans						
PWLB	4.821	0.92	10.01	4.821	0.48	10.01
Total Debt	399.396	3.15	32.81	406.981	3.27	40.42
Total Investments	58.086	3.05		75.536	3.42	
Net Debt	341.310			331.445		

Borrowing

- 6.3 Six new long-term loans totalling £45.000 million were drawn during 2019/20 to fund the net borrowing requirement and naturally maturing debt. A further short-term loan of £10.000 million was drawn for a month over the year-end period to assist in managing the cashflow position. The borrowing portfolio is detailed in full at Appendix 1.
- 6.4 During 2019/20 principal repayments, including final payments on eleven naturally maturing loans, totalling £47.415 million were made.
- 6.5 The net change in the gross borrowing position between 31st March 2019 and 31st March 2020 was therefore an increase of £7.583 million, including the temporary £10.000 million short-term loan. Long-term borrowing therefore decreased by £2.417 million during 2019/20.

Borrowing in Advance of Need

- 6.6 The Council has not borrowed more than, or in advance of its needs, purely in order to profit from the investment of the extra sums borrowed.

Debt Rescheduling

- 6.7 No rescheduling was done during the year as the average 1% differential between PWLB new borrowing rates and premature repayment rates made rescheduling unviable.

- 6.8 The maturity structure of the debt portfolio as at 31st March 2020 is set out in the table below. The limits are set to control the Council's exposure to refinancing risk.

Table 6. Maturity Structure of the Debt Portfolio

General Fund	31 st March 2019 Actual (£m)	2019/20 Original Upper Limit (%)	2019/20 Original Lower Limit (%)	31 st March 2020 Actual (£m)	2019/20 Actual (%)
Under 12 months	47.415	25%	0%	12.540	3%
12 months and within 2 years	2.540	25%	0%	7.261	2%
2 years and within 5 years	11.941	25%	0%	6.680	2%
5 years and within 10 years	20.500	25%	0%	20.000	5%
10 years and within 20 years	28.000	100%	40%	27.500	88%
20 years and within 30 years	151.000	100%		155.000	
30 years and within 40 years	118.000	100%		103.000	
40 years and within 50 years	20.000	100%		75.000	
Total	399.396			406.981	

Investments

- 6.9 The Council's Investment Policy is governed by MHCLG investment guidance, which has been implemented in the Annual Investment Strategy approved by the Council on 26th February 2019. This Policy sets out the approach for choosing investment counterparties and is based on credit ratings provided by the three main credit rating agencies, supplemented by additional market data.
- 6.10 The investment activity during the year conformed to the approved Strategy, and the Council had no liquidity difficulties.
- 6.11 Treasury investments, including property funds, earned an average rate of 1.27%. The comparable performance indicator is the average bank rate, which was 0.72%.
- 6.12 The Council's budgeted General Fund investment return for 2019/20 was £1.603 million, actual General Fund interest received from investments in 2019/20 was £2.224 million, a £0.621 million positive variance compared to budget.
- 6.13 The position on interest income must be compared with external interest costs payable. The Council paid General Fund external interest costs of £8.123 million against a budget of £8.081 million; a £0.043 million overspend against the General Fund budget. The net General Fund net position on interest receivable/payable is an underspend of £0.579 million. This has been accounted for in the overall revenue General Fund outturn position for 2019/20.
- 6.14 The Council's investment position as at 31 March 2020 is detailed at Appendix 2 and summarised as follows:

Table 7. Investment Portfolio

	31 st March 2019 (£m)	31 st March 2019 (%)	31 st March 2020 (£m)	31 st March 2020 (%)
Treasury Investments				
Banks	1.250	4%	1.000	2%
Building Societies - rated	0.000	0%	0.000	0%
Building Societies - unrated	0.000	0%	0.000	0%
Local Authorities	0.000	0%	0.000	0%
DMADF (HM Treasury)	0.000	0%	0.000	0%
Money Market Funds (MMF)	18.475	53%	23.915	60%
Total Managed In-house	19.725	57%	24.915	62%
Total Managed Externally - Property Funds	15.000	43%	15.000	38%
Total Treasury Investments	34.725	100%	39.915	100%
Non-Treasury Investments				
Subsidiaries/Companies	23.361	100%	35.621	100%
Total Non-Treasury Investments	23.361	100%	35.621	100%
Total - All Investments	58.086	100%	75.536	100%

6.15 The maturity structure of the investment portfolio as at 31st March was as follows:

Table 8. Maturity Structure of the Investment Portfolio

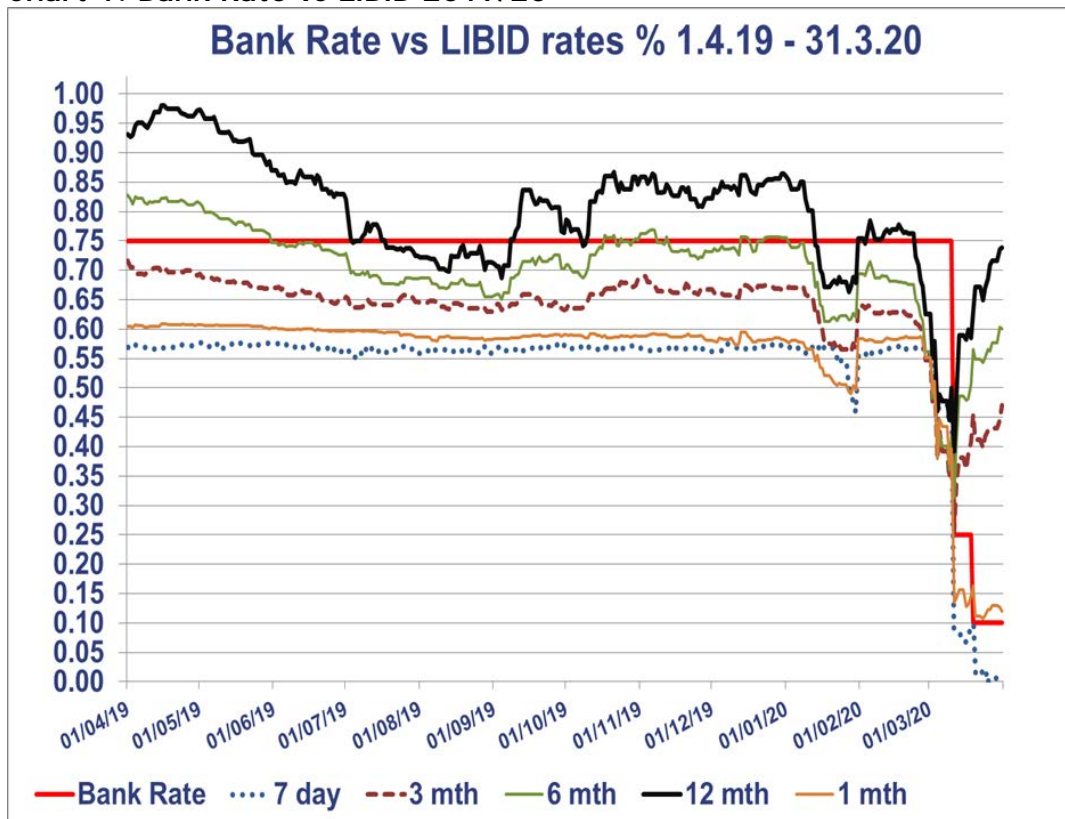
	31 st March 2019 (£m)	31 st March 2020 (£m)
Up to 1 year	19.725	24.915
Longer than 1 year	38.361	50.621
Total	58.086	75.536

7 TREASURY MANAGEMENT STRATEGY 2019/20

Investment Strategy and Control of Interest Rate Risk

- 7.1 Investment returns remained low during 2019/20. The expectation within the Treasury Management Strategy was that Bank Rate would rise to 1.25% in 2019/20 as advised by the Council's treasury advisors at the time, Arlingclose. In reality, investment interest rates were flat during most of the year until the two cuts in Bank Rate in March 2020 caused investment rates to fall sharply, firstly to 0.25% on 10th March 2020 and to 0.10% on 19th March 2020 as a response to the Covid-19 pandemic.
- 7.2 Other than providing additional loans to the Council's wholly owned companies (non-treasury investments), the Council did not add to its long-term investment portfolio in 2019/20, as the levels of surplus cash were relatively low in year due to its strategy of using cash funds to fund the Capital Programme ahead of external borrowing. Therefore, any surplus cash was invested on a short-term basis to ensure that it was accessible for in-year cash flow requirements.
- 7.3 The following graph illustrates the interest rate trend throughout 2019/20:

Chart 1. Bank Rate vs LIBID 2019/20



Borrowing Strategy and Control of Interest Rate Risk

- 7.4 As set out above, during 2019/20 the Council maintained an under-borrowed position, i.e. the capital borrowing need, (the Capital Financing Requirement), was not fully funded with loan debt, as cash supporting the Council's reserves, balances and cash flow were used as an interim measure. This strategy was prudent as available investment returns were lower than the cost of borrowing and therefore a cost of carry was avoided. An additional benefit was that an increased counterparty risk was avoided by not having to place additional investments.
- 7.5 The policy of avoiding new borrowing by running down spare cash balances, has served well over the last few years. However, this was kept under review by the Treasury Management team and the Executive Director of Resources to ensure the Council's financial position in overall terms was protected.
- 7.6 Additional long-term borrowing of £45.000m at an average borrowing rate of 1.80% was taken out from the PWLB during the year to mitigate against future re-financing risk and to meet cashflow requirements. Capital borrowing interest rates were forecast to peak at 3.15% in 2019/20 per the assumptions made in the 2019/20 Budget report approved in February 2019.
- 7.7 PWLB rates are based on, and are determined by, gilt (UK Government bonds) yields through HM Treasury determining a specified margin to add to gilt yields. Gilt yields were on a generally falling trend up until March 2020 when the Coronavirus crisis hit western economies. Since then, gilt yields have fallen to unprecedented lows as investors have panicked in selling shares in anticipation of impending recessions and moved cash into safe haven assets i.e. government bonds. At the close of the day on 31 March, all gilt yields from 1 to 5 years were between 0.12 - 0.20% and 25-year yields were 0.83%.
- 7.8 However, HM Treasury imposed two changes to the margins over gilt yields for PWLB rates in 2019/20 without any prior warning; the first on 9 October 2019, added an additional 1% to all PWLB rates. That increase was then partially reversed for some forms of borrowing

on 11 March 2020, at the same time as the Government announced in the Budget a programme of increased spending on infrastructure expenditure. It also announced that there would be a consultation with local authorities on possibly further amending these margins; this ended on 31 July 2020. As at 31st March 2020, the Council was able to borrow 50-year money from the PWLB at 2.38% (General Fund) and 1.38% (HRA) based on the maturity certainty rate. The outcome of the consultation was announced as part of the Spending Review 2020 in November 2020 and effectively reversed the additional 1% that was added in October 2019. However, the PWLB will no longer lend to local authorities who continue to invest in commercial property with the primary aim of generating a financial return. As at 31st December 2020, the Council was able to borrow 50-year money from the PWLB at 1.40% (General Fund & HRA) based on the maturity certainty rate.

- 7.9 There is likely to be little upward movement in PWLB rates over the next two years as interest rates are forecast to remain low due to the need to kickstart the economy in response to the impact of Covid-19. Inflation is also likely to remain low during this period.

8 OTHER ISSUES

International Financial Reporting Standard (IFRS) 9 Financial Instruments - Fair Value of Investments

- 8.1 Local Authorities were required to apply IFRS 9 from 1st April 2018. The aim of this standard is for all financial instruments to be reported on a fair value basis. Following a consultation undertaken by the Ministry of Housing, Communities and Local Government (MHCLG) on IFRS 9, the Government introduced a mandatory statutory override for local authorities to reverse out all unrealised fair value movements resulting from pooled investment funds, following implementation of this standard. The statutory override is effective for all English Local Authorities and applies for five years from 1st April 2018. Local authorities are required to disclose the net impact of the unrealised fair value movements in a separate unusable reserve throughout the duration of the override in order for the Government to keep the override under review and to maintain a form of transparency.
- 8.2 In 2019/20, the Council had a net unrealised loss of £0.541 million relating to the £15.000 million investment in the CCLA Property Fund. Due to the override being in place, there was no impact on the General Fund.

9 CONTRIBUTION TO STRATEGIC AIMS

- 9.1 The Council's vision is to ensure that Reading realises its potential - and to ensure that everyone who lives and works in Reading can share the benefits of its success. The Council has six priorities which contribute to delivering this vision. The priorities are:
- Securing the economic success of Reading;
 - Improving access to decent housing to meet local needs;
 - Protecting and enhancing the lives of vulnerable adults and children;
 - Keeping Reading's environment clean, green and safe;
 - Promoting health, education, culture and wellbeing; and
 - Ensuring the Council is fit for the future.
- 9.2 Delivery of the Council's revenue and capital budgets is essential to ensuring the Council meets its strategic aims and remains financially sustainable going forward. The treasury

management functions are crucial in ensuring that the Council has access to funds when required and in investing surplus funds in secure investments.

10 COMMUNITY ENGAGEMENT AND INFORMATION

10.1 Budget-related communications and consultations will continue to be a priority over the next three years as we work to identify savings.

11 ENVIRONMENTAL AND CLIMATE IMPLICATIONS

11.1 None have been identified as arising directly from this report.

12 EQUALITY IMPACT ASSESSMENT

12.1 None have been identified as arising directly from this report.

13 LEGAL IMPLICATIONS

13.1 None have been identified as arising directly from this report.

14 FINANCIAL IMPLICATIONS

14.1 The financial implications are set out in the body of the report.

15 BACKGROUND PAPERS

- Treasury Management Strategy 2019/20 to Council 26th February 2019
- Treasury Management Strategy 2020/21 to Council 25th February 2020
- Quarter 4 Performance Report 2019/20 to Policy Committee 22nd June 2020

Appendix 1 - Borrowing Portfolio as at 31st March 2020

Loans taken out during 2019/20 are highlighted in yellow.

Lender	Start Date	Maturity Date	Amount £m	Interest Rate	Annual Interest* £m
Public Works Loan Board (PWLB)					
PWLB	01/10/19	02/10/62	5.000	1.6400%	0.0820
PWLB	01/10/19	01/10/63	5.000	1.6300%	0.0815
PWLB	07/10/19	07/10/66	5.000	1.6300%	0.0815
PWLB	07/10/19	08/10/68	5.000	1.6300%	0.0815
PWLB	11/03/20	25/09/69	15.000	2.0700%	0.3105
PWLB	26/03/18	25/03/68	15.000	2.2800%	0.3420
PWLB	01/04/19	01/04/64	10.000	2.2000%	0.2200
PWLB	13/05/05	25/09/51	2.000	4.1500%	0.0830
PWLB	11/01/06	25/09/55	5.000	3.9000%	0.1950
PWLB	23/01/06	25/09/55	5.000	3.7000%	0.1850
PWLB	23/05/06	25/09/47	2.000	4.2000%	0.0840
PWLB	19/07/06	25/03/52	20.000	4.2500%	0.8500
PWLB	20/09/06	25/09/51	5.000	4.2000%	0.2100
PWLB	28/09/06	25/09/52	10.000	4.0500%	0.4050
PWLB	08/03/07	25/03/53	10.000	4.2500%	0.4250
PWLB	08/03/07	25/03/54	10.000	4.2500%	0.4250
PWLB	05/08/08	25/03/58	2.000	4.4800%	0.0896
PWLB	15/08/08	25/09/57	6.000	4.3900%	0.2634
PWLB	02/12/08	25/09/58	10.000	4.1200%	0.4120
PWLB	17/02/09	25/09/21	0.300	3.0700%	0.0092
PWLB	20/08/09	25/03/59	5.000	4.2000%	0.2100
PWLB	19/08/10	25/03/24	1.360	2.7000%	0.0367
PWLB	31/08/10	25/03/60	10.000	3.9200%	0.3920
PWLB	14/07/11	25/03/26	3.000	3.5900%	0.1077
PWLB	15/09/11	25/03/31	5.500	3.3500%	0.1843
PWLB	28/03/12	25/03/51	12.000	3.5300%	0.4236
PWLB	28/03/12	25/09/26	12.000	2.9700%	0.3564
PWLB	28/03/12	25/03/50	15.000	3.5300%	0.5295
PWLB	28/03/12	25/03/41	15.000	3.4900%	0.5235
PWLB	28/03/12	25/03/61	15.000	3.4800%	0.5220
PWLB	27/09/18	25/09/43	15.000	2.8200%	0.4230
PWLB	27/09/18	27/09/49	15.000	2.7900%	0.4185
PWLB	11/03/19	11/03/66	15.000	2.3800%	0.3570
PWLB	13/03/19	13/03/37	5.000	2.4200%	0.1210
PWLB	13/03/19	13/03/57	5.000	2.4200%	0.1210
PWLB	28/03/12	25/03/32	12.000	3.3000%	0.3960
PWLB	28/03/12	25/09/41	15.000	3.4900%	0.5235
PWLB	28/03/12	25/09/51	3.000	3.5200%	0.1056
PWLB	28/03/12	25/03/62	15.000	3.4800%	0.5220
PWLB	28/03/12	25/03/41	21.000	2.9900%	0.6279
PWLB	28/03/12	28/03/22	4.821	0.4800%	0.0231
Total PWLB Loans			366.981		11.760

Lender	Start Date	Maturity Rate	Amount £m	Interest Rate	Annual Interest* £m
Temporary Short-term Loans					
Liverpool City Region Combined Authority	19/03/20	20/04/20	10.000	0.9000%	0.0900
LOBO/Other Loans					
Eurohypo	19/05/05	19/11/54	5.000	4.3200%	0.2160
Barclays Bank plc	06/12/05	06/12/55	5.000	3.9900%	0.1995
Bayerische Landesbank	20/09/07	20/12/77	5.000	4.1800%	0.2090
Bayerische Landesbank	20/09/07	20/12/77	5.000	4.1800%	0.2090
Eurohypo	24/09/07	24/09/77	5.000	4.2000%	0.2100
Dexia	30/01/08	31/01/78	5.000	4.1900%	0.2095
Total LOBO/Other Loans			30.000		1.253
Total - All Loans			406.981		13.103

*Annual interest - Total amount of annual interest payable per loan outstanding as at 31 March 2020. This won't equal the amount of interest paid during 2019/20 - as the total loan portfolio has changed during the year.

Appendix 2 - Investment Portfolio as at 31st March 2020

Borrower	Amount £m	Interest rate	LAS Credit Rating
Treasury Investments			
Santander UK plc	1.000	0.40%	A
SLI Sterling Liquidity/CI 2	19.180	0.48%	AAA
Federated Prime Rate Sterling Liquidity 4	4.735	0.41%	AAA
CCLA Local Authorities Property Fund	15.000	4.82%	N/a
Total Treasury Investments	39.915		
Non-Treasury Investments			
Brighter Futures for Children Ltd	5.000	1.34%	N/a
Homes for Reading Ltd	0.600	2.92%	N/a
Homes for Reading Ltd	1.100	3.25%	N/a
Homes for Reading Ltd	0.400	3.38%	N/a
Homes for Reading Ltd	0.800	3.59%	N/a
Homes for Reading Ltd	0.700	3.58%	N/a
Homes for Reading Ltd	0.800	3.62%	N/a
Homes for Reading Ltd	0.800	3.57%	N/a
Homes for Reading Ltd	2.000	3.48%	N/a
Homes for Reading Ltd	3.000	3.41%	N/a
Homes for Reading Ltd	4.000	3.19%	N/a
Homes for Reading Ltd	2.000	3.38%	N/a
Homes for Reading Ltd	1.300	3.51%	N/a
Homes for Reading Ltd	7.000	3.75%	N/a
Reading Transport Ltd	4.609	5.00%	N/a
Reading Transport Ltd	0.500	5.00%	N/a
Reading Transport Ltd	0.490	5.00%	N/a
Reading Transport Ltd	0.207	5.00%	N/a
Reading Transport Ltd	0.164	5.00%	N/a
Reading Transport Ltd	0.151	5.00%	N/a
Total Non-Treasury Investments	35.621		
Total Investments*	75.536		

*Values above do not include lease agreements with Reading Transport Ltd.