
Consolidated Fund and National Loans Fund Accounts 1997–98

SUPPLEMENTARY STATEMENTS

STATEMENTS, prepared under section 21(3) of the National Loans Act 1968, showing details of the transactions on the Consolidated Fund in the year ended 31 March 1998; the assets and liabilities of the Consolidated Fund and of the National Loans Fund at the beginning and the end of the year; and the contingent liabilities of the Consolidated Fund. (In continuation of House of Commons Paper No. 378 of 1997–98.)

Presented pursuant to Act 1968, c. 13, s. 21 (3)

*Ordered by The House of Commons to be printed
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FOREWORD

1. This volume is prepared in accordance with section 21(3) of the National Loans Act 1968. The information given supplements the data contained in the audited accounts of the Consolidated Fund (CF) and the National Loans Fund (NLF) prepared under section 21(1) of that Act and published as House of Commons Paper No. 27 of 1998–99.

2. The Treasury Minute (Cm 1101, June 1990) replying to the Eighth Report of the Committee of Public Accounts (PAC) on Central Funds and Accountability agreed to improved presentation of the material in the accounts for these two Funds. The Treasury also supported the transfer of certain subsidiary data from the accounts to these Supplementary Statements and the publication of new, audited data. These new presentations include the outturn of the Central Government Net Cash Requirement (CGNCR) (formerly the Central Government Borrowing Requirement (CGBR)), the relationship between the change in the CGNCR and the change in the net nominal liabilities of the NLF and a revised Statement of NLF Assets and Liabilities, all of which were to be audited by the Comptroller and Auditor General (C & AG). These proposals were implemented and published for the first time in House of Commons Paper No. 87 of 1991–92 and are continued in this volume.

3. Part A, Section 1 comprises a series of tables showing the transactions which contributed to the CGNCR, the reconciliation of the CGNCR with changes in the nominal National Debt, an analysis of those changes, and finally, a summary of NLF assets and liabilities. These are examined and certified by the C & AG. His Certificate is to be found on page 11.

4. Part B contains other information which Parliament expects to be presented in the Supplementary Statements.

5. Section 2 contains details of the various heads of receipts into, and payments from, the Consolidated Fund. These include receipts from Inland Revenue, HM Customs and Excise, Vehicle Excise Duty and National Non-Domestic Rates, details of which are published as notes to the Consolidated Fund receipts and payments account (HC 27).

6. Section 3 contains statements of the assets and liabilities of the CF, including loans made from votes, other departmental assets noted in appropriation accounts and the future proceeds of privatisation. This section also includes statements of actual and contingent liabilities, including various loans guaranteed by HMG. This shows contingent liabilities reported to the Treasury by government departments, except for liabilities involving £100,000 or less and those which arise in the normal course of a department's business.

7. Section 4 contains details of NLF assets and liabilities. The liability side concerns the nominal National Debt and is partly offset by assets in the form of outstanding loans to nationalised industries, other public corporations, local authorities and other borrowers. Also detailed are certain other liabilities of the NLF and the service of the National Debt.

8. The final section includes further information which the Committee of the Public Accounts requested. Table B27 shows the full annual (accrued) cost of servicing gilt-edged stocks.

PART A

**STATEMENTS AUDITED BY THE
NATIONAL AUDIT OFFICE**

INTRODUCTORY NOTE TO PART A

Tables A1 and A2 show the measurement of the Central Government Net Cash Requirement (CGNCR) (formerly the Central Government Borrowing Requirement (CGBR)) and its reconciliation to the change in the Nominal National Debt. The CGNCR has been measured in previous years according to the conventions outlined in Treasury Working Paper 57 "Central Government Funds and Accounts and the Central Government Borrowing Requirement". Some of these conventions have now been revised.

As disclosed in the Introductory Note to the 1996–97 Supplementary Statements, the adoption of the European System of Accounts 1995 (ESA 1995) has led to the reclassification of a number of items. In particular, the Bank of England Issue Department is no longer treated as part of the Central Government sector. The Treasury and the National Audit Office have also agreed that the classification of a number of items, currently included as determinants on the basis of Working Paper No. 57 conventions, merits revision. In particular, certain balances held by the Office of HM Paymaster General and funds held by the National Debt Commissioners in respect of Insolvency Services, Court Funds and the Northern Ireland Courts Service are now treated as financing items rather than determinants of the CGNCR. This brings the CGNCR treatment of these items into line with ESA95 and has been agreed with the Office for National Statistics.

The comparative figures for 1996–97, published in last year's Supplementary Statements, have been restated in accordance with these new definitions. The overall effect is to increase the 1996–97 CGNCR (CGBR) by £104 million from £25,054 million to £25,158 million.

SECTION 1

**A1: SUMMARY OF CENTRAL GOVERNMENT TRANSACTIONS
CONTRIBUTING TO THE CENTRAL GOVERNMENT
NET CASH REQUIREMENT**

	£ million	
	1996-97	1997-98
National Loans Fund		
Consolidated Fund surplus (+)/deficit (-)	-29,000	-2,385
Issue Department appreciation (+)/Depreciation (-)	—	6
National Loans Fund net loans and advances (-)	-280	4
Total net borrowing (+)/net repayment (-) by the National Loans Fund	29,280	2,375
Other Central Government Funds and Accounts		
Office of HM Paymaster General Accounts (OPG)		
National Insurance Fund	-19	15
Exchange Equalisation Account	-1,424	-1,181
Other accounts held at OPG	-2,491	4,562
National Debt Commissioners (NDC)		
National Lottery	-1,140	-892
National Insurance Fund	-309	-1,813
Other accounts managed by NDC	-185	-200
Northern Ireland funds and accounts	60	-82
National Savings accrued interest adjustment	851	324
Other adjustments	535	372
Total net borrowing +/lending (-) by other central government funds and accounts	-4,122	1,105
Central Government Net Cash Requirement	25,158	3,480

A3: ANALYSIS OF THE CHANGE IN THE NET NOMINAL LIABILITIES OF THE NATIONAL LOANS FUND

	£ million	
	1996-97	1997-98
Consolidated Fund deficit (+)/surplus used to repay NLF net debt (-)	29,000	2,385
Other factors affecting NLF net nominal liabilities		
Included in the CGNCR:		
- in year of account - capitalised accrued interest on National Savings instruments	870	808
- in year of redemption - capital uplift on index-linked stocks	1,075	1,840
- NLF loans and advances written off ⁽¹⁾	141	—
- NLF Deemed Debt ⁽²⁾	-6	—
- EEA surplus paid to NLF	—	-3,000
Excluded from the CGNCR:		
- adjustment ⁽³⁾ for the change in sterling value of:		
- outstanding borrowing in foreign currencies	-2,301	-1,077
- International Monetary Fund holding	779	-362
- discounts, less premia, on government stocks on:		
- issue	1,063	-296
- purchase for cancellation	-1	-1
- on conversion	663	—
- change in NLF liability to:- Gilt-edged Official Operations Account	59	-73
- GOOA surplus not paid to NLF	—	-142
- adjustment for Issue Department	—	-6
Total other factors	2,342	-2,309
Total change in NLF net nominal liabilities	31,342	76
Net nominal liabilities of NLF at 1 April	331,164	362,506
Net nominal liabilities of NLF at 31 March	362,506	362,582

⁽¹⁾ UKAEA's debt of £141 million was written off on 4 October 1996.

⁽²⁾ Registers of Scotland deemed debt of £6.4 million.

⁽³⁾ Net cash transactions less change in sterling value.

A4: SUMMARY OF NATIONAL LOANS FUND ASSETS AND LIABILITIES

	£ million	
	31 March 1997	31 March 1998
LIABILITIES		
Nominal National Debt outstanding ⁽¹⁾	419,549	418,431
TOTAL LIABILITIES	419,549	418,431
ASSETS		
Loan advances outstanding	46,747	46,743
Sterling capital for Exchange Equalisation Account	650	—
Subscription to International Monetary Fund	6,241	5,896 ⁽²⁾
Gilt-edged Official Operations Account		
– advances outstanding	3,000	2,500
– surplus not paid to the National Loans Fund	—	142
Borrowings included in the National Debt but not yet brought to account and cash retained by NDC and NS for repayments ⁽³⁾	405	568
	57,043	55,849
Balance, that is, Nominal National Loans Fund net liabilities being the liability of the Consolidated Fund under section 19(1) of the National Loans Act 1968	362,506	362,582
TOTAL ASSETS	419,549	418,431
Change in nominal National Debt in 1997–98	28,868	–1,118
Change in nominal National Loans Fund net liabilities in 1997–98	31,342	76

⁽¹⁾ See Table B21.

⁽²⁾ Comprises 7,414.6 million Special Drawing Rights valued at 1.257656 SDR = £1, as at 31 March 1998.

⁽³⁾ See columns 4 and 10 of Table B21.

**THE CERTIFICATE OF THE COMPTROLLER AND AUDITOR GENERAL
TO THE HOUSES OF PARLIAMENT**

I have examined the Consolidated Fund and National Loans Fund Accounts Supplementary Statements Part A (the Statements) on pages 7 to 10 which have been prepared by the Treasury in accordance with Section 21(3) of the National Loans Act 1968 and the conventions laid down in Treasury Working Paper No. 57, as modified by the Treasury.

Respective responsibilities of the Treasury and Auditor

The Treasury are responsible for the preparation of the Statements and for determining their form and basis. It is my responsibility to form an independent opinion, based on my audit, on the Statements and to report my opinion to you.

Basis of Opinion

I conducted my audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures included in the Statements. It also includes an assessment of the estimates and judgements made by the Treasury in the preparation of the Statements.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence so as to give reasonable assurance that the Statements are free from material misstatement. In forming my opinion, I also considered whether the Statements had been prepared in accordance with the form and basis determined by the Treasury and the conventions set out in Treasury Working Paper No. 57, as modified by the Treasury.

As I noted in the Statements for 1996-97, my staff discussed and agreed with the Treasury and the Office for National Statistics that the classification of a number of items, currently included on the basis of Treasury Working Paper No. 57 conventions, merited revision. In particular the Treasury and the National Audit Office agreed that some items which are defined in the Paper as determinants of the Central Government Net Cash Requirement (CGNCR) should be reclassified as items which finance the CGNCR. Details of these changes, together with further amendments to make the CGNCR consistent with the European System of Accounts 1995, are given in the Introductory Note to Part A of the Supplementary Statements on page 6.

Opinion

In my opinion, the Statements:

- i. properly summarise for the year ended 31 March 1998; the transactions contributing to the Central Government Net Cash Requirement; the reconciliation of the Central Government Net Cash Requirement with the change in the nominal national debt; and, the analysis of the change in the net nominal liabilities of the National Loans Fund;
- ii. properly present the assets and liabilities of the National Loans Fund as at 31 March 1998; and
- iii. have been properly prepared in the form and on the basis determined by the Treasury, and in accordance with the conventions set out in Treasury Working Paper No. 57, as modified by the Treasury.

John Bourn
Comptroller and Auditor General

17 December 1998

National Audit Office
157-197 Buckingham Palace Road
Victoria
London SW1W 9SP

PART B

**STATEMENTS SUPPLEMENTING THE
CONSOLIDATED FUND AND
NATIONAL LOANS FUND ACCOUNTS**

SECTION 2

**B1: SUMMARY OF CONSOLIDATED FUND RECEIPTS AND PAYMENTS
in the year 1997-98**

REVENUE AND EXPENDITURE	£
Receipts (see below)	241,928,851,744
Payments (see page 16)	244,314,085,325
DEFICIT met from the National Loans Fund	-2,385,233,581

B2: RECEIPTS, 1997-98: SUMMARY

	For details see pages:	Payments to Consolidated Fund	Net receipts due to Consolidated Fund	Increase (+) or decrease (-) in the year of balances, etc outstanding
Inland Revenue	(1)	£ 117,632,807,835	£ 117,563,423,154	£ -69,384,681
Customs and Excise	(1)	89,839,536,286	90,037,083,481	197,547,195
Vehicle Excise Duty	(1)	4,543,013,385	4,483,321,144	-59,692,241
National Non-Domestic Rates	(1)	14,036,891,991	14,573,874,813	536,982,822
TOTAL TAXATION		226,052,249,497	226,657,702,592	605,453,095
Interest and dividends	16	671,882,888	671,882,888	—
Miscellaneous receipts	16-17	13,504,719,359	13,504,719,359	—
Contingencies Fund: repayments		1,700,000,000	1,700,000,000	—
TOTAL RECEIPTS		241,928,851,744	242,534,304,839	605,453,095

Note: See pages 19 & 20 for details of customs duties and agricultural levies paid to the European Communities as 'own resources'.

(1) Detailed breakdowns of these receipts are published as Notes to the Consolidated Fund Account (HC 27).

B3: PAYMENTS, 1997-98: SUMMARY

	For details see pages:	£	£
SUPPLY SERVICES	18	..	209,440,802,662
CONSOLIDATED FUND STANDING SERVICES			
Payment to the National Loans Fund in respect of service of the National Debt .....	..	..	21,605,710,791
Payments to the European Communities, etc.	19-20	..	7,039,889,997
Northern Ireland—share of taxes, etc.	21	..	4,581,500,851
Other services:			
Civil List	21	8,318,833	
Annuities and pensions	21-24	23,502,203	
Salaries and allowances	25	4,742,560	
Courts of Justice	26-27	92,015,954	
Miscellaneous services	28	217,601,474	346,181,024
Issues to the Contingencies Fund .....	..	..	1,300,000,000
TOTAL PAYMENTS .....	..	..	244,314,085,325

B4: RECEIPTS OF INTEREST AND DIVIDENDS

HM Land Registry—dividend on Public Dividend Capital	9,202,570
Interest and dividends received from Votes	545,803,879
Miscellaneous	276,439
Crown Estate—surplus revenue	116,600,000
TOTAL	671,882,888

B5: MISCELLANEOUS RECEIPTS

	£	£
RECEIPTS FROM VOTES:		
Receipts of 1995-96 paid to the Consolidated Fund in 1997-98	24,164	
Receipts of 1996-97 (as detailed in Appropriation Accounts)	13,155,370,300	
Less amounts paid to the Consolidated Fund in 1996-97	4,425,253,723	
Amount paid to the Consolidated Fund in 1997-98 ⁽¹⁾	8,730,116,577	
Receipts of 1997-98 (on account)	4,108,751,950	
Amount paid to the Consolidated Fund in 1997-98	12,838,868,527	
Less interest and dividends received from Votes (<i>see above</i>)	545,803,879	12,293,064,648
OTHER RECEIPTS		
Independent Television Commission—Levy under Schedule 11 to the Broadcasting Act 1990		429,793,334
Radio Authority—Broadcasting Act 1990		7,627,286
Contributions by Her Majesty The Queen to meet certain payments under sections 2 and 3 of the Civil List Act 1972		1,515,000
Carried forward		12,732,000,268

⁽¹⁾ An amount of £62,693,025 was outstanding at 31 March 1997 in respect of 1996/97.

B5: MISCELLANEOUS RECEIPTS—continued

Brought forward		£	12,732,000,268
OTHER RECEIPTS—continued			
Consolidated Fund share of surplus accrued from securities held for:			
National Savings Bank			37,918,684
Insolvency Services Investment Bank			37,994,198
Crown's share of the Crown's Nominee Fund			8,000,000
Surplus Crown revenues – Jersey			250,665
Surplus Crown revenues – Guernsey			4,192,267
Savings on grants of Parliament and over-issues repaid			98,988,833
Isle of Man – contribution for 1997–98			1,931,638
Forestry Fund			12,268,443
Gas levy under section 6(1) of the Gas Levy Act 1981			181,135,405
National Savings Bank Ordinary Account—management expenses			54,200,000
Scottish Electricity – Privatisation Proceeds			747,000
Northern Ireland Electricity – trust fund schemes for transitional relief			8,175
Sherriff Court of Session			595,000
Unclaimed dividends and undistributed balances under the Insolvency Services (Accounting and Investment) Act 1970			1,492,026
Royal Mint—United Kingdom coinage			329,000,000
Superannuation contributions, etc:			
Courts of Justice	£	1,902,095	
Royal Household		694,369	
European Parliament		378,962	
Comptroller and Auditor General, etc.		5,823	
PCSPS		17,618	2,998,867
Other:			
Gifts and bequests to the nation			81,541
Forfeited parliamentary election deposits			697,500
Solicitors' Disciplinary Tribunal—penalties			148,247
Miscellaneous			70,602
TOTAL MISCELLANEOUS RECEIPTS			13,504,719,359

B6: SUPPLY SERVICES

Statement of issues in the year ended 31 March 1998, showing also the amounts of the grants in the year and the balance of grants for former years, the surplus balances written off in the year, and the balances remaining unissued at the end of the year

	Services	Grants					Total issues in the year	Surplus balances written off	Balances of grants unissued from the Consolidated Fund on 31 March 1998
		Balances of former years unissued from the Consolidated Fund	For the year 1997-98 (including supplementary grants)	For deficiencies of grants of former years	Total	Total			
I	Ministry of Defence	129,367,000	22,427,399,000	195,333,508	22,752,099,508	22,612,474,714	24,987,794	114,637,000	
II	Foreign and Commonwealth Office	8,261,000	2,924,205,000	—	2,932,466,000	2,851,300,620	57,863,227	23,302,153	
III	Ministry of Agriculture, Fisheries and Food and Intervention board—Executive Agency	28,000	1,330,811,000	—	1,330,839,000	1,205,426,025	125,400,369	12,606	
IV	Trade and Industry and Export Credits Guarantee Department	98,630,000	3,163,826,000	—	3,262,456,000	3,049,355,118	139,111,176	73,989,706	
V	Transport	67,610,000	5,081,606,000	—	5,149,216,000	4,928,789,441	51,719,844	168,706,715	
VI	Environment	52,120,000	39,558,156,000	—	39,610,276,000	39,220,932,179	77,720,663	311,623,158	
VII	Home Office and Charity Commission	81,806,000	6,820,033,000	—	6,901,839,000	6,602,144,390	100,467,592	199,227,018	
VIII	Lord Chancellor's and Law Officers' Departments	44,526,000	2,673,421,000	—	2,717,947,000	2,541,725,412	61,329,613	114,891,976	
IX	Education and Employment	808,000	15,878,822,000	—	15,879,630,000	15,135,586,619	107,814,332	636,229,048	
X	National Heritage	48,000	2,900,991,000	—	2,901,039,000	2,861,532,239	39,505,761	1,000	
XI	Department of Health	77,013,000	32,704,860,000	—	32,781,873,000	32,450,635,245	301,237,756	30,000,000	
XII	Department of Social Security	56,569,000	51,298,223,000	—	51,354,792,000	48,430,735,972	343,898,425	2,580,066,783	
XIII	Scotland and the Forestry Commission	47,015,000	13,567,091,000	—	13,614,106,000	13,204,910,115	244,616,576	164,579,309	
XIV	Wales	14,568,000	6,308,868,000	—	6,323,436,000	6,209,698,864	60,794,893	52,942,243	
XV	Northern Ireland	58,774,000	2,960,530,000	—	3,019,304,000	2,488,049,678	155,006,608	376,247,714	
XVI	Departments of the Chancellor of the Exchequer	14,549,568	3,173,678,000	—	3,188,277,568	3,078,872,962	92,445,473	16,909,133	
XVII	Cabinet Office, Office of Public Service, etc.	20,500,000	1,621,604,000	—	1,642,104,000	1,489,433,259	152,670,741	—	
XVIII	Cabinet Office, other services, Privy Council Office, Parliament, etc.	721,000	919,174,000	—	919,895,000	896,411,887	14,660,030	8,823,043	
XVIII,A	House of Commons	27,159,000	189,787,000	—	216,946,000	145,846,785	29,773,710	41,325,505	
XVIII,B	National Audit Office	—	38,700,000	—	38,700,000	36,941,139	560,796	1,198,065	
	TOTAL	800,072,568	215,541,785,000	195,333,508	216,537,191,076	209,440,802,662	2,181,676,199	4,914,712,214	

B7: PAYMENTS TO THE EUROPEAN COMMUNITIES, ETC. IN 1997-98

EUROPEAN COMMUNITIES ACT 1972 (1972 c. 68, s.2(3))

	<i>Total</i>
	£
Budget of the European Communities	7,039,889,997
European Investment Bank: Capital Subscription	Nil
	<u>7,039,889,997</u>

Budget of the European Communities: Payments

1. From 2 September 1996, retrospectively to 1 January 1995, Member States' own resources payments to the Community Budget have been made on the basis of the financing system set out in the 1988 Own Resources Decision. This followed agreement by all Member States in accordance with their own constitutional requirements; the Decision was incorporated into UK law by virtue of the EC (Finance) Act 1995. This Decision provides for the Community Budget to be financed by own resources consisting of:

- (a) agricultural and sugar levies;
- (b) customs duties;
- (c) VAT which is the product of the application of a uniform rate, not exceeding 1.4 per cent, to a harmonised expenditure base, (which must not exceed 55 per cent of the GNP of any Member State);
- (d) a "fourth resource" based on Member States' shares in Community GNP. The rate of this GNP-based resource is whatever is required, given all other revenue, to balance the Budget.

2. Under the terms of the Own Resources Decision there was an overall own resources ceiling of 1.24 per cent of Community GNP in 1997. This was increased to 1.26 per cent in 1998 and will be further increased to 1.27 per cent in 1999 and beyond. The Own Resources Decision also gradually increases the proportion of the GNP-based resource while reducing that of the VAT-based resource and progressively reduces the cap on the VAT base from 55% to 50%.

3. The UK's Fontainbleu abatement is calculated according to the formula set out in the Own Resources Decision. It is equal to 66 per cent of the difference in the previous year between on the one hand, what the UK would have paid if the Community Budget had been financed entirely by VAT (but excluding the UK's contribution to expenditure outside the Community, mainly aid) and, on the other, the UK's receipts from the Budget.

4. From 1989 onwards the calculation of the UK abatement has been adjusted to take account of the effects of the capped VAT base and the introduction of GNP contributions in comparison with what would have been paid with uncapped VAT contributions and an increase in the VAT ceiling. The intention is that the UK should end up no better or worse off than under the previous arrangements of uncapped VAT financing and an unadjusted Fontainbleu abatement system.

5. Under the Own Resources Decision, Member States retain 10 per cent of agricultural levies and customs duties payments to cover collection costs. Payments made to the Community are thus 90 per cent of the amounts collected.

6. Under Articles 10(4) and 10(6) of Council Regulation 1552/89, Member States are credited or debited with the balance of the amount of value added tax between their contributions in previous financial years and the amount actually due at the applied rate. On 1 December 1997 the UK received adjustments of £1,530,045 in respect of 1991, and £292,400,933 in respect of 1996 and made payments of £2,669,180 in respect of 1992, £9,420,156 in respect of 1993, £12,437,641 in respect of 1994 and £20,772,189 in respect of 1995. There were no adjustments in respect of 1988, 1989 or 1990.

7. Under Article 10(7) of Council Regulation 1552/89, Member States are credited or debited with the balance of the amount of the GNP-based fourth resource contributions actually due when the outturn GNP figures are provided for that year, in line with the adopted uniform rate. On 1 December 1997 the UK received an adjustment of £212,962,478 in respect of 1996 and made payments of £1,467,217 in respect of 1993, £5,600,673 in respect of 1994 and £8,476,559 in respect of 1995. There were no adjustments in respect of years prior to 1993.

8. In addition to the adjustments listed in paragraphs 6 and 7 the UK made a payment on 1 December 1997 of £18,392,838 relating to the definitive correction of the UK's abatement in respect of 1993.

9. Total own resources payments made by the United Kingdom to the European Communities during 1997-98 were:

(i) Payments on account towards 1998 Budget:	£	Total
		£
Agricultural and sugar levies	65,920,780	
Customs duties	421,573,555	
VAT contributions (before abatement)	1,565,702,754	
Fourth resource	1,268,737,520	
Less abatement	-573,979,364	
		<u>2,747,955,245</u>

B7: PAYMENTS TO THE EUROPEAN COMMUNITIES, ETC. IN 1997-98—*continued*

	£	Total £
(ii) Balance of payments towards 1997 Budget:		
Total amounts from:		
Agricultural and sugar levies	316,139,854	
Customs duties	1,800,053,949	
VAT contributions (before abatement)	3,646,936,857	
Fourth resource contributions	2,655,650,891	
Less abatement	-1,733,440,170	
Adjustment of previous years' VAT and fourth resource contributions under Articles 10(4) and 10(7) of Council Regulation 1552/89	-446,049,841	
Definitive correction of UK abatement in respect of 1993	18,392,838	
Less payments on account to 1997 Budget paid in 1996-97	-1,965,749,627	
		<u>4,291,934,752</u>
Total own resources payments made in 1997-98		<u>7,039,889,997</u>

Note

On 21 July 1997 the UK made an overpayment of £5,977,447.29 to the European Community in respect of Sugar and Isoglucose levies. This amount was recovered from the Community in full on 21 September 1998.

Budget of the European Communities: Receipts

10. Gross receipts from the European Community Budget come mainly from the Agricultural Guidance and Guarantee Fund and the Social and Regional Development Funds. These are not credited directly to the Consolidated Fund but are accounted for by departments through votes.

11. Public sector receipts from the Communities amounted to some £4,462 million during 1997-98, as follows: £ million

Agricultural Guarantee and Guidance Fund	2,955
Social Fund	867
Regional Development Fund	640
Other	11
Total	<u>4,472</u>

European Investment Bank

12. The European Investment Bank (EIB) is established under Article 198d of the Treaty establishing the European Economic Community. Payments of subscribed capital are made under the provisions of the EIB's statute which is a Protocol of the Treaty. By a decision of the EIB's Board of Governors of 9 June 1997, the remaining four instalments of the UK's (and other shareholders') capital subscriptions were fully paid in by drawing on the Bank's 1996 operating surplus. The UK's capital holding currently stands at 11,017,450,000 ecu.

B9: OTHER CONSOLIDATED FUND STANDING SERVICES—continued
ANNUITIES AND PENSIONS—continued

	Total Pension £	Of which:—		Paid from Consolidated Fund £	£
		Pension Increases Element (1) £			
<i>PENSIONS, ETC. FOR POLITICAL AND CIVIL SERVICES</i>					
Brought Forward					2,035,313
1972 c. 48, 1987 c. 45, 1991 c. 5, 1995 c. 26 Pensions to former Prime Ministers, their widows and dependants	149,299	16,236		133,063	
1965 c. 70, 1971 c. 13, 1972 c. 48, 1987 c. 45, 1991 c. 5 Pensions to former Speakers to the House of Commons, their widows and dependants (1)	61,468	21,684		39,784	
14 & 15 Geo. 6 c. 3, 1972 c. 11, 1976 c. 48, 1987 c. 39, 1993 c. 8 (1) Pensions to former Comptroller and Auditor Generals, their widows and dependants Lump sum payments	96,006 155,557	48,128		203,435	
1962 c. 14 Pensions to former Parliamentary Commissioners, their widows and dependants	152,723	54,250		98,473	
1965 c. 70, 1971 c. 13, 1987 c. 45 Pension to former Chief Electoral Officer, Northern Ireland, his widow and dependants	10,172	6,107		4,065	
1984 c. 35 Pension to former Data Protection Registrar	40,130	3,453		36,677	
Total from the Consolidated Fund					515,497
Carried forward					2,550,810

(1) By analogy with the Principal Civil Service Pension Scheme.

B9: OTHER CONSOLIDATED FUND STANDING SERVICES—continued
ANNUITIES AND PENSIONS—continued

	Total Pension £	Of which:—		£
		Pension Increases Element (1) £	Paid from Consolidated Fund £	
<i>PENSIONS, ETC. FOR JUDICIAL SERVICES</i>				
Brought Forward				2,550,810
ENGLAND AND WALES				
2 & 3 Will. 4 c. 111 39 & 40 Vict. c. 59, 5 & 6 Geo 5 c. 74, 19 & 20 Geo. 5 c. 8, 19 & 20 Geo. 5 c. 37, Eliz. 2 c. 9, 1965 c. 61, 1971 c. 23, 1973 c. 15, 1981 c. 20 & c. 54, 1993 c. 8	14,564,194 3,848,897	3,252,859	15,160,232	
Pensions (including widows' pensions) Lump Sum payments				
SCOTLAND				
1 & 2 Vict. c. 118, 9 & 10 Eliz. 2 c. 42, 1971 c. 58, 1973 c. 15, 1981 c. 20, 1993 c. 8	2,332,239 636,346	581,202	2,387,383	
Pensions (including widows' pensions) Lump sum payments				
IRELAND				
40 & 41 Vict. c. 56, 14 & 15 Geo. 6 c. 11, 14 & 15 Geo. 6 c. 20 (N.I.) 8 Eliz. 2 c. 25 (N.I.) 9 Eliz. 2 c. 2 (N.I.) 1969 c. 7 (N.I.), 1973 c. 15 & 36m SI 1991/2631 (N.I.), 1993 c. 8	821,944 247,266	163,822	905,388	
Pensions (including widows' pensions) Lump sum payments				
Total from the Consolidated Fund				18,453,003
				21,003,813

B9: OTHER CONSOLIDATED FUND STANDING SERVICES—continued

ANNUITIES AND PENSIONS—continued

	Total Pension £	Of which:—		£
		Pension Increases Element (') £	Paid from Consolidated Fund £	
MISCELLANEOUS PENSIONS				
Brought Forward				21,003,813
1 Geo. 5 c. 28, 1 Edw. 8 & 1, Geo. 6 c. 32, 15 & 16 Geo. 6 & 1 Eliz. 2 c. 37, 1972 c. 7, 1975 c. 82				
Royal Household pensions (including widows' pensions)	1,761,319		2,188,905	
Lump sum payments	352,978			
Transfer values	74,608			
1 Vict. c. 2, 15 & 16 Geo. 6, 1 Eliz. 2 c. 37, 1972 c. 7, and 1975 c. 82				
Civil List Pensions	107,405		107,405	
1979 c. 50, 1984 c. 52, 1988 c. 1				
Representatives of the European Parliament Pensions (2) (including widows' pensions)				
Transfer Values	240,011	37,931	202,080	2,498,390
TOTAL AMOUNT ISSUED FOR ANNUITIES AND PENSIONS				23,502,203

B9: OTHER CONSOLIDATED FUND STANDING SERVICES—continued**SALARIES AND ALLOWANCES**

	£	£
HOUSES OF PARLIAMENT:		
1972 c. 48, 1975 c. 27 Speaker of the House of Commons (£60,000)	58,623	
1991 c. 5 House of Commons: Leader of the Opposition (£55,000)	50,977	
House of Lords: Leader of the Opposition (£43,632)	56,603	
Night Subsistence Allowance (£16,610)		
Chief Opposition Whips:		
House of Commons (£31,125)	21,274	
House of Lords (£39,462)	52,711	
Night Subsistence Allowance (£16,610)		
1975 c. 27 Assistant Opposition Whip, House of Commons (£20,029)	27,091	
Severance Payments	31,546	
1977 c. 5 Employers' national insurance contributions	23,644	322,469
EUROPEAN PARLIAMENT:		
1979 c. 50, 1984 c. 52, 1993 c. 41 Representatives (£43,860) ⁽¹⁾	3,730,615	
Employers' national insurance contributions	326,839	4,057,454
NATIONAL AUDIT OFFICE		
14 & 15 Geo 6 c. 3, 5 & 6 Eliz. 2 c. 45, 1976 c. 48 Comptroller and Auditor General (£112,011)	109,465	
1977 c. 5 Employers' national insurance contributions	10,318	119,783
THE OFFICE OF THE PARLIAMENTARY COMMISSIONER:		
1967 c. 13, 1976 c. 48, 1987 c. 39 Parliamentary Commissioner (£112,011)	103,860	
1977 c. 5 Employers national insurance contributions	9,757	113,617
CHIEF ELECTORAL OFFICER FOR NORTHERN IRELAND:		
1962 c. 14 (N.I.), 1973 c. 36 Chief Electoral Officer (£55,066)	53,599	
1977 c. 5 Employers' national insurance contributions	4,732	58,331
THE OFFICE OF THE DATA PROTECTION REGISTRAR:		
1984 c. 35 Data Protection Registrar, (£62,001)	65,032	
1977 c. 5 Employer's national insurance contributions	5,874	70,906
TOTAL AMOUNT ISSUED FOR SALARIES AND ALLOWANCES		4,742,560

Note: Figures in brackets were the annual amounts payable at 31 March 1998.

⁽¹⁾ Representatives who are also Members of the House of Commons receive one third (£14,620) of the full MEP salary.

B9: OTHER CONSOLIDATED FUND STANDING SERVICES—continued**COURTS OF JUSTICE**

ENGLAND AND WALES	£	£
HOUSE OF LORDS:		
39 & 40 Vict. c. 59, 19 & 20 Geo. 5 c. 8, 1968 c. 5, 1973 c. 15, 1981 c. 54, 1991 c. 5		
12 Lords of Appeal in Ordinary (£131,034)	1,441,100	1,441,100
SUPREME COURT OF JUDICATURE:		
HER MAJESTY'S COURT OF APPEAL:		
39 & 40 Vict. c. 59, 1968 c. 5, 1971 c. 23, 1973 c. 15, 1981 c. 54		
35 Lord Justices (£124,551)	4,354,936	
Master of the Rolls (£131,034)	128,798	4,483,734
HER MAJESTY'S HIGH COURT OF JUSTICE:		
39 & 40 Vict. c. 59, 10 & 11 Eliz. 2 c. 15, 1968 c. 5, 1971 c. 23, 1973 c. 15, 1975 c. 27, 1979 c. 48, 1981 c. 54, 1991 c. 5		
Lord Chancellor, President of Chancery Division (£122,557)	121,500	
Lord Chief Justice, President of Queen's Bench Division (£140,008)	138,779	
President of the Family Division (£124,551)	123,127	
Vice-Chancellor (£124,551)	123,127	
97 Justices (£112,011)	10,547,452	11,053,985
CIRCUIT BENCH:		
39 & 40 Vict. c. 59, 15 & 16 Geo. 6, Eliz. 2 c. 12 & 1, 1968 c. 5, 1971 c. 23, 1973 c. 15, 1981 c. 54		
8 Official Referees (London) (£92,378)	833,112	
34 Senior Circuit, Specialist Circuit & Old Bailey Judges (£92,378)	2,560,301	
1 Recorder of Liverpool (£92,375)	99,401	
1 Recorder of Manchester (£92,375)		
504 Circuit Judges (£83,586)	41,795,976	45,288,790
METROPOLITAN MAGISTRATES COURTS:		
2 & 3 Vict. c. 71, 15 & 16 Geo. 6, Eliz. 2 c. 12, 7 & 8 Eliz. 2 c. 45, 1964 c. 42, 1973 c. 15, 1981 c. 54, 1997 c. 25		
1 Chief Magistrate (£83,586)	81,158	
48 Magistrates (£67,354) Inner London	3,159,942	
(£71,354) Intermediate	418,264	3,659,364
PROVINCIAL MAGISTRATES COURTS:		
1973 c. 15, 1997 c. 25		
41 Magistrates (£67,354)	2,476,967	2,476,967
1977 c. 5		
Employers' national insurance contributions		6,434,645
SCOTLAND		
COURT OF SESSION:		
17 & 18 Vict. c. 94, 39 & 40 Vict. c. 59, 15 & 16 Geo. 6 & 1, Eliz. 2 c. 12, 1968 c. 5, 1973 c. 15, 1981 c. 54, 1988 c. 36		
Lord Justice General and President (£131,034)	128,798	
Lord Justice Clerk and President of the Second Division (£124,551)	125,794	
18 Judges, Outer Court (£112,011)	1,971,572	
6 Judges, Inner Court (£124,551)	738,762	2,964,926
Carried forward		77,803,511

Note: Figures in brackets were the annual amounts payable at 31 March 1998.

B9: OTHER CONSOLIDATED FUND STANDING SERVICES—continued**COURTS OF JUSTICE—continued**

	£	£
Brought forward .. .. .	.. .. .	77,803,511
SCOTTISH LAND COURT:		
1 & 2 Geo. Sc. 49 and 1 Edw. 8 & 1 Geo. 6 c. 35, 1993 c. 45		
Chairman (£92,378)	91,778	
3 Members (£46,254) 2 Full Time+ (£27,753) 1 Part Time	119,667	211,445
SHERIFF COURTS:		
17 & 18 Vict. c. 94, 39 & 40 Vict. c. 70, 7 Edw. 7 c. 51, 15 & 16 Geo. 6 & Eliz. 2 c. 12, 9 & 10 Eliz. 2 c. 42, 1971 c. 58, 1981 c. 20		
6 Sheriffs Principal (£92,378)	550,668	
106 Sheriffs (£83,586)	8,543,942	9,094,610
1997 c. 5		
Employers' national insurance contributions .. .. .	.. .. .	1,147,931
NORTHERN IRELAND		
SUPREME COURT OF JUDICATURE, IRELAND:		
HER MAJESTY'S COURT OF APPEAL:		
19 & 20 Vict. c. 92, 39 & 40 Vict. c. 59, 40 & 41 Vict. c. 57 1968 c. 5, 1973 c. 15		
3 Lord Justices (£124,551)	369,381	
HER MAJESTY'S HIGH COURT OF JUSTICE:		
39 & 40 Vict. c. 59, 15 & 16 Geo. 6 & 1 Eliz. 2 c. 12 1968 c. 5 and 1973 c. 15		
Lord Chief Justice (£131,034)	128,798	
7 Justices (£112,011)	710,356	1,208,535
COUNTY COURTS:		
1959 c. 25 (N.I.), 1964 c. 30 (N.I.), 1973 c. 36		
1 Recorder of Belfast		
12 County Court Judges (£92,378)	1,150,732	1,150,732
MAGISTRATES COURTS:		
1964 c. 21 (N.I.), 1973 c. 36		
16 Resident Magistrates (£67,354)	1,067,698	1,067,698
1977 c. 5		
Employers' national insurance contributions .. .. .	.. .. .	322,921
WPS REFUNDS (Overcollected from individuals)	6,857	
Tax due on above	1,714	8,571
TOTAL AMOUNT ISSUED FOR COURTS OF JUSTICE:		92,015,954

Note: Figures in brackets were the annual amounts payable at 31 March 1998.

B9: OTHER CONSOLIDATED FUND STANDING SERVICES—continued**MISCELLANEOUS SERVICES**

	£
Expenses of Elections for the European Parliament (1978 c. 10, s. 7(1), 1991 c. 11, s. 1). Issues ⁽¹⁾ to Home Departments	688,000
Expenses of Parliamentary Elections (1983 c. 2, 1991 c. 11, s. 1.). Issues ⁽¹⁾ to Home Departments	12,680,868
Government Annuities Investment Fund—deficiency (19 & 20 Geo. 5 c. 29, s. 67(6))	650
Irish Land Purchase Fund (1981 c. 35, s. 137(1))	—
Jersey and Guernsey—payments in respect of Crown revenues received into the Consolidated Fund (11 & 20 Geo. 6 c. 2)	4,442,932
Repayment of post-war credits (including interest) (7 & 8 Eliz. 2 c. 28 and 1972 c. 41)	23,528
Royal Mint—reimbursement for coins redeemed (1973 c. 63, s. 5(b))	193,786,496
Expenses of the Referendum in Scotland	3,679,000
Expenses of the Referendum in Wales	2,300,000
TOTAL AMOUNT ISSUED FOR MISCELLANEOUS SERVICES	217,601,474
TOTAL	346,181,024

⁽¹⁾ Actual amounts expended are accounted for by the Home Departments (Home Office, Scottish Office and Northern Ireland Office).

SECTION 3
CONSOLIDATED FUND ASSETS

B10: SUMMARY

	At 31 March 1997	Changes in year of account	At 31 March 1998
INTERNATIONAL SUBSCRIPTIONS, ETC., WHICH CONSTITUTE ASSETS (see details on page 30)	6,528,841,032	131,937,296	6,660,778,328
AMOUNTS OUTSTANDING ON LOANS FROM VOTES⁽¹⁾ (see details on pages 31–32)	13,684,728,208	–37,098,913	13,647,629,295
ADDITIONAL ASSETS:			
Revenue collected but not yet paid over:			
Inland Revenue	116,427,778	–69,384,681	47,043,097
Customs and Excise	*	169,384,352	169,384,352
Vehicle Excise Duty	45,867,083	–45,867,083	*
National Non-domestic Rates	792,569,193	536,982,822	1,329,552,015
Advances repayable to the Consolidated Fund:			
Contingencies Fund – advances outstanding⁽²⁾	977,000,000	–443,201,000	533,799,000
Privatisation receipts – instalments outstanding⁽²⁾	1,607,150,000	–1,607,150,000	—
PUBLIC DIVIDEND CAPITAL:			
British Shipbuilders⁽¹⁾	1,598,541,000	—	1,598,541,000
Buying Agency	350,000	—	350,000
Central Office of Information	265,000	—	265,000
Companies House	15,889,000	—	15,889,000
Defence Evaluation and Research Agency	274,500,000	—	274,500,000
Driving Standards Agency	—	3,474,568	3,474,568
Fire Service College	16,721,000	—	16,721,000
Land Registry	61,544,662	—	61,544,662
Medicines Control Agency	1,646,000	—	1,646,000
Meteorological Office	58,867,000	—	58,867,000
NHS Trusts – England	8,440,175,261	665,125,143	9,105,300,404
– Scotland	1,415,006,418	2,794,500	1,417,800,918
– Wales	494,508,777	5,413,223	499,922,000
Patent Office	6,325,000	—	6,325,000
Queen Elizabeth II Conference Centre	—	812,375	812,375
Registers of Scotland	4,289,449	—	4,289,449
Royal Mint	7,000,000	—	7,000,000
Vehicle Inspectorate	20,330,500	—	20,330,500
Welsh Development Agency	8,860,573	–15,323	8,845,250
TOTAL	15,963,833,694	–781,631,104	15,182,202,590
TOTAL ASSETS EVALUATED	36,177,402,934	–686,792,721	35,490,610,213

Other assets of the Consolidated Fund, not currently evaluated, are listed on pages 33–34.

* See page 35.

⁽¹⁾ Revised.

⁽²⁾ Approximate and gross of instalment discounts.

⁽³⁾ In addition to £1,500,000 permanent capital of the Fund.

CONSOLIDATED FUND ASSETS—continued

B11: INTERNATIONAL SUBSCRIPTIONS, ETC., WHICH CONSTITUTE ASSETS*

	Amount outstanding at 31 March 1997	Amount outstanding at 31 March 1998
	£	£
African Development Bank		
Capital subscription	18,629,154	18,629,154
African Development Fund	144,254,152	161,405,678
Asian Development Bank:		
Capital subscription	27,355,722	27,355,722
Asian Development Fund	212,978,264	245,147,264
Caribbean Development Bank		
Capital subscription	6,273,658	6,228,100 ⁽¹⁾
Contribution to Special Development Fund	27,814,808	28,352,923
European Bank for Reconstruction and Development	175,585,474	164,164,606 ⁽²⁾
European Investment Bank		
Capital subscription	561,020,508	507,044,905 ⁽³⁾
UK share of EIB reserve fund	1,475,498,040	1,333,647,730 ⁽⁴⁾
Inter-American Development Bank		
Capital subscription	20,837,041	21,065,082 ⁽⁵⁾
Fund for Special Operations	96,661,409	198,237,883 ⁽⁶⁾
International Bank for Reconstruction and Development		
Capital subscription	258,885,094	256,492,611 ⁽⁷⁾
Interest Subsidy Fund	6,133,840	5,971,932 ⁽⁸⁾
International Development Association	3,372,725,919	3,562,223,215 ⁽⁹⁾
International Finance Corporation	74,842,054	72,866,527 ⁽¹⁰⁾
International Fund for Agricultural Development	46,120,403	48,804,644
Multilateral Investment Guarantee Agency		
Capital subscription	3,225,492	3,140,352 ⁽¹¹⁾
TOTAL	6,528,841,032	6,660,778,328

* See also liabilities for payments outstanding in respect of international subscriptions, etc. on pages 36 and 37 and the statement of contingent liabilities on page 46.

⁽¹⁾ Includes US\$2,813,813 valued at £1 = \$1.6745 (closing middle market rate on 31 March 1998).

⁽²⁾ ECU 255,525,000 valued at £1 = ECU 1.556517 (closing middle market rate on 31 March 1998).

⁽³⁾ By a decision of the EIB's Board of Governors on 9 June 1997, the remaining four instalments of the UK's (and other shareholders) capital subscriptions were fully paid-in by drawing on the Bank's 1996 operating surplus. The cumulative capital subscription to 1996-97 (ECU 789,224,015) has therefore been revalued using the £1 = ECU exchange rate prevailing as at 31 March 1998.

⁽⁴⁾ ECU 2,075,845,364 valued at £1 = ECU 1.556517 (closing middle market rate on 31 March 1998).

⁽⁵⁾ US\$35,273,480

⁽⁶⁾ Includes US\$133,395,886

⁽⁷⁾ Includes US\$147,767,611

⁽⁸⁾ US\$10,000,000

⁽⁹⁾ Includes US\$8,196,250

⁽¹⁰⁾ US\$122,015,000

⁽¹¹⁾ US\$5,258,520

} valued at £1 = \$1.6745 (closing middle market rate on 31 March 1998).

CONSOLIDATED FUND ASSETS—continued

B12: AMOUNTS OUTSTANDING ON LOANS FROM VOTES

Vote	Title	Amount outstanding at 31 March 1997	Amount outstanding at 31 March 1998
		£	£
<i>Class I</i>			
1	Defence: operating and support costs	37,672,750	32,161,750
2	Defence: logistics services	57,240,881	30,021,562
3	Defence: systems procurement and research.. .. .	112,106,806	80,211,107
<i>Class II</i>			
2	Foreign and Commonwealth Office: other external relations	365,506	367,977
4	Foreign and Commonwealth Office: British Council	—	—
5	Foreign and Commonwealth Office – Overseas Development Administration: external assistance:		
	Bilateral	1,098,817,801	1,051,646,597
	Multilateral	80,680,702	66,706,582
6	Foreign and Commonwealth Office – Overseas Development Administration: overseas superannuation	—	—
<i>Class III</i>			
3	Ministry of Agriculture, Fisheries and Food: Agricultural animal health, arterial drainage, flood and coast protection ⁽¹⁾	224,915	224,915
<i>Class IV</i>			
1	Department of Trade and Industry: programmes and administration	20,009,158	17,281,506
<i>Class V</i>			
1	Department of Transport: National Roads, England	710,609	—
2	Department of Transport: administration and transport services	695,511	634,946
	Carried forward	1,408,524,639	1,279,256,942

⁽¹⁾ The previous year's holdings have been restated.

CONSOLIDATED FUND ASSETS—continued

LOANS FROM VOTES—continued

Vote	Title	Amount outstanding at 31 March 1997	Amount outstanding at 31 March 1998
	Brought forward	£ 1,408,524,639	£ 1,279,256,942
<i>Class V (cont.)</i>			
5	Department of Transport: Roads and local transport	393,896,697	391,222,940
6	Department of Transport: other transport agencies	16,035,814	19,464,106
<i>Class VI</i>			
5	Department of the Environment: administration	—	632,031
<i>Class VII</i>			
1	Home Office administration, immigration, probation and police support services, England and Wales	19,558,583	8,499,725
<i>Class IX</i>			
1	Department for Education and Employment: programmes and central services	660,012,359	1,378,074,857
<i>Class X</i>			
1	Department for Culture, Media & Sport: Programme expenditure and administration	824,735	824,735
<i>Class XI</i>			
1	Hospital, community health, family health services (part) and related services, England	9,514,465,719	8,953,800,317
2	Department of Health: administration miscellaneous health services and personal social services, England	1,649,902	1,649,902
<i>Class XIII</i>			
1	Agricultural services and fisheries, Scotland	31,214,956	30,866,586
2	Local government, housing, transport, other environmental services and European funds, Scotland	3,233,561	7,402,998
12	Hospital, community health, family health (part), and other health services, Scotland	1,447,345,695	1,388,050,147
<i>Class XIV</i>			
2	Industrial Support, Development Board for Rural Wales, housing subsidy, employment and training and education, Wales	359,902	779,132
3	Roads and transport, housing, other environmental services, arts and libraries, health and personal social services and Welsh Office administration, Wales	2,300,000	2,200,000
4	Hospital, community health, family health, services and other health services (part), Wales	184,982,862	183,818,266
5	Local Government, Wales	10,296	7,178
<i>Class XVIII</i>			
1	Cabinet Office: Office of Public Service and Science	312,488	1,079,433
	TOTAL	13,684,728,208	13,647,629,295

CONSOLIDATED FUND ASSETS—continued

OTHER ASSETS OF THE CONSOLIDATED FUND AT MARCH 1997 AND 1998
B13: SHARES AND OTHER SECURITIES (NOMINAL HOLDINGS)

Department	Description of holding	Nominal amount		
		31 March 1997	31 March 1998	
		£	£	
Ministry of Agriculture, Fisheries and Food	613 shares in various agricultural and other co-operative societies	733	733	
	4,272 shares in Genus plc	—	427	
	12,983 shares in Dairy Crest plc	—	3,246	
	1,337 shares in National Milk Records plc	—	602	
Ministry of Defence	AWE plc: £1 Preferential Share	1	1	
	AWE Pensions Trustees Ltd: £1 Preferential Share	1	1	
	British Shipping Federation Ltd. £1 7½% Non-Cumulative Irredeemable Preference Shares	55,040	55,040	
	Chamber of Shipping. £1 7½% Non-Cumulative Irredeemable Preference Shares	688	688	
	International Military Services Ltd.: Shares at cost	19,999,999	19,999,999	
	Royal Dockyard Devonport plc £1 Preferential Share	1	1	
	Royal Dockyard Rosyth plc £1 Preferential Share	1	1	
	Department of the Environment	Docklands Light Railway £1 share	—	100
		Foreign and Commonwealth Office	Holding of shares in Chilean schools	4,900	4,900
	Calcutta Clinic		318	279
Jakarta International School Bond	16,500		14,881	
Home Office	HM Prison Service holdings 38,814 Dairy Crest shares	—	9,704	
	12,771 Genus shares	—	277	
	3,998 National Milk Record shares	—	400	
Inland Revenue	Holdings of miscellaneous foreign bonds and shares in companies	671,821	644,668	
Scottish Office	West Highlands Crofters and Farmers Ltd	10	10	
Department of Trade and Industry	AEA Technology plc: £1 Special Rights Preference Share	1	1	
	British Aerospace plc: £1 Special Rights Preference Share	1	1	
	British Energy plc: £1 Special Shares	1	1	
	£1 Ordinary Shares	5,028,616	5,008,811	
	Magnox Electric £1 Ordinary shares	1	—	
	49,998 £1 ordinary shares (one quarter paid up)	12,500	—	
	British Nuclear Fuels plc: £1 Ordinary Shares	32,668,243	32,668,243	
	British Telecommunications plc: £1 Special Rights Redeemable Preference Share	1	—	
	Cable and Wireless £1 Special Rights Redeemable Preference Share	1	1	
	Cambridge Antibody Technology: 1,250,000 Nominal Value Shares	0 ⁽¹⁾	4,450,000	
	Cambridge Genetics Ltd: 12,705 Nominal Value Shares	—	0 ⁽¹⁾	
	Hiver Ltd: 145,812 Nominal Value Shares	0 ⁽¹⁾	0 ⁽¹⁾	
	National Grid Group plc: £1 Special Rights Redeemable Preference Share	1	1	
	National Power plc: £1 Special Rights Redeemable Preference Share	1	1	
	Nuclear Electric plc: £1 Ordinary Share	1	1	

⁽¹⁾ Shares held by the Office of Science and Technology, which transferred to the DTI during the financial year 1996–97, most of which have no market value.

CONSOLIDATED FUND ASSETS—continued

SHARES AND OTHER SECURITIES (NOMINAL HOLDINGS)

Department	Description of holding	Nominal amount		
		31 March 1997	31 March 1998	
		£	£	
Department of Trade and Industry (contd.)	Nuclear Electric plc: £1 Ordinary Share	1	1	
	PowerGen plc: £1 Special Rights Redeemable Preference Share	1	1	
	Prolifix: 200,000 Nominal Value Shares	0 ⁽¹⁾	0 ⁽¹⁾	
	Ribotarget: 412,500 Nominal Value Shares	—	0 ⁽¹⁾	
	Rolls Royce Ltd: £1 Special Share	1	1	
	Somatogen: 50,000 Nominal Value Shares	210,851	255,343	
	Therexsys: 659,028 Nominal Value Shares	0 ⁽¹⁾	0 ⁽¹⁾	
	United Kingdom Accreditation Service £1 Ordinary share	1	1	
	United Kingdom Nirex Ltd.: £1 Special Share	1	1	
	Department of Transport	BAA: Special share	1	1
		European Passenger Services: £1 Ordinary shares	—	—
		Mersey Conservancy: 10% Conversion Stock 1999.. .. .	1,470	1,470
		NBC Pension Trustees: £1 Ordinary shares	—	—
		National Bus Nominees Ltd: £1 Ordinary shares	—	—
Railsale Ltd: £1 Ordinary Shares		100	100	
Railtrack Group plc: 50,000,000 0.1p shares		—	—	
Railtrack Ltd: 4,087,584 25p shares		1,027,864	1,021,896	
Sealink Stena Line Ltd: Preference Share		1	1	
Union Railways: £1 Ordinary shares		—	—	
HM Treasury		Bank of England Capital Stock	14,553,000	14,553,000
		BAA plc £1 Ordinary shares	660	660
		British Airways plc 25p Ordinary shares	30	30
		British Energy Bonds 2003	101,923,000	101,923,000
	Bonds 2006	144,291,000	144,291,000	
	Bonds 2016 ⁽²⁾	105,407,000	105,407,000	
	British Telecommunications plc 25p Ordinary Shares	2,676,291	2,676,291	
	Mersey Docks & Harbour Company 10p Ordinary Shares	1,241,180	—	
	National Power plc 50p Ordinary shares	3,328,777	3,328,679	
	Powergen plc 50p Ordinary shares	2,631,805	2,631,145	
	Railtrack Ltd Bonds 2006	694,000	694,000	
	Bonds 2016 ⁽²⁾	516,000	516,000	
	Scottish Power plc Bonds 2001	142,000,000	142,000,000	

⁽¹⁾ Shares held by the Office of Science and Technology, which transferred to the DTI during the financial year 1997-98, most of which have no market value.

⁽²⁾ The previous year's holdings have been restated.

B14: CONSOLIDATED FUND LIABILITIES

	Outstanding at 31 March 1997	Changes in year of account	Outstanding at 31 March 1998
	£	£	£
Liability to the National Loans Fund under section 19(1) of the National Loans Act 1968 (see page 55)	362,506,174,149	76,278,442	362,582,452,591
Other liabilities to the National Loans Fund:			
Payments from Votes for married quarters for Armed Forces	62,363,856	-1,066,807	61,297,049
Post-war credits outstanding (approximate)	33,260,000	-15,000	33,245,000
Accrued interest on post-war credits outstanding (approximate)	12,640,000	-5,000	12,635,000
Revenue paid over in advance of collection:			
Customs and Excise	28,162,844	-28,162,844	— †
Vehicle Excise Duty	— †	13,825,158	13,825,158
Payments outstanding in respect of international subscriptions, etc. (see page 29)			
African Development Fund			
Promissory notes issued	95,335,176	-143,012	95,192,164
Contributions due	—	29,488,592	29,488,592
Asian Development Fund			
Promissory notes issued	135,947,616	-15,417,319	120,530,297
Contributions due	—	50,255,044	50,255,044
Caribbean Development Bank			
Capital subscription:			
Promissory notes issued	1,318,893	-34,813	1,284,080 ⁽¹⁾
Special Development Fund			
Promissory notes issued	13,229,292	2,650,000	15,879,292
Contributions due	10,263,127	-2,650,000	7,613,127
European Bank for Reconstruction & Development			
Promissory notes issued	6,054,671	-6,054,671	—
Contributions due	—	123,123,487	123,123,487 ⁽²⁾

⁽¹⁾ US\$2,150,192 valued at £1 = \$1.6745 (closing middle market rate on 31 March 1998).

⁽²⁾ ECU 191,643,800 valued at £1 = ECU 1.556517 (closing middle market rate on 31 March 1998).

† See page 29.

B14: CONSOLIDATED FUND LIABILITIES—continued

	Outstanding at 31 March 1997	Changes in year of account	Outstanding at 31 March 1998
	£	£	£
Payments outstanding in respect of international subscriptions, etc. (see page 29)— <i>continued</i>			
European Investment Bank			
Contributions due	27,193,622	-27,193,622	— ⁽¹⁾
Inter-American Development Bank			
Capital subscription:			
Promissory notes issued	1,798,081	147,050	1,945,131 ⁽²⁾
Contributions due	2,989,406	-1,051,475	1,937,971 ⁽³⁾
Fund for Special Operations			
Promissory notes issued	8,801,088	-2,519,813	6,281,275
Contributions due	1,328,554	-1,216,454	112,100
International Bank for Reconstruction and Development, as Trustee of Global Environment Trust Fund			
Promissory notes issued	65,448,999	8,172,001	73,621,000
Contributions due	22,387,000	62,863,000	85,250,000
International Bank for Reconstruction and Development, as Payee for the Montreal Protocol Multilateral Fund			
Promissory note issued	6,266,430	2,080,093	8,346,523 ⁽⁴⁾
International Development Association			
Promissory notes issued	673,640,000	-189,630,000	484,010,000
Contributions due	—	299,150,000	299,150,000
International Fund for Agricultural Development			
Promissory notes issued	12,312,674	1,844,683	14,157,357
United Nations Environment Programme, as Treasurer of Montreal Protocol Multilateral Fund			
Promissory notes issued	1,790,409	-918,834	871,575 ⁽⁵⁾
Contributions due	17,971,178	-6,306,637	11,664,541 ⁽⁶⁾
Payments outstanding in respect of overseas aid grants and loans			
Bilateral grants	1,049,630,940	-111,045,855	938,585,085
Bilateral loans	5,981,889	-5,208,802	773,087
Overseas aid: miscellaneous pledges (rounded)	300,000	66,667	366,667

⁽¹⁾ By a decision of the EIB's Board of Governors of 9 June 1997, the remaining four instalments of the UK's (and other shareholders) capital subscriptions were fully paid-in by drawing on the Bank's 1996 operating surplus.

⁽²⁾ US\$3,257,122

⁽³⁾ US\$3,245,065

⁽⁴⁾ US\$13,976,253

⁽⁵⁾ US\$1,459,452

⁽⁶⁾ US\$19,532,274

valued at £1 = \$1.6745 (closing middle market rate on 31 March 1998).

B15: STATEMENT OF CONTINGENT OR NOMINAL LIABILITIES OF THE CONSOLIDATED FUND

Actual and Contingent Liabilities

The statement summarises actual and contingent liabilities of the Consolidated Fund reported by government departments, excluding:

- (a) cases involving £100,000 or less;
- (b) cases arising in the normal course of departments' business;
- (c) a small number of other cases, of which details have been supplied to the National Audit Office, where there are considerations of national security, or commercial confidentiality, or where public knowledge of a guarantee could prompt claims from third parties.

DEPARTMENT/STATUTE	NATURE OF LIABILITY	AMOUNT OUTSTANDING AT 31.3.97	AMOUNT OUTSTANDING AT 31.3.98
		£m	£m
MINISTRY OF AGRICULTURE, FISHERIES AND FOOD			
	STATUTORY LIABILITIES CHARGED TO VOTES		
Agriculture Act 1967, Section 64 and secondary legislation.	Bank loan guarantees given by the Agriculture Credit Corporation to credit-worthy farmers and growers.	2.4	1.7
	NON-STATUTORY LIABILITIES CHARGED TO VOTES		
	Non-statutory obligations to ex-MAFF employees.	0.3	0.3
	Indemnity against all actions, claims, demands, costs and expenses made against the National Institute for Agricultural Botany arising out of their contract with MAFF, in excess of £5 million per claim. Indemnity limited to claims made before 31 March 1998.	Unquantifiable	Unquantifiable
	Provision of top-up funds for employees and former employees of the National Institute for Agricultural Botany (NIAB) who are not members of the NIAB pension fund, and who, on departure from NIAB wish to transfer their existing benefits to another public sector scheme.	0.1	0.1
CABINET OFFICE			
	NON-STATUTORY LIABILITIES CHARGED TO VOTES		
	Domestic antique silver on loan to the Prime Minister's office.	2.7	1.1
	Indemnities given to National Publishing Group following privatisation of Her Majesty's Stationery Office (HMSO).	2.0	2.0
	Indemnity given to Caxton Facilities Management following contracting out of Facilities Management Services.	0.4	0.4
HOUSE OF COMMONS	Indemnities for works of art on loan to the Houses of Parliament.	4.7	4.7
MINISTRY OF DEFENCE			
	STATUTORY LIABILITIES CHARGED TO VOTES		
Ordnance Factories and Military Services Act 1984, Section 16	Statutory liabilities in relation to the operation of International Military Services Ltd.	Statutory limit £50m (£100m with Commons approval)	Statutory limit £50m (£100m with Commons approval)
Nuclear Installation Act 1965, mainly Section 19	Contractorisation of AWE: indemnity to Hunting BRAE Ltd. in respect of nuclear risks under the Nuclear Installation Act 1965.	Up to £140m per incident	Up to £140m per incident
	NON-STATUTORY LIABILITIES CHARGED TO VOTES		
	Liability in respect of assurances given to an overseas Government relative to a sales contract for certain military equipment and spares between that Government and International Military Services Ltd.	16.0	16.0

STATEMENT OF CONTINGENT OR NOMINAL LIABILITIES—*continued*

Actual and Contingent Liabilities

DEPARTMENT/STATUTE	NATURE OF LIABILITY	AMOUNT OUTSTANDING AT 31.3.97	AMOUNT OUTSTANDING AT 31.3.98
		£m	£m
MINISTRY OF DEFENCE (<i>contd.</i>)			
	NON-STATUTORY LIABILITIES CHARGED TO VOTES (<i>contd.</i>)		
	Indemnity given to the Federal Republic of Germany in respect of additional costs which might be incurred by Messerschmitt-Bolkow-Blohm/Dornier in the event of delays in the development of the European Collaborative Radar 90 for the Euro Fighter 2000.	80.0*	80.0*
	Indemnity given in relation to the disposal of Gruinard Island in the event of claims arising from the outbreak of specific strains of anthrax on the Island.	Unquantifiable	Unquantifiable
	Liabilities arising from insurance risk of exhibits on loan to the Army and Navy Museums.	1.4	1.1
	Contractorisation of AWE: indemnity to Hunting-BRAE Ltd. in respect of non-Nuclear Installation Act nuclear risks resulting from claims for damage to property or death and personal injury to a third party.	Unquantifiable	Unquantifiable
	Contractorisation of AWE: indemnity to Hunting-BRAE Ltd. in respect of non-nuclear risks.	Unquantifiable	Unquantifiable
	Indemnities to Devonport Royal Dockyards Ltd. (DRDL) and to the Babcock Group in respect of nuclear risks under the Nuclear Installation Act 1965.	Up to £140m per incident	Up to £140m per incident
	Indemnities to Devonport Royal Dockyards Ltd. (DRDL) and to the Babcock Group in respect of non-nuclear risks resulting from claims for damage to property or death and personal injury to a third party.	Up to £140m per incident	Up to £140m per incident
	Product liability to British Aerospace in respect of work carried out by third party contractors on aircraft for which BAe are Design Authority and for which BAe, at MOD's request provide the third party contractor with design advice and verification.	Unquantifiable	Unquantifiable
	Indemnity to SERCO to meet the cost of redundancy liability for ex-MOD staff transferred to the company with the contract for the operation and maintenance of Tracking and Surveillance Radar, Telemetry equipment and other services at Royal Artillery Ranges Hebrides.	1.41	1.41
	Liabilities arising from the sale of Married Quarters estate to the Annington Group:		
	a. liability to meet a proportion of the new owner's costs arising from any difficulties in establishing title, rights of way or overcoming other encumbrances on the properties as a result of deficiencies in the information provided by MOD during the sale process.	50.0	50.0
	b. liability to continue to provide utilities—mainly electricity, gas, water and sewerage services, on repayment terms to sites that are surrendered in the first 25 to 28 years which depend on adjacent bases for these services; or to contribute to the cost of installing 'public' utility services, up to a maximum of £25 million across the estate.	25.0	25.0
	Residual liability for the remediation of unidentified contamination in parts of the former Rosyth Naval Base which has been sold to Rosyth 2000 plc.	—	0.5

* Represents sterling equivalent of DM200M which is subject to exchange rate movements.

STATEMENT OF CONTINGENT OR NOMINAL LIABILITIES—*continued*

Actual and Contingent Liabilities

DEPARTMENT/STATUTE	NATURE OF LIABILITY	AMOUNT OUTSTANDING AT 31.3.97	AMOUNT OUTSTANDING AT 31.3.98
		£m	£m
DEPARTMENT FOR EDUCATION AND EMPLOYMENT			
STATUTORY LIABILITIES CHARGED TO VOTES			
Education Act 1996, Section 483	City Technology Colleges. In each case where a Funding Agreement has been signed, the Secretary of State has entered into an indemnity to cover specified categories of expenditure in the event that the holder of his office terminates the agreement for reasons other than its breach by the CTC.	Unquantifiable	Unquantifiable
Employment and Training Act 1973, Sections 2 and 3	Career Development and small firms training Loans portfolio guarantee.	13.0	10.0
Teachers' (Compensation for Redundancy and Premature Retirement) Regulations 1989	Under this statute, the Secretary of State for Education and Employment is the compensating authority for a grant-maintained school for the purposes of paying PRC, and is able to claim back the costs from the school. If a school closes, the Secretary of State will remain responsible for any outstanding costs.	Unquantifiable	Unquantifiable
NON-STATUTORY LIABILITIES CHARGED TO VOTES			
	Grant-maintained schools unable to obtain commercial insurance cover.	48.1	27.5
	Guarantee to meet shortfall between rent liability and income accruing to Open University, following agreement to takeover lease of the former Council of National Academic Awards headquarters.	3.5	3.5
	Secretary of State's legal requirement in respect of Remploy, a company limited by guarantee.	Unquantifiable	Unquantifiable
	The Department will meet the accrued Civil Service redundancy entitlement to date of resignation of secondees who resigned from the Department to take up Training and Enterprise (TEC) employment on or after 1 January 1993 in TECs in England and Wales if:	11.8	11.8
	a. their TEC makes them redundant due to direct government action during their first five years of employment.		
	b. a court or tribunal ever ruled that TEC and civil service employment were continuous for redundancy calculation purposes.		
	Two liabilities arising from the administrative receivership of South Thames Training and Enterprise Council (STTEC):	0.1	2.0
	a. to existing providers.		
	b. to the administrative receiver acting on the department's behalf.		
DEPARTMENT OF THE ENVIRONMENT, TRANSPORT AND THE REGIONS			
STATUTORY LIABILITIES CHARGED TO VOTES			
London Docklands Railway (City Extension) Act 1986, section 24(14)	Dispute between DLR Ltd. and Railtrack over the valuation for land compensation in respect of the Royal Mint Street site.	15.6	15.0
Housing Association Act 1985, Section 84	Indemnity of building society mortgages for shared ownership schemes.	2.4	2.4

STATEMENT OF CONTINGENT OR NOMINAL LIABILITIES—*continued*

Actual and Contingent Liabilities

DEPARTMENT/STATUTE	NATURE OF LIABILITY	AMOUNT OUTSTANDING AT 31.3.97	AMOUNT OUTSTANDING AT 31.3.98
		£m	£m
DEPARTMENT OF THE ENVIRONMENT, TRANSPORT AND THE REGIONS (contd.)			
STATUTORY LIABILITIES CHARGED TO VOTES (contd.)			
Water Act 1989, Section 173	Environment Agency remnant Pension Fund responsibilities.	Unquantifiable	Unquantifiable
Merchant Shipping Act 1988, Section 26	Industrial injuries to trainees under the Merchant Navy Training Scheme and the Development of Certified Seafarers (DOCS) Scheme.	0.3	0.3
Channel Tunnel Act 1987, Sections 25, 26 and 29	Potential liabilities in the event of termination of Eurotunnel's concession.	Unquantifiable	Unquantifiable
Marine and Aviation Insurance Act 1952, Section 1	Government war risk reinsurance for British shipowners insuring their vessels with the British Mutual War Risks Association (Clubs). Under the current agreement with the Clubs, the Government provides 95% reinsurance for Queens Enemy Risks (QER). A contingent liability arises from the continuous QER cover for the hull and machinery value of British flag vessels entered with the Clubs.	Unquantifiable	Unquantifiable
Railways Act 1993, Schedule 11, paragraph 11	Guarantee to the Trustee of the Railways Pension Scheme in respect of any deficit arising in the Pensioners (A) and (B) sections of the Railways Pension Scheme now merged as the 1994 Pensioners section.	Unquantifiable	Unquantifiable
NON-STATUTORY LIABILITIES CHARGED TO VOTES			
	Sale of PSA Building Management businesses to the private sector: Severance guarantee to make up any shortfall in redundancy payments due to civil servants who transferred to the businesses in the event of any one of the purchaser's bankruptcy within the first five years of the sales.	51.8	48.6
	Indemnities provided by the United Kingdom Atomic Energy Authority to shipowners against third party claims arising from dumping of radioactive waste at sea.	Unlimited	Unlimited
	Possible adjustment to receipt for sale of Housing Corporation loan portfolio.	Unquantifiable	Unquantifiable
	General Lighthouse Authorities' Pension funds.	87.0	163.0
	Reinstatement of International Maritime Organisation (IMO) building, abatement of rent if IMO building destroyed; and rehousing of IMO during rebuilding.	99.0	102.3
	Potential liabilities to National Bus Company (NBC) pensioners. The Pensions Ombudsman issued determinations in 1996 and 1997 which required the NBC Pensions Trustees (NBPT) to seek recovery from the Department of the surplus from the NBC Pension Schemes plus interest. The Trustees have commenced legal action against the Department. In the event that the Department loses, the amount of interest payable will be determined by the Court.	121.7	121.7
	Sponsorship of the Civil Aviation Authority (CAA). The Air Travel Trust, which is administered by the CAA as Trustees, provides protection for air-package holiday makers in the event of a collapse of tour operators whose resources are insufficient to meet claims a Government guarantee has been given to the Fund so that the Trustees may borrow from the Banks, if the need arises.	21.0	21.0

STATEMENT OF CONTINGENT OR NOMINAL LIABILITIES—*continued*

Actual and Contingent Liabilities

DEPARTMENT/STATUTE	NATURE OF LIABILITY	AMOUNT OUTSTANDING AT 31.3.97	AMOUNT OUTSTANDING AT 31.3.98
		£m	£m
DEPARTMENT OF THE ENVIRONMENT, TRANSPORT AND THE REGIONS (<i>contd.</i>)			
NON-STATUTORY LIABILITIES CHARGED TO VOTES (<i>contd.</i>)			
	North Atlantic Treaty Organisation (NATO) agreement relating to the indemnification of civil aircraft in respect of their use on NATO tasks in times of crises and war.	Unquantifiable	Unquantifiable
	Guarantee in respect of obligations arising from leases of European Night Stock by Eurostar (UK) Ltd.	Up to a maximum of 112.0	Up to a maximum of 112.0
	Channel Tunnel Rail Link—liability to pay compensation to London and Continental Railways, in the event of changes to or termination of the project.	Unquantifiable	Unquantifiable
	Guarantee in respect of obligations of Eurostar (UK) Ltd. at Ashford International Passenger Station.	133.0 (over a period of next 25 years)	133.0 (over a period of next 24 years)
	Guarantee in respect of leases entered into for Class 465 Electrical Multiple Units for Network South East, following disposal of the rail rolling stock companies.	Up to a maximum of 211.0	Up to a maximum of 211.0
	Guarantee in respect of obligations arising from leases to Channel Tunnel High Speed Train Sets by Eurostar (UK) Ltd.	Up to a maximum of 455.0	Up to a maximum of 455.0
	BR as a going concern—Assurance given to Board that adequate Government funds will be made available to meet any financial obligations arising from the BR Board's present or future liabilities, or liabilities arising from past transactions, events and circumstances.	Unquantifiable	Unquantifiable
	Letter of comfort in May 1997 to Kent County Council offering reimbursement of compensation costs if revocation of a planning permission for dredging disposal at Barksore Marshes proves necessary.	—	Unquantifiable
EXPORT CREDITS GUARANTEE DEPARTMENT			
STATUTORY LIABILITIES CHARGED TO VOTES			
Export and Investment Guarantees Act 1991			
Section 1	Credit Insurance guarantees, including Tender to Contract cover, also guarantees given to minimise loss, refinancing sovereign debt or reduce interest support costs.	27,012.2	26,389.6
Section 1	Commitment to take out export loans in foreign currencies made:		
	a. before December 1984.	34.3	42.7
	b. since December 1984.	3,566.8	3,919.3
Section 1	Commitments to take out loans funded by Guaranteed Export Finance Corporation (GEFCO).	1,081.6	1,016.0
Section 1	Overseas Aid.	0.9	0.8
Section 2	Overseas investment insurance.	335.4	520.4
Section 3	Guarantees to refinance Sovereign Debt or reduce/contain Interest Support costs.	1,325.9	1,297.6
Section 3	Commitments to take out loans funded by GEFCO.	998.4	1,166.6
Section 3	Swap Counterparty exposure.	461.3	518.8

All non-sterling amounts have been converted into sterling at the appropriate exchange rates on 31 March 1998.

STATEMENT OF CONTINGENT OR NOMINAL LIABILITIES—*continued*

Actual and Contingent Liabilities

DEPARTMENT/STATUTE	NATURE OF LIABILITY	AMOUNT OUTSTANDING AT 31.3.97	AMOUNT OUTSTANDING AT 31.3.98
		£m	£m
FOREIGN AND COMMONWEALTH OFFICE			
	NON-STATUTORY LIABILITIES CHARGED TO VOTES		
	Indemnities against loss or damage given by the Commonwealth Institute to the owners of objects exhibited on its premises.	0.3	0.3
	Indemnities given by British Council to the owners of objects exhibited overseas against loss or damage.	7.5	13.0
	Contractual liability of the BBC to Merlin Communications International Limited resulting from the privatisation of the BBC's Overseas transmission business.	50.0	50.0
	STATUTORY LIABILITIES CHARGED TO VOTES		
Commonwealth Institute Act 1958	Commonwealth Institute: liability for maintenance of building, and other statutory requirements, in the event of closure.	0.8	0.9
DEPARTMENT OF HEALTH			
	STATUTORY LIABILITIES CHARGED TO VOTES		
Water Act 1991	An indemnity to water undertakers in respect of costs, damages and expenses not otherwise covered by insurance arising from claims or proceedings on the grounds of alleged harm to health arising solely from fluoridation.	Unquantifiable	Unquantifiable
NHS and Community Care Act 1990. Section 64 and Schedule 3	Overdraft guarantees for NHS Trusts.	52.5	45.9
Regulation 2(a) of the Employers Liability (Compulsory Insurance) (Amendment) Regulations 1974	The Department has issued an exemption Certificate to the National Radiobiological Protection Board in respect of any liability to its employees of the kind mentioned in Section (1) of the Employers Liability (Compulsory Insurance) Act 1969.	Unquantifiable	Unquantifiable
	NON-STATUTORY LIABILITIES CHARGED TO VOTES		
	An indemnity to water undertakers in respect of costs, damages and expenses not otherwise covered by insurance arising from claims or proceedings on the grounds of alleged harm to health arising solely from supplying water which has been fluoridated by another water undertaker and which therefore is not covered by the statutory guarantee.	Unquantifiable	Unquantifiable
	The Department has undertaken to meet the cost of compensation payments arising from claims for injury arising from trials of a whooping cough vaccine development by the Microbiological Research Authority.	Unlimited	Unlimited
	The Department has undertaken to meet the cost of compensation payments arising from claims for injury arising from the Immunisation of voluntary donors with specialised immuno-globulins subsequently harvested and used in the treatment of haemolytic diseases of newborn babies.	Unlimited	Unlimited
	In the event of a nuclear emergency it would be necessary to distribute stable iodine tablets to the general public to prevent the uptake of radioactive iodine. The Department has undertaken to indemnify those other than qualified medical personnel distributing the tablets against any action resulting from adverse reactions.	Unquantifiable	Unquantifiable

STATEMENT OF CONTINGENT OR NOMINAL LIABILITIES—*continued*

Actual and Contingent Liabilities

DEPARTMENT/STATUTE	NATURE OF LIABILITY	AMOUNT OUTSTANDING AT 31.3.97	AMOUNT OUTSTANDING AT 31.3.98
		£m	£m
DEPARTMENT OF HEALTH (<i>contd.</i>)	NON-STATUTORY LIABILITIES CHARGED TO VOTES (<i>contd.</i>)		
	The Government originally paid £42 million to a Trust from which payments are made to Haemophiliacs infected with HIV virus following treatment by the NHS with infected blood products. The Department has agreed to pay to the Trust any sums required to make payments if the funds already provided prove insufficient.	Unquantifiable	Unquantifiable
	A letter which the Department sent to the Association of British Health Care Industries on 9 June 1992 may be construed as a letter of comfort in respect of contracts entered into by NHS Trusts and hence result in a non-statutory liability. The letter was withdrawn on 17 August 1993 but a residual contingent liability may remain in respect of contracts entered into between the issue of the letter and its withdrawal.	Unlimited	Unlimited
	The Department has undertaken to meet legal and other costs of medical and nursing staff engaged on clinical trials approved by the National Blood Authority of new blood products manufactured by the Bio-Products Laboratory a part of the NBA, and the costs of any claims for damages from patients arising from clinical trials of the new products.	Unquantifiable	Unquantifiable
	To cover the cost of the Family Fund meeting its duties, under legislation to its staff in the event of it being wound up by the Government.	0.5	0.5
	An indemnity to Higher Education providers to cover a proportion of any redundancy costs, which may arise in respect of pre-registration nurse education, which has now moved to a higher education sector, should a contract of education not be renewed.	60.0	60.0
	The Department was found negligent in failing to stop treating patients with Human Growth Hormone by 1 July 1977—at a time when possible consequences should have been apparent. Compensation will need to be paid to patients treated after this date who subsequently die from CJD.	—	Unquantifiable
HOME OFFICE (HM Prison Service)	NON-STATUTORY LIABILITIES CHARGED TO VOTES		
	Crown as insurers of last resort in respect of contracts to design, construct, manage and finance new prisons.	Unquantifiable	Unquantifiable
LORD CHANCELLOR'S DEPARTMENT	NON-STATUTORY LIABILITIES CHARGED TO VOTES		
	Collection of paintings and works of art.	1.3	1.3
DEPARTMENT FOR CULTURE, MEDIA AND SPORT (FORMERLY THE DEPARTMENT OF NATIONAL HERITAGE)	STATUTORY LIABILITIES CHARGED TO VOTES		
National Heritage Act 1980, Section 16	Government Indemnity Scheme. Works of art on loan to:		
	British Museum	29.5	47.3
	Imperial War Museum	2.9	1.4
	National Gallery	428.7	398.9
	National Maritime Museum	15.7	16.9
	National Museums and Galleries on Merseyside	34.2	16.7

STATEMENT OF CONTINGENT OR NOMINAL LIABILITIES—*continued*

Actual and Contingent Liabilities

DEPARTMENT/STATUTE	NATURE OF LIABILITY	AMOUNT OUTSTANDING AT 31.3.97	AMOUNT OUTSTANDING AT 31.3.98
		£m	£m
DEPARTMENT FOR CULTURE, MEDIA AND SPORT (FORMERLY THE DEPARTMENT OF NATIONAL HERITAGE) (contd.)			
STATUTORY LIABILITIES CHARGED TO VOTES (contd.)			
National Heritage Act 1980, Section 16 (contd.)	Government Indemnity Scheme. Works of art on loan to:-		
	National Portrait Gallery	14.2	4.2
	National Museum of Science and Industry	86.5	86.5
	Tate Gallery	169.3	240.8
	Victoria & Albert Museum	146.2	103.6
	Non-national museums and galleries and other UK institutions	273.6	507.2
	South Bank Centre	10.8	48.9
	British Library	56.2	53.2
	Historic Royal Palaces	15.2	12.7
	Crafts Council	1.2	1.0
	English Heritage	47.1	24.3
	Royal Armouries	4.7	4.3
	Wallace Collection	0.1	0.1
Broadcasting Act 1990, Schedule 9, Paragraph 10	The Broadcasting Act provides for the division of the IBA's assets between the ITC, Radio Authority and National Trans-communications Limited. If any liabilities crystallise after the transfer date and cannot be transferred to one of the successor bodies they shall be met by the residual IBA. Any sums required by the IBA to discharge such liabilities are to be paid by the Secretary of State.	Unquantifiable	Unquantifiable
NON-STATUTORY LIABILITIES CHARGED TO VOTES			
	Indemnities granted in respect of works of art on loan to the Government Art Collection.	9.0	9.0
	Sale of National Transcommunications Limited (NTL). Indemnity against cost of legal fees as a result of NTL Directors' participation in preparation of Information Memorandum and profit forecast. Indemnity excludes negligence recklessness and fraud.	Unquantifiable	Unquantifiable
	Deed of indemnity between the Secretary of State for National Heritage, BSF and BSF's then newly-acquired subsidiary companies.	Unquantifiable	Unquantifiable
	Deed of indemnity between the Royal Armouries and the British Waterways Board relating to the condition of the site of the new Royal Armouries Museum in Leeds.	Unquantifiable	Unquantifiable
	The Chatham Historic Dockyard Trust has been provided with an assurance of funding to cover their current and prospective revenue deficit. This is to satisfy a requirement from the Heritage Lottery Fund following the Trust's request for capital funding.	0.3	0.3
	For reasons of constitutional principle it is not possible for the Government to provide a formal indemnity under the National Heritage Act 1980 for loans from the Royal Collections. The Government has therefore given an undertaking to Her Majesty that, in the event of loss of, or damage to, items on loan from the Royal Collections, it would be prepared to seek Parliamentary authority for compensation comparable to that available to private lenders. Works of art on loan from the Royal Collections to:		
	British Museum	11.6	6.9
	English Heritage	10.1	10.1
	National Gallery	13.1	13.1
	National Maritime Museum	0.1	0.8
	Royal Armouries	1.4	1.6
	Victoria & Albert Museum	30.9	31.4
	Non-National museums and galleries and other UK institutions	3.0	1.9
	Historic Royal Palaces	—	50.0
	National Museum of Science and Industry	—	0.2
	South Bank Centre	—	9.6
	Actual liability created by assurance of capital funding for Somerset House Limited for four years between 1997-98 and 2000-01.	—	3.5

STATEMENT OF CONTINGENT OR NOMINAL LIABILITIES—*continued*

Actual and Contingent Liabilities

DEPARTMENT/STATUTE	NATURE OF LIABILITY	AMOUNT OUTSTANDING AT 31.3.97	AMOUNT OUTSTANDING AT 31.3.98
		£m	£m
DEPARTMENT OF NATIONAL SAVINGS			
STATUTORY LIABILITIES CHARGED DIRECTLY ON THE CONSOLIDATED FUND			
National Savings Bank Act 1971, Section 25	If at any time claims in respect of ordinary deposits cannot be met, the Treasury shall provide the Director of Savings with such sum out of the Consolidated Fund as is necessary to meet them.	Unquantifiable	Unquantifiable
OFFICE OF PASSENGER RAIL FRANCHISING			
STATUTORY LIABILITIES CHARGED DIRECTLY ON THE CONSOLIDATED FUND			
1993 Railways Act, Section 29(5)	Liabilities within franchise agreements for 25 Train operating companies	Up to 260.0 per year	Up to 260.0 per year
	(i) VAT on Passenger Fares	Unquantifiable	Unquantifiable
	(ii) Track Access Review		
	(iii) Station Charging Review		
	(iv) Competition Review		
	(v) Load Factors		
	(vi) Mandatory Modifications		
1993 Railways Act, Section 29(5)	Liabilities in direct agreements with:		
	(a) Rolling Stock Companies (ROSCOS):		
	(i) Premature termination of a rolling stock lease		
	(ii) Premature termination of franchising agreement (existing stock)		
	(iii) Option to call a new contract when reletting franchises (new stock)		
	(iv) Change to terms of option and the further option (new stock)		
	(b) SPARESCO:		
	Ensure pool of spare parts remains available		
	(c) RAILPART:		
	Requirement to enter spares part supply contract		
	(d) RACAL-BR TELECOMMUNICATIONS:		
	Covers notice period if franchise terminated		
	(e) ABB CUSTOMER SUPPORT:		
	Covers entering into new contract.		
DEPARTMENT FOR INTERNATIONAL DEVELOPMENT (FORMERLY THE OVERSEAS DEVELOPMENT ADMINISTRATION)			
STATUTORY LIABILITIES CHARGED TO VOTES			
Overseas Development and Cooperation Act 1980	African Development Bank callable capital. (197.43m UoA).	153.0	161.8
Overseas Development and Cooperation Act 1980	Asian Development Bank callable capital (\$906.7m).	610.1	541.5
Overseas Development and Cooperation Act 1980	Caribbean Development Bank callable capital (\$49m).	29.9	29.3
Overseas Development and Cooperation Act 1980	Inter-American Development Bank callable capital (\$805m).	529.5	480.8
Multilateral Investment Guarantee Agency Act 1988	Multilateral Investment Guarantee Agency Promissory Note (\$5.26m). Callable capital (\$42m).	3.2 25.6	3.1 25.1
Overseas Development and Cooperation Act 1980	Guarantees to the International Bank for Reconstruction and Development (IBRD) for subloans made by Caribbean Development Bank to UK dependent territories and associated states (\$0.9m).	0.6	0.5
Overseas Development and Cooperation Act 1980	European Bank for Reconstruction and Development (EBRD) callable capital (ECU 1,256.3m).	422.4	807.1

STATEMENT OF CONTINGENT OR NOMINAL LIABILITIES—*continued*

Actual and Contingent Liabilities

DEPARTMENT/STATUTE	NATURE OF LIABILITY	AMOUNT OUTSTANDING AT 31.3.97	AMOUNT OUTSTANDING AT 31.3.98
		£m	£m
DEPARTMENT FOR INTERNATIONAL DEVELOPMENT (FORMERLY THE OVERSEAS DEVELOPMENT ADMINISTRATION) (contd.)			
STATUTORY LIABILITIES CHARGED TO VOTES (contd.)			
Overseas Development and Cooperation Act 1980	Maintenance of value of subscriptions paid to capital stock of regional development banks and funds.	Unquantifiable	Unquantifiable
	Guarantees in respect of Hong Kong:		
Hong Kong (Overseas Public Servants) Act 1996	Sterling Safeguard Scheme to protect value of public service pensions.	130.0	115.0
Crown Agents Act 1979	Crown Agents Holding and Realisation Board:		
	Counter indemnity to Lloyds Bank.	28.1 (as at 31.3.95)	28.1 (as at 31.12.97)
	Possible recovery of tax repaid to English and continental Property Ltd.	2.0 (as at 31.3.95)	2.0 (as at 31.12.97)
	Commonwealth Development Corporation (CDC):		
Commonwealth Development Corporation Acts 1978–1986	Guarantee of bank borrowing for CDC non- consolidated subsidiaries and other companies.	0.8 (as at 31.12.96)	0.3 (as at 31.12.97)
	ODA guarantee of borrowing by CDC (Euro) from European Investment Bank (ECU 35m).	24.8	22.5
STATUTORY LIABILITIES CHARGED DIRECTLY ON THE CONSOLIDATED FUND			
Overseas Development and Cooperation Act 1980	IBRD callable capital (\$7,832m).	4,783.0	4,677.2
NON-STATUTORY LIABILITIES CHARGED TO VOTES			
	European Community:		
	UK Share of European Community Member States collective guarantees of European Investment Bank (EIB) lending under Lome Conventions (including second half of Lome IV) and parallel Council Decisions on the association of the Overseas Countries and Territories (ECU 526.8m).	373.2	338.4
	UK national guarantees for EIB lending to UK dependent territories (ECU 7.4m).	6.8	4.7
	Indemnities to University of Greenwich in respect of the transfer of ownership of the National Resources Institute.	Unquantifiable	Unquantifiable
	Tax indemnities to commercial banks under Aid and Trade Provision soft loan financing arrangements for projects in developing countries.	12.6	20.8
	DFID (then ODA) issued a guarantee in March 1994 to a company operating on a capital aid project in Mozambique to meet the cost of certain disputed claims.	3.0 (maximum)	3.0 (maximum)
SCOTLAND			
STATUTORY LIABILITIES CHARGED TO VOTES			
Enterprise and New Towns (Scotland) Act 1990, Section 4	Joint ventures on property investments	7.0	8.6
	Guaranteed loans and bank overdrafts	0.2	0.3
	Guarantees to banks on property sales	2.8	2.6

STATEMENT OF CONTINGENT OR NOMINAL LIABILITIES—*continued*

Actual and Contingent Liabilities

DEPARTMENT/STATUTE	NATURE OF LIABILITY	AMOUNT OUTSTANDING AT 31.3.97	AMOUNT OUTSTANDING AT 31.3.98
		£m	£m
SCOTLAND (contd.)			
STATUTORY LIABILITIES CHARGED TO VOTES (contd.)			
Housing (Scotland) Act 1988, Section 2(2)	Working capital guarantees for housing associations.	0.1	0.1
	Guarantees for comprehensive tenemental improvements, improvements for sale and shared ownership indemnities.	10.6	6.8
National Heritage Act 1980, Section 16	Indemnity cover given to owners of objects lent to the three National Institutions against damage or loss.	750.0	751.0
	Indemnity cover to local museums and galleries borrowing objects for exhibition.	50.0	40.0
National Heritage (Scotland) Act 1985, Section 19(2)	Indemnities to owners of historical documents lent to the Scottish Record Office against loss or damage.	1.5	1.6
National Heritage Act 1980, Section 16, and Museums and Galleries Act 1992, Section 10	Indemnity cover to owners of material deposited on permanent or temporary loan in the National Monuments Record of Scotland.	1.5	1.6
Water Act 1989, Section 172	Indemnities to water authorities carrying out fluoridation schemes requested by Health Boards against legal challenge. The indemnity also covers liabilities incurred by water authorities in connection with the provision of fluoridated water except those attributable to criminal procedures.	Unquantifiable	Unquantifiable
Transport (Scotland) Act 1989, Section 14(4)(b)	Indemnity to CIN Properties Ltd. in respect of any losses incurred in the event of a better title claim being made on the St. Andrews Square, Edinburgh, bus station site.	1.5	1.5
National Health Service Act (Scotland) Act 1978, Paragraph 2 of Schedule 7b	Overdraft guarantees for NHS Trusts.	5.9	6.0
Local Government Etc. (Scotland) Act 1994 (Section 85(1))	Bank overdraft guarantees.	25.0	25.0
Educational Development Research and Services (Scotland) Grant Regulations 1946	The Department authorised the Scottish Consultative Council on the Curriculum to redirect £200,000 allocated to the payment of local authority claims relating to work done for the Higher Still Development Programme in 1995/96 to the other needs within the Programme in 1996/97, in view of the absence of expected claims. An assurance was given that if any local authorities subsequently made any claims on this money, the Department would cover any resulting deficit.	0.2	0.2
Further and Higher Education (Scotland) Act 1992, Part 1, Section 4	Overdraft facility for Clydebank Further Education College.	—	0.2
NON-STATUTORY LIABILITIES CHARGED TO VOTES			
	Possible cost of injury claims arising from the clinical trials of certain products manufactured by the Scottish National Blood Transfusion Service.	Unquantifiable	Unquantifiable
	Liability to pay the legal or other costs of those other than qualified medical personnel distributing iodine tablets to the general public in the event of a nuclear emergency in the event of an adverse reaction occurring.	Unquantifiable	Unquantifiable

STATEMENT OF CONTINGENT OR NOMINAL LIABILITIES—*continued*

Actual and Contingent Liabilities

DEPARTMENT/STATUTE	NATURE OF LIABILITY	AMOUNT OUTSTANDING AT 31.3.97	AMOUNT OUTSTANDING AT 31.3.98
		£m	£m
DEPARTMENT OF TRADE AND INDUSTRY			
STATUTORY LIABILITIES CHARGED TO VOTES			
British Aerospace Act 1980, Section 9	BAe: Liabilities immediately prior to Privatisation. The Government assumed ultimate responsibility for any outstanding liabilities of British Aerospace existing immediately prior to its privatisation on 18 February 1981. The Government would only become responsible in the event of a formal winding up of BAe or an order to wind up the company by the court under the Companies Act.	Unquantifiable	Unquantifiable
Telecommunications Act 1984, Section 68(2)	The Government is liable for certain debts of the Corporation which were outstanding at the transfer date and which are now liabilities of BT plc. In the event of British Telecom plc being wound up, other than for the purpose of reconstruction or amalgamation, the Government would become liable to pay the company's debts to creditors in respect of obligations which were formerly those of British Telecommunications Corporation and were transferred to British Telecom plc.	Unquantifiable	Unquantifiable
Nuclear Installations Act 1965, Sections 16 to 18, as amended by the Energy Act 1983	Statutory liability for third party claims in excess of the operator's liability in the event of a nuclear accident in the UK.	up to 280.0 (approximately per incident)	up to 280.0 (approximately per incident)
Nuclear Installation Act 1965, Section 18 as amended by the Energy Act 1983	Contributions to an international pool of funds for third party claims following a Nuclear accident in another country party to the Brussels convention 1963 supplementary to the Paris Convention on third party liability in the fields of Nuclear Energy, 1960, where the aggregate claims exceed £165m (approx.) up to a limit of £280m (approx.).	up to 16.0 (approximately per incident)	up to 16.0 (approximately per incident)
Atomic Energy Act 1989, Section 5(1)	To provide assistance to another Member State under the IAEA convention on assistance in the case of a nuclear accident or radiological emergency.	Unquantifiable	Unquantifiable
Atomic Energy Authority Acts 1954 and 1971	Indemnities given to the UKAEA by the Secretary of State to cover certain indemnities given by UKAEA to British Nuclear Fuels against certain claims for damage caused by Nuclear matter in the course of carriage for BNF Plc made under the law of a state not party to the Paris Convention on third party liability in the field of Nuclear Energy 1960.	Unquantifiable	Unquantifiable
Nuclear Industry (Finance) Act 1977, Sections 1 and 2 as amended by Section 1 of the 1981 Act and by Section 1 of the Atomic Energy Act 1989	Guarantees by the Secretary of State to cover loans from the European Investment Bank to British Nuclear Fuels plc.	115.5	2.9
Coal Industry Acts	Assurance to British Coal Corporation that, subject to Parliament's approving any necessary provisions, adequate funds will continue to be made available to enable the Corporation to meet their financial obligations as they fall due during the current financial year.	Unquantifiable	5,500
Coal Industry Act 1994, Schedule 5, Paragraph 2(9)	Deeds of guarantee dated 31 October 1994 in respect of British Coal Corporation Pension Schemes (Mineworkers Pension Scheme and British Coal Staff Superannuation Scheme) in which the Secretary of State agrees to meet a deficiency in the Schemes ability to fund pension benefits laid down in the Schemes.	Up to 15,000	Up to 15,000
Industrial Development Act 1982, Section 8	A liability under the Department's Small Firms Loan Guarantee Scheme on outstanding guarantees for loans granted over, approximately, the past 7 years.	411.6	305.2

STATEMENT OF CONTINGENT OR NOMINAL LIABILITIES—*continued*

Actual and Contingent Liabilities

DEPARTMENT/STATUTE	NATURE OF LIABILITY	AMOUNT OUTSTANDING AT 31.3.97	AMOUNT OUTSTANDING AT 31.3.98
		£m	£m
DEPARTMENT OF TRADE AND INDUSTRY (contd.)			
STATUTORY LIABILITIES CHARGED TO VOTES (contd.)			
Companies Act 1985, Section 256 (as amended by the Companies Act 1989)	A guarantee has been given to the Financial Reporting Council that if the amount held in the Legal costs fund falls below £1m in any year, an additional grant will be made to cover legal costs subsequently incurred that year.	Unquantifiable	Unquantifiable
Industry Act 1972, Section 10	Home Shipbuilding Credit Guarantee Scheme Guarantees to banks in respect of loans made to UK Shipowners for the construction, completion or alteration of ships and offshore installations.	520.0	389.0
NON-STATUTORY LIABILITIES CHARGED TO VOTES			
	International Natural Rubber Agreement 1995. The UK and other member countries may be called upon to contribute to the buffer stock account.	Unquantifiable	0.4
	BAe: Airbus Development Costs Guarantee in respect of BAe by HMG to other Airbus Governments that finance will be available for BAe's share of agreed development costs for the A330/A340 programme.	48.0	46.0
	BAe: Financial Obligations to Airbus. Under the terms of the Principles of Co-operation of 1978 with the French and German Governments (which do not have treaty status) the UK Government will stand behind the discharge by BAe of its financial obligations to Airbus Industrie.	Unquantifiable	Unquantifiable
	Treaty with the French Government relating to the Concorde programme. The Government stands behind those companies involved in the manufacture and supply of services and other support to the aircraft. To the extent of any successful claims in respect of the manufacturers product liability for losses involving British owned and operated aircraft, the Government would ensure payment of claims which exceeded insurance cover against liability.	Unquantifiable	Unquantifiable
	Assurance that, subject to Parliamentary approval of any expenditure entailed, the Government would meet any net liabilities of British Shipbuilders as recorded in their 1995/96 Accounts. Beyond this general commitment, and subject to the same caveats, more specific assurances have been given to meet contingent liabilities associated with certain of BS's financial guarantees.	11.0	13.0
	Costs of meeting waste management and decommissioning liabilities at UKAEA sites and certain similar liabilities of the UKAEA at BNFL sites.	7,300 (approximately)	7,100 (approximately)
	Letter of comfort to AEA Technology who, under the terms of a collaboration agreement on a European project for underground gasification of coal, accept joint and several liability.	Unquantifiable	Unquantifiable
	Financial undertaking from the Government to BNFL in connection with the transfer of the Government's shareholding in Magnox Electric Plc to BNFL on 30 January 1998.	—	3,700
	Deed of indemnity in respect of potential liabilities vested in the National Grid Company under a CEGB/EdF protocol which governs responsibilities in respect of the interconnector linking England and France.	Unquantifiable	Up to 200

STATEMENT OF CONTINGENT OR NOMINAL LIABILITIES—*continued*

Actual and Contingent Liabilities

DEPARTMENT/STATUTE	NATURE OF LIABILITY	AMOUNT OUTSTANDING AT 31.3.97	AMOUNT OUTSTANDING AT 31.3.98
		£m	£m
DEPARTMENT OF TRADE AND INDUSTRY (contd.)			
NON-STATUTORY LIABILITIES CHARGED TO VOTES (contd.)			
	Paid in capital subscription for the Common Fund for Commodities:		
	Government is committed to the payment of a subscription of £4.48 million to the First Account of the Fund, half of which is in the form of Promissory Notes callable following the coming into operation of the First Account.	2.24	2.24
	Callable capital subscription for the Common Fund for Commodities:		
	Government is committed to the payment of a subscription of £1.96 million to the First Account of the Fund, in the event that the Fund is unable to meet its liabilities in respect of First Account operations.	1.96	1.96
	European Patent Office:		
	The UK as one of the contracting states has a potential liability under Article 40 of the European Patent Convention of 1973.	Unquantifiable	Unquantifiable
	World Intellectual Property Organisation.		
	The UK as a contracting state to the Patent Cooperation Treaty of 1970, has a potential liability under Article 57 of the Treaty.	Unquantifiable	Unquantifiable
	Indemnity given to the Police. The Police Information Technology Organisation (Home Office) provides Legal Services Directorate D (DTI) with access to data from the Police National Computer (PNC). The DTI has indemnified the Police against any liabilities which they might incur as a result of providing that access.	—	Unquantifiable
	Office of Science and Technology liabilities:		
	"Back end" costs of decommissioning nuclear facilities for the Central Laboratory of the Research Councils and the Medical Research Council.	5.2	8.0
	The Biotechnology and Biological Sciences Research Council (BBSRC), formerly the Agricultural and Food Research Council (AFRC) has a contingent liability to meet the redundancy costs of BBSRC employees attached to Horticultural Research International who are made redundant.	18.0	18.0
	"Back end" costs of decommissioning international scientific facilities.	154.6	66.3
	UK's share of debts of CERN liabilities.	—	26.0
HM TREASURY			
STATUTORY LIABILITIES CHARGED DIRECTLY ON THE CONSOLIDATED FUND			
Regulation 6427/88 deriving from the Treaty of Rome	Medium Term Financial Support.	1,716.0	1,562.0
Treaty on European Union	European Community Budget: Monetary Reserve.(Agriculture) and Emergency Aid Reserve.	51.3 (at 31.12.96)	50.7 (at 31.12.97)
Treaty on European Union	European Community Budget: Guarantees on borrowing and lending operations.	1,235.0 (at 30.6.97)	1,220.0 (at 31.12.97)

STATEMENT OF CONTINGENT OR NOMINAL LIABILITIES—continued

Actual and Contingent Liabilities

DEPARTMENT/STATUTE	NATURE OF LIABILITY	AMOUNT OUTSTANDING AT 31.3.97	AMOUNT OUTSTANDING AT 31.3.98
		£m	£m
HM TREASURY (contd.)			
STATUTORY LIABILITIES CHARGED DIRECTLY ON THE CONSOLIDATED FUND (contd.)			
The European Investment Fund Statute deriving from the Statute of the European Investment Bank, part of the Treaty of Rome	Callable capital subscription to European Investment Fund.	480.1 (at 31.12.96)	394.3 (at 31.12.97)
The European Investment Bank Statute, deriving from the Treaty of Rome	Callable capital subscription to the European Investment Bank.	7,274.4 (at 31.12.96)	7,152.6 (at 31.12.97)
Government Trading Funds Act 1973, Section 5	Value of UK coins in circulation.	2,362.8	2,461.4
STATUTORY LIABILITIES CHARGED TO VOTES			
Reinsurance (Acts of Terrorism) Act 1993	From 31 December 1992 (25 December in respect of the Corporation of the City of London) the Government made arrangements to provide reinsurance facilities for terrorist attacks against industrial and commercial property in mainland Great Britain where under the arrangements insurers had exhausted their funds for meeting the cost of any claims.	Unquantifiable	Unquantifiable
NON-STATUTORY LIABILITIES CHARGED TO VOTES			
	Guarantee on privatisation of Paymaster against liabilities incurred by the purchaser in connection with the ownership or operation of the business before its transfer.	5.0	5.0
NON-STATUTORY LIABILITIES CHARGED DIRECTLY ON THE CONSOLIDATED FUND			
	Redemption of currency issued by the Palestinian Currency Fund before 27/10/86.	0.3	0.3
	Redemption of British Military Authority notes issued to British Servicemen towards the end of, and just after, World War II.	0.5	0.5
WALES			
STATUTORY LIABILITIES CHARGED TO VOTES			
Water Act 1991, Section 90	A statutory indemnity exists for water authorities and companies which fluoridate their water supplies at the request of health authorities.	Unquantifiable	Unquantifiable
Development of Rural Wales Act 1976, Section 10	Overdraft guarantee - Development Board for Rural Wales.	0.4	0.4
National Heritage Act 1980, Section 16	Indemnity given to owners of objects lent to the National Museum and Library, the Arts Council of Wales, and other museums and galleries.	92.6	86.5
	Indemnities to owners of historic objects lent to Cadw (Welsh Historic Monuments) against loss or damage.	0.5	0.5

STATEMENT OF CONTINGENT OR NOMINAL LIABILITIES—*continued*

Actual and Contingent Liabilities

DEPARTMENT/STATUTE	NATURE OF LIABILITY	AMOUNT OUTSTANDING AT 31.3.97	AMOUNT OUTSTANDING AT 31.3.98
		£m	£m
WALES (<i>contd.</i>)			
	NON-STATUTORY LIABILITIES CHARGED TO VOTES		
	Contingent liabilities to meet the cost of any health compensation payments:		
	(1) Arising from the immunisation of voluntary donors with hepatitis B vaccine. (2) Arising from immunisation of voluntary donors with specialised immunoglobulins subsequently harvested and used in the treatment of new born babies. (3) Arising from the trial of a new whooping cough vaccine.	Unquantifiable	Unquantifiable
	Non-statutory indemnity exists for Dwr Cymru Cyf in respect of the supply of water that has been fluoridated by other water undertakers at the request of health authorities. (This indemnity is in addition to the statutory indemnity given under the Water Act 1991, Section 90).	Unquantifiable	Unquantifiable
	Indemnity to those other than qualified medical personnel on the issue of iodine tablets to the general public in the event a nuclear emergency arises.	Unquantifiable	Unquantifiable
	Indemnity in respect of 8 Welsh Health Common Services (WHCSA) employees against all claims for redundancy payments up to and including December 1998.	0.4	0.4
	Limited redundancy indemnity resulting from the integration of colleges of Health with Higher Education Colleges.	4.4	4.4
	Indemnity for the members of the North Wales Child Abuse Inquiry against any claim arising out of statement made or opinion expressed by them in the course of that inquiry.	Unquantifiable	Unquantifiable

**B16: STATEMENT OF CERTAIN LOANS GUARANTEED BY THE BRITISH GOVERNMENT, OUTSTANDING ON
31 MARCH 1998**

	Amount of loan	Rate of interest	Purpose	Primary security	Extent of guarantee	When redeemable	Amount paid off by sinking fund or cancelled	Amount outstanding on 31 March 1998 ⁽¹⁾	Nominal net liability ⁽¹⁾
	£	%					£	£	£
IRISH FREE STATE GUARANTEED 4½% LAND BONDS	25,297,463	4½	Purchase of land in Ireland (15 Geo 5 c. 3)	Land Bond Fund and Revenues of the Republic of Ireland	Principal and interest	1989	25,269,075	28,388	28,388

⁽¹⁾ Represents unclaimed redemption monies.

**B17: STATEMENT OF BORROWING BY THE NATIONALISED INDUSTRIES
AND OTHER PUBLIC CORPORATIONS, GUARANTEED AS TO PRINCIPAL
AND INTEREST BY THE TREASURY, OUTSTANDING AT 31 MARCH 1998**

	Temporary borrowing		Other borrowing	
	Maximum	Outstanding at 31 March 1998	In sterling	Sterling equivalent of foreign borrowing ⁽¹⁾
			Outstanding at 31 March 1998	
	£	£	£	£
Audit Commission	3,500,000	—	—	—
British Coal	1,000,000	—	—	—
British Waterways Board	3,000,000	—	—	—
Civil Aviation Authority ⁽¹⁾	12,000,000	—	420,919,121	709,000
Commission for New Towns	2,000,000	—	—	—
Commonwealth Development Corporation	10,000,000	4,320,000	—	16,061,501
Development Board for Rural Wales	375,000	—	—	—
Electricity Supply Industries:				
Magnox Electric	30,000,000	—	—	—
Housing Corporation	5,000,000	—	—	—
Land Authority for Wales	250,000	—	—	—
London Regional Transport	10,000,000	223,217	—	—
Welsh Development Agency ⁽¹⁾	—	—	—	—
TOTAL		4,523,217	420,919,121	16,770,501

⁽¹⁾ See below for details of currencies borrowed.

**B18: STATEMENT OF BORROWING BY THE NATIONALISED INDUSTRIES
AND OTHER PUBLIC CORPORATIONS, GUARANTEED AS TO PRINCIPAL
AND INTEREST BY THE TREASURY, OUTSTANDING AT 31 MARCH 1998**

FOREIGN CURRENCIES (MILLION)

	Outstanding at 31 March 1998				
	ECU	US\$	DM	Yen	SF
Civil Aviation Authority	—	—	2.11	—	—
Commonwealth Development Corpor- ation	25.0	—	—	—	—

SECTION FOUR
B19: NATIONAL LOANS FUND ASSETS AND LIABILITIES

	Assets at 31 March 1997 £	Assets at 31 March 1998 £	Assets at 31 March 1997 £	Liabilities at 31 March 1997 £	Liabilities at 31 March 1998 £
Advances outstanding ⁽¹⁾	46,746,821,301	46,742,600,522		419,548,904,861	418,430,978,679
Exchange Equalisation Account - sterling capital	650,000,000	—			
Subscription to International Monetary Fund . .	6,241,166,989	5,895,570,808 ⁽²⁾	National Debt outstanding ⁽²⁾		
Gilt-edged Official Operations Account	3,000,000,000	2,500,000,000			
- advances outstanding	—	141,566,957			
- surplus not paid to the National Loans Fund					
Borrowings included in the National Debt but not brought to account and cash retained by NDC and NS ⁽³⁾	404,742,422	568,567,629			
	57,042,730,712	55,848,305,916			
Balance, being the liability of the Consolidated Fund under section 19(1) of the National Loans Act 1968	362,506,174,149	362,582,672,763			
TOTAL ASSETS	419,548,904,861	418,430,978,679	TOTAL LIABILITIES	419,548,904,861	418,430,978,679

⁽¹⁾ See Table B20 for details.

⁽²⁾ See Table B21 for details.

⁽³⁾ 7,414.6 million Special Drawing Rights valued at 1.257656 SDR = £1, the closing middle market rate on 31 March 1998.

⁽⁴⁾ See Columns 4 and 10 of Table B21 for details.

NATIONAL LOANS FUND TRANSACTIONS AND ASSETS & LIABILITIES
B20: LOANS FROM NATIONAL LOANS FUND: TRANSACTIONS IN 1997-98 AND ADVANCES OUTSTANDING

	Advances outstanding at 31 March 1997	Issues made from NLF in 1997-98	Repayments made to NLF in 1997-98	Advances outstanding at 31 March 1998	Interest received by NLF in 1997-98
	£	£	£	£	£
<i>Loans to Nationalised Industries</i>					
British Rail	601,250,000	—	27,500,000	573,750,000	60,833,073
British Waterways Board	18,186,000	250,000	250,000	18,186,000	2,193,187
Civil Aviation Authority	447,502,056	2,236,000	28,818,936	420,919,120	41,763,290
<i>Total loans to Nationalised Industries</i>	1,066,938,056	2,486,000	56,568,936	1,012,855,120	104,789,550
<i>Loans to other Public Corporations</i>					
Commonwealth Development Corporation	—	115,000,000	115,000,000	—	282,236
Development Board for Rural Wales	4,071,921	—	10,116	3,970,805	698,957
East of Scotland Water Authority	163,000,000	253,000,000	187,000,000	229,000,000	11,266,087
Land Authority for Wales	1,275,000	—	—	1,275,000	154,781
New Towns Development Corporations and Commission	122,187,222	—	85,982,418	36,204,804	119,902,966
North of Scotland Water Authority	155,000,000	75,165,000	41,000,000	189,165,000	15,580,776
Registers of Scotland	6,434,174	—	814,627	5,619,547	795,061
Royal Mint	—	3,000,000	3,000,000	—	5,538
Scottish Enterprise	483,256	—	361,443	121,813	58,883
Scottish Homes	392,447,563	—	132,622,065	259,825,498	100,919,051
Welsh Development Agency	1,249,471	200,000	282,203	1,167,268	115,979
West of Scotland Water Authority	185,000,000	139,867,000	20,000,000	304,867,000	17,807,822
<i>Total loans to other Public Corporations</i>	1,031,148,607	586,232,000	586,163,872	1,031,216,735	267,588,137
<i>Advances to Public Works Loan Commissioners for Loans to Local Authorities⁽¹⁾</i>					
	42,134,045,942	6,404,451,271	5,587,390,690	42,951,106,523	4,109,571,309
<i>Loans to the Private Sector</i>					
Harbour Authorities	624,342	—	121,114	503,228	72,646
Housing Associations	513,283	—	18,279	495,004	32,592
<i>Total loans to the Private Sector</i>	1,137,625	—	139,393	998,232	105,238
<i>Loans within Central Government</i>					
Central Office of Information	—	7,000,000	7,000,000	—	190,595
Housing Corporation (England)	848,685,958	19,000,000	863,685,958	4,000,000	454,949,459
Married quarters for Armed Forces	62,363,856	—	1,066,807	61,297,049	3,978,380
Northern Ireland	1,602,501,257	140,000,000	61,374,394	1,681,126,863	162,442,454
<i>Total loans within Central Government</i>	2,513,551,071	166,000,000	933,127,159	1,746,423,912	621,560,888
TOTAL	46,746,821,301	7,159,169,271	7,163,390,050	46,742,600,522	5,103,615,322

(1) Excluding capitalised interest of £13,837 at 31 March 1998.

B21: THE NATIONAL DEBT: COMPOSITION AND TRANSACTIONS IN 1997-98

Security	Principal outstanding 31 March 1997	Borrowing in 1997-98						Repayments in 1997-98						Principal outstanding 31 March 1998	Interest paid in 1997-98
		Received in cash	Discount(+) / premium(-) on stock issues	Borrowing not yet brought to account	Cash receipts in respect of prior year borrowing	By capital uplift, conversion etc. (1)	Paid in cash	Cash donations and bequests	Discount(+) / premium(-) on stock bought for cancellation	Cash retained for repayment	Debt redeemed from prior year cash payments	By conversion etc.			
Marketable securities:															
Up to 5 years															
10.5% Exchequer Stock 1997	21,840,525														
7% Treasury Convertible Stock 1997	1,987,047,299														69,546,655
8.75% Treasury Loan 1997	5,549,937,405														242,809,761
15% Exchequer Stock 1997	830,000,000														124,500,000
9.75% Exchequer Stock 1998	3,549,980,000														346,123,050
7.25% Treasury Stock 1998	8,149,999,999														870,779,461
4.625% Index-Linked Treasury Stock 1998	899,114,400														42,033,600
15.5% Treasury Loan 1998	935,000,000														217,387,500
12% Exchequer Stock 1998	3,908,723,471														469,046,816
9.5% Treasury Loan 1999	1,899,995,000														180,499,525
12.25% Exchequer Stock 1999	3,050,000,000														373,625,000
10.5% Treasury Stock 1999	1,251,626,758														131,420,810
Floating Rate Treasury Stock 1999	5,700,000,000														383,883,600
6% Treasury Stock 1999	6,950,000,000														417,000,000
2.5% Index-Linked Treasury Stock 1999	3,091,628														78,404
10.25% Conversion Stock 1999	1,798,339,559														184,329,805
8.5% Treasury Loan 2000	109,490,372														9,306,682
9% Conversion Stock 2000	5,338,439,845														482,259,586
13% Treasury Stock 2000	3,170,790,284														412,202,737
8% Treasury Stock 2000	9,799,997,301														783,999,784
10% Treasury Stock 2001	4,405,954,435														440,595,444
14% Treasury Stock 1998-2001	969,999,999														135,800,000
Floating Rate Treasury Stock 2001	3,000,000,000														198,309,000
9.5% Conversion Stock 2001	3,483,930														330,973
9.75% Conversion Stock 2001	34,847,487														3,397,630
2.5% Index-Linked Treasury Stock 2001	4,185,940,350														107,085,050
7% Treasury Stock 2001	12,750,000,000														892,500,000
12% Exchequer Stock 1999-2002	105,116,645														12,613,997
7% Treasury Stock 2002(1)	4,000,000,000														446,564,150
10% Conversion Stock 2002(1)	20,859,229														2,085,923
9.5% Conversion Stock 2002(1)	2,438,300														231,638
9.75% Treasury Stock 2002(1)	6,527,197,656														636,401,771
9% Treasury Stock 2002(1)	82,782,596														7,450,434
Total: Up to 5 years	101,012,034,473	5,001,875,000	-1,875,000			170,273,361	19,978,905,686	1						86,203,402,147	8,624,198,786
Carried forward	101,012,034,473	5,001,875,000	-1,875,000			170,273,361	1,978,905,686	1						86,203,402,147	8,624,198,786

(1) Net of accrued capital uplift on new issues of index-linked gilt stocks (Discount/Premium is now determined in relation to the uplifted value of such issues).

(2) Change in maturity group.

THE NATIONAL DEBT: COMPOSITION AND TRANSACTIONS IN 1997-98—continued

Security	Borrowing in 1997-98					Repayments in 1997-98					Principal outstanding 31 March 1998	Interest paid in 1997-98		
	Principal outstanding 31 March 1997	Received in cash	Discount(+)/premium(-) on stock issues	Borrowing not yet brought to account	Cash receipts in respect of prior year borrowing	By capital uplift, conversion etc. (1)	Paid in cash	Cash donations and bequests	Discount(+)/premium(-) on stock bought for cancellation	Cash retained for repayment			Debt redeemed from prior year cash payments	By conversion etc.
	£	£	£	£	£	£	£	£	£	£	£	£	£	
Brought forward	101,012,034,473	5,001,875,000	-1,875,000	—	—	170,271,361	19,978,905,686	1	—	—	—	—	86,203,402,147	8,624,198,786
Marketable securities:														
5 to 15 years														
9.75% Conversion Loan Stock 2003	11,368,806	—	—	—	—	—	—	—	—	—	—	—	11,368,806	1,108,459
2.5% Index-Linked Treasury Stock 2003	4,450,598,900	762,312,500	30,623,400	—	—	155,919,800	—	—	—	—	—	—	5,399,454,600	112,151,711
8% Treasury Stock 2003	8,600,000,000	—	—	—	—	—	—	—	—	—	—	—	8,600,000,000	688,000,000
13.75% Treasury Stock 2000-2003	52,743,066	—	—	—	—	—	—	—	—	—	—	—	52,743,066	7,252,172
10% Treasury Stock 2003	2,505,712,264	—	—	—	—	—	—	—	—	—	—	—	2,505,712,264	250,571,226
6.5% Treasury Stock 2003	—	1,990,000,000	10,000,000	—	—	—	—	—	—	—	—	—	2,000,000,000	—
11.5% Treasury Stock 2001-2004	1,620,000,000	—	—	—	—	—	—	—	—	—	—	—	1,620,000,000	186,300,000
10% Treasury Stock 2004	19,640,413	—	—	—	—	—	—	—	—	—	—	—	19,640,413	1,964,041
3.5% Funding Stock 1999-2004	543,269,992	—	—	—	—	43,252,650	—	—	—	—	—	—	543,269,992	19,014,450
4.375% Index-Linked Treasury Stock 2004	1,292,476,950	—	—	—	—	—	—	—	—	—	—	—	1,335,729,600	57,157,300
9.5% Conversion Stock 2004	3,412,180,111	—	—	—	—	—	—	—	—	—	—	—	3,412,180,111	324,157,111
6.75% Treasury Stock 2004	6,500,000,000	—	—	—	—	—	—	—	—	—	—	—	6,500,000,000	438,750,000
9.5% Conversion Stock 2005	4,841,994,665	—	—	—	—	—	—	—	—	—	—	—	4,841,994,665	459,989,493
10.5% Exchequer Stock 2005	23,337,699	—	—	—	—	—	—	—	—	—	—	—	23,337,699	2,450,458
12.5% Treasury Stock 2003-2005	2,199,943,300	—	—	—	—	—	—	—	—	—	—	—	2,199,943,300	274,992,912
8.5% Treasury Stock 2005	10,373,178,413	—	—	—	—	—	—	—	—	—	—	—	10,373,178,413	881,720,165
2% Index-Linked Treasury Stock 2006	5,154,490,000	302,203,125	32,416,875	—	—	177,889,998	—	—	—	—	—	—	5,666,999,997	106,798,014
7.75% Treasury Stock 2006	4,000,000,000	—	—	—	—	—	—	—	—	—	—	—	4,000,000,000	310,000,000
8% Treasury Loan 2002-2006	2,050,000,000	—	—	—	—	—	—	—	—	—	—	—	2,050,000,000	164,000,000
9.75% Conversion Stock 2006	5,656,152	—	—	—	—	—	—	—	—	—	—	—	5,656,152	551,475
7.5% Treasury Stock 2006	11,699,994,283	—	—	—	—	—	—	—	—	—	—	—	11,699,994,283	877,499,571
11.75% Treasury Stock 2003-2007	3,150,000,000	—	—	—	—	—	—	—	—	—	—	—	3,150,000,000	370,125,000
7.25% Treasury Stock 2007	5,000,000,000	—	—	—	—	—	—	—	—	—	—	—	5,000,000,000	345,912,800
8.5% Treasury Loan 2007	7,396,620,058	6,308,125,000	-308,125,000	—	—	—	—	—	—	—	—	—	7,396,620,057	628,712,705
13.5% Treasury Stock 2004-2008	95,471,463	—	—	—	—	—	—	—	—	—	—	—	95,471,463	12,888,648
9% Treasury Loan 2008	5,621,028,964	—	—	—	—	—	—	—	—	—	—	—	5,621,028,964	505,892,607
2.5% Index-Linked Treasury Stock 2009	4,644,103,200	391,000,000	49,146,075	—	—	165,220,475	—	—	—	—	—	—	5,249,469,750	121,657,957
8% Treasury Stock 2009	3,450,000,000	—	—	—	—	—	—	—	—	—	—	—	3,450,000,000	276,000,000
6.25% Treasury Stock 2010	4,750,000,000	—	—	—	—	—	—	—	—	—	—	—	4,750,000,000	296,875,000
9% Conversion Stock 2011	5,273,324,082	—	—	—	—	—	—	—	—	—	—	—	5,273,324,082	474,599,167
2.5% Index-Linked Treasury Stock 2011	6,030,389,996	271,875,000	37,770,000	—	—	209,025,000	—	—	—	—	—	—	6,549,059,996	159,043,082
9% Treasury Stock 2012(1)	5,361,276,331	—	—	—	—	—	—	—	—	—	—	—	5,361,276,331	482,514,870
5.5% Treasury Stock 2008-2012(2)	999,991,044	—	—	—	—	—	—	—	—	—	—	—	999,991,042	54,999,507
Total: 5 to 15 years	121,128,790,152	10,025,515,625	-148,168,650	—	—	751,307,923	—	—	—	—	—	—	131,757,445,043	8,893,648,901
Carried forward	222,140,824,625	15,027,390,625	-1,50,043,650	—	—	921,581,284	19,978,905,686	9	-1	—	—	—	217,960,847,190	17,517,847,687

(1) Net of accrued capital uplift on new issues of index-linked gilt stocks (Discount/Premium is now determined in relation to the uplifted value of such issues).

(2) Change in maturity group.

THE NATIONAL DEBT: COMPOSITION AND TRANSACTIONS IN 1997-98—continued

Security	Principal outstanding 31 March 1997	Borrowing in 1997-98					Repayments in 1997-98					Principal outstanding 31 March 1998	Interest paid in 1997-98
		Received in cash	Discount (+)/ premium (-) on stock issues	Borrowing not yet brought to account	Cash receipts in respect of prior year borrowing	By capital uplift, conversion etc. (1)	Paid in cash	Cash donations and bequests	Discount (+)/ premium (-) on stock bought for cancellation	Cash retained for repayment	Debt redeemed from prior year cash payments			By conversion etc.
Brought forward	£ 222,140,824,625	£ 15,027,390,625	£ -150,043,650	£ -	£ -	£ 921,581,284	£ 19,978,905,686	£ 9	£ -1	£ -	£ -	£ 217,960,847,190	£ 17,517,847,687
Marketable securities over 15 years:													
2.5% Index-Linked Treasury Stock 2013	5,808,869,400	514,937,500	86,937,850	-	210,475,250	-	-	-	-	-	-	6,621,240,000	160,340,897
8% Treasury Stock 2013	6,100,000,000	-	-	-	-	-	-	-	-	-	-	6,100,000,000	508,766,736
7.75% Treasury Loan 2012-2015	799,999,999	-	-	-	-	-	-	-	-	-	-	799,999,999	62,000,000
8% Treasury Stock 2015	13,787,097,390	-	-	-	-	-	-	175	-28	-	-	13,787,097,393	1,102,967,791
2.5% Treasury Stock 1986-2016	78,457,089	-	-	-	-	-	-	-	-	-	-	78,457,089	1,961,427
2.5% Index-Linked Treasury Stock 2016	6,348,262,400	932,062,500	155,078,650	-	234,831,975	-	-	-	-	-	-	7,670,235,525	174,776,624
8.75% Treasury Stock 2017	7,550,000,000	-	-	-	-	-	-	-	-	-	-	7,550,000,000	660,625,000
12% Exchequer Stock 2013-2017	57,416,777	-	-	-	-	-	-	-	-	-	-	57,416,777	6,890,013
2.5% Index-Linked Treasury Stock 2020	6,153,618,350	711,968,750	126,870,900	-	221,359,400	-	-	-	-	-	-	7,213,817,400	157,832,087
8% Treasury Stock 2021	11,500,000,000	5,612,812,500	-612,812,500	-	192,746,100	-	-	-	-	-	-	16,500,000,000	1,067,999,950
2.5% Index-Linked Treasury Stock 2024	5,305,322,600	575,437,500	135,030,750	-	49,075,000	-	-	-	-	-	-	6,208,536,950	143,513,206
6% Treasury Stock 2028	-	2,012,500,000	-12,500,000	-	-	-	-	-	-	-	-	2,000,000,000	-
4.125% Index-Linked Treasury Stock 2030	1,466,468,900	288,375,000	-55,214,400	-	-	-	-	-	-	-	-	1,748,704,500	60,347,332
Total: Over 15 years	64,955,512,905	10,648,093,750	-176,588,750	-	908,487,725	-	-	175	-28	-	-	76,335,505,483	4,108,021,063
Undated													
4% Consolidated Loan 1953 or after	357,687,287	-	-	-	-	-	-	76,336	40,592	-	-	357,570,359	14,307,491
3.5% War Loan 1952 or after	1,908,796,363	-	-	-	-	-	-	12	9	-	-	1,908,796,342	66,807,873
3.5% Conversion Loan 1961 or after (1)	105,615,591	-	-	-	-	-	-	7	596,241	1,397,782	-	103,621,561	3,396,857
2.75% Annuities	834,194	-	-	-	-	-	-	-	-	-	-	834,194	22,940
2.5% Annuities	3,058,014	-	-	-	-	-	-	-	-	-	-	3,058,014	76,450
2.5% Consolidated Stock	275,456,388	-	-	-	-	-	-	-	-	-	-	275,456,388	6,886,410
3% Treasury Stock 1966 or after	53,627,457	-	-	-	-	-	-	-	-	-	-	53,627,457	1,665,038
2.5% Treasury Stock 1975 or after	473,537,796	-	-	-	-	-	-	-	-	-	-	473,537,796	11,838,445
Total: Undated	3,180,613,090	-	-	-	-	-	-	-	-	1,397,782	-	3,178,249,759	105,301,504
Total Marketable Securities	290,276,950,620	25,675,484,375	-326,632,400	-	1,830,069,009	-	-	177,167	788,537	-	-	297,474,602,432	21,731,170,254

(1) Net of accrued capital uplift on new issues of index-linked gilt stocks (Discount/Premium is now determined in relation to the uplifted value of such issues).

(2) See 3.5% Conversion Loan Sinking Fund (page 62).

THE NATIONAL DEBT: COMPOSITION AND TRANSACTIONS IN 1997-98—continued

Security	Borrowing in 1997-98				Repayments in 1997-98						Principal outstanding 31 March 1998	Interest paid in 1997-98	
	Principal outstanding 31 March 1997	Received in cash	Discount (+)/ premium (-) on stock issues	Borrowing not yet brought to account	Cash in respect of prior year borrowing	By capital uplift, conversion etc.	Paid in cash	Cash donations and bequests	Discount (+)/ premium (-) on stock bought for cancellation	Cash retained for repayment			Debt redeemed from prior year cash payments	By conversion etc.
	£	£	£	£	£	£	£	£	£	£	£	£	£
Brought forward	290,276,950,620	25,675,484,375	-326,632,400	—	—	1,830,069,009	19,978,305,686	177,167	788,537	—	1,397,782	297,474,602,432	21,731,170,254
Non-marketable securities:													
7% Treasury Convertible (NILO) Stock 1997	350,000,000	—	—	—	—	—	350,000,000	—	—	—	—	—	12,250,000
8.75% Treasury (NILO) Stock 1997	100,000,000	—	—	—	—	—	100,000,000	—	—	—	—	—	4,375,000
7.25% Treasury (NILO) Stock 1998	250,000,000	—	—	—	—	—	250,000,000	—	—	—	—	—	27,187,500
12% Exchequer (NILO) Stock 1998	25,000,000	—	—	—	—	—	—	—	—	—	—	25,000,000	3,062,500
12.25% Exchequer (NILO) Stock 1999	100,000,000	—	—	—	—	—	—	—	—	—	—	100,000,000	10,500,000
10.5% Treasury (NILO) Stock 1999	25,000,000	—	—	—	—	—	—	—	—	—	—	25,000,000	2,562,500
10.25% Conversion (NILO) Stock 1999	450,000,000	198,218,750	1,781,250	—	—	—	—	—	—	—	—	650,000,000	26,161,644
6% Treasury (NILO) Stock 1999	450,000,000	501,050,000	-1,050,000	—	—	—	—	—	—	—	—	950,000,000	51,292,545
Floating Rate Treasury (NILO) Stock 1999	150,000,000	—	—	—	—	—	—	—	—	—	—	150,000,000	12,000,000
8% Treasury (NILO) Stock 2000	50,000,000	—	—	—	—	—	—	—	—	—	—	50,000,000	4,500,000
9% Conversion (NILO) Stock 2000	150,000,000	—	—	—	—	—	—	—	—	—	—	150,000,000	15,000,000
10% Treasury (NILO) Stock 2001	600,000,000	1,154,520,000	-4,520,000	—	—	—	—	—	—	—	—	1,750,000,000	64,038,549
Floating Rate Treasury (NILO) 2001	150,000,000	—	—	—	—	—	—	—	—	—	—	150,000,000	10,500,000
7% Treasury (NILO) Stock 2001	46,484,375	—	2,412,925	—	1,405,275	—	—	—	—	—	—	50,302,575	1,150,604
2.5% Index-Linked Treasury (NILO) Stock 2001	103,000,000	—	-3,000,000	—	—	—	—	—	—	—	—	103,000,000	10,300,000
7% Treasury (NILO) Stock 2002	45,765,625	—	3,054,850	—	1,174,475	—	—	—	—	—	—	50,000,000	5,000,000
2.5% Index-Linked Treasury (NILO) Stock 2003	203,875,000	—	-3,875,000	—	—	—	—	—	—	—	—	200,000,000	19,900,000
6.5% Treasury (NILO) Stock 2003	—	—	—	—	—	—	—	—	—	—	—	—	—
10% Treasury (NILO) Stock 2003	25,000,000	—	—	—	—	—	—	—	—	—	—	25,000,000	2,500,000
9.5% Treasury (NILO) Stock 2003	100,000,000	—	—	—	—	—	—	—	—	—	—	100,000,000	8,000,000
8% Treasury (NILO) Stock 2003	25,000,000	—	—	—	—	—	—	—	—	—	—	25,000,000	2,375,000
9.5% Conversion (NILO) Stock 2004	350,000,000	103,062,500	-3,062,500	—	1,332,500	—	—	—	—	—	—	450,000,000	22,552,397
6.75% Treasury (NILO) Stock 2004	—	48,265,625	7,071,875	—	—	—	—	—	—	—	—	56,670,000	748,685
2.5% Index-Linked Treasury (NILO) Stock 2006	—	—	—	—	—	—	—	—	—	—	—	—	—
7.5% Treasury (NILO) Stock 2006	250,000,000	—	—	—	—	—	—	—	—	—	—	250,000,000	18,750,000
7.75% Treasury (NILO) Stock 2006	200,000,000	—	—	—	—	—	—	—	—	—	—	200,000,000	15,500,000
7.25% Treasury (NILO) Stock 2006	250,000,000	—	—	—	—	—	—	—	—	—	—	250,000,000	15,468,250
7.25% Treasury (NILO) Stock 2007	100,000,000	—	—	—	—	—	—	—	—	—	—	100,000,000	8,500,000
8.5% Treasury (NILO) Stock 2007	100,000,000	—	—	—	—	—	—	—	—	—	—	100,000,000	9,000,000
9% Treasury (NILO) Stock 2008	—	—	—	—	—	—	—	—	—	—	—	—	—
2.5% Index-Linked Treasury (NILO) Stock 2009	—	43,375,000	5,445,475	—	1,174,475	—	—	—	—	—	—	49,994,950	616,000
8% Treasury (NILO) Stock 2009	200,000,000	—	—	—	—	—	—	—	—	—	—	200,000,000	16,000,000
6.25% Treasury (NILO) Stock 2010	450,000,000	203,406,250	-3,406,250	—	—	—	—	—	—	—	—	650,000,000	25,744,863
2.5% Index-Linked Treasury (NILO) Stock 2011	—	44,492,187	6,847,813	—	1,475,000	—	—	—	—	—	—	52,815,548	1,103,548
2.5% Index-Linked Treasury (NILO) Stock 2013	—	36,609,375	6,299,075	—	1,233,150	—	—	—	—	—	—	44,141,600	902,965
8% Treasury (NILO) Stock 2013	200,000,000	—	—	—	—	—	—	—	—	—	—	200,000,000	16,000,000
7.75% Treasury (NILO) Stock 2012-2015	200,000,000	—	—	—	—	—	—	—	—	—	—	200,000,000	15,500,000
8% Treasury (NILO) Stock 2015	100,000,000	—	—	—	—	—	—	—	—	—	—	100,000,000	8,000,000
2.5% Index-Linked Treasury (NILO) Stock 2016	—	39,468,750	7,638,450	—	1,133,275	—	—	—	—	—	—	48,240,475	821,852
2.5% Index-Linked Treasury (NILO) Stock 2020	—	37,281,250	8,852,225	—	1,325,850	—	—	—	—	—	—	47,459,325	567,830
Total Non-Marketable Securities	5,875,000,000	2,808,874,687	30,490,188	—	10,254,000	—	700,000,000	—	788,537	—	1,397,782	8,024,618,875	465,269,445
Carried forward	296,151,950,620	28,484,359,062	-296,142,212	—	1,840,323,009	—	20,678,905,686	177,167	788,537	—	1,397,782	305,499,221,307	22,196,439,697

THE NATIONAL DEBT: COMPOSITION AND TRANSACTIONS IN 1997-98—continued

Security	Borrowing in 1997-98						Repayments in 1997-98						Principal outstanding 31 March 1998	Interest paid in 1997-98
	Principal outstanding 31 March 1997	Received in cash	Discount(+) / premium(-) on stock issues	Borrowing not yet brought to account	Cash receipts in respect of prior year borrowing	By capital uplift, conversion etc.	Paid in cash	Cash donations and bequests	Discount(-) / premium(+) on stock bought for cancellation	Cash retained for repayment	Debt redeemed from prior year cash payments	By conversion etc.		
	£	£	£	£	£	£	£	£	£	£	£	£	£	£
Brought forward	296,151,950,620	28,484,359,062	-296,142,212	—	—	1,840,323,009	20,678,905,686	177,167	788,537	—	1,397,782	305,499,221,307	22,196,439,697	
National Savings securities:														
Children's Bonus Bonds	822,542,958	255,284,750	—	4,107,799	-3,885,413	69,778,571	187,911,810	—	—	—	—	959,916,855	—	
Deposit Bonds	576,036,808	—	—	—	—	36,882,490	72,612,955	—	—	4,868,246	—	536,274,661	—	
FIRST Option Bonds	1,084,524,366	1,152,928,840	—	30,211,134	-47,056,792	36,882,490	1,282,952,828	—	—	—	—	937,654,720	66,253,506	
Gift Tokens	1,623,218	—	—	—	—	—	20,719	—	—	365,799	—	1,607,728	—	
Income Bonds	10,292,268,583	1,043,387,512	—	23,184,311	-5,163,367	—	1,148,877,797	—	—	—	—	10,204,799,242	657,987,742	
Investment Deposit	9,424,814,680	1,282,278,106	—	107,822,198	-120,022,467	493,630,902	2,175,748,372	—	—	—	—	9,012,775,047	—	
Capital Bonds	2,299,596,863	619,049,000	—	—	-35,303,118	207,769,146	1,160,488,288	—	—	—	—	1,982,271,349	—	
Pensioners Guaranteed Income Bonds	6,610,463,348	1,126,936,020	—	3,766,537	—	—	318,823,225	—	—	12,579,163	—	7,409,797,517	507,743,455	
Premium Bonds	8,029,069,201	3,158,786,192	—	179,650,367	-1,939,597	—	1,203,103,142	—	—	—	—	10,162,463,021	—	
Save as You Earn	143,793,235	20,733,459	—	—	—	—	68,205,127	—	—	11,879,111	—	96,336,762	20,008,979	
Savings Certificates	16,843,243,123	4,435,151,185	—	136,685,795	-144,271,092	—	4,058,513,184	—	—	7,446,284	—	17,211,134,592	1,726,561,349	
Treasurers Account*	21,082,954	39,893,629	—	2,003,093	-893,041	—	11,777,643	—	—	249,165	—	50,234,429	79,636	
Yearly Plan	409,914,352	—	—	5,240,653	-5,229,595	—	113,211,578	—	—	3,013,787	—	293,700,045	41,504,559	
Total National Savings securities	56,558,973,689	13,134,428,693	-296,142,212	492,671,887	-363,764,482	808,061,109	11,802,246,668	177,167	788,537	40,401,555	1,397,782	58,858,965,969	3,020,139,225	
<i>Carried forward</i>	<i>352,710,924,309</i>	<i>41,618,787,755</i>	<i>-296,142,212</i>	<i>492,671,887</i>	<i>-363,764,482</i>	<i>2,648,384,118</i>	<i>32,481,152,354</i>	<i>177,167</i>	<i>788,537</i>	<i>40,401,555</i>	<i>1,397,782</i>	<i>364,358,187,276</i>	<i>25,216,578,922</i>	

National Savings figures exclude interest, bonuses, etc. accrued but not capitalised at the end of the accounting period (see Table B22 for details).
* The previous year's outturn for Treasurers Account has been re-stated due to the revised calculation of an in-year transaction.

THE NATIONAL DEBT: COMPOSITION AND TRANSACTIONS IN 1997-98—continued

Security	Principal outstanding 31 March 1997	Borrowing in 1997-98						Repayments in 1997-98						Principal outstanding 31 March 1998	Interest paid in 1997-98
		Received in cash	Discount(+) / premium(-) on stock issues	Borrowing not yet brought to account	Cash receipts in respect of prior year borrowing	By capital uplift, conversion etc.	Paid in cash	Cash donations and bequests	Discount(+) / premium(-) on stock bought for cancellation	Cash retained for repayment	Debt redeemed from prior year cash payments	By conversion etc.			
	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£
Brought forward	352,710,924,309	41,618,787,755	-296,142,212	492,671,887	-363,764,482	2,648,384,118	32,481,152,354	177,167	788,537	-71,243,296	40,401,555	1,397,782	364,338,187,276	25,216,578,922	
Other Debt (payable in Sterling):															
Life annuities	71,000	—	—	—	—	10,943	13,943	—	—	—	—	—	68,000	3,486	
3.5% Conversion Loan Sinking Fund ⁽¹⁾	—	—	—	—	—	—	2,097,054	—	—	-699,272	—	-1,397,782	—	—	
Tax reserve certificates	289,835	—	—	—	—	—	1,237	—	—	—	—	—	288,598	35	
Certificates of tax deposit	850,847,788	84,108,550	—	—	—	—	228,992,882	—	—	—	—	—	705,963,456	19,688,787	
Temporary deposit facility	5,615,100,000	46,375,878,000	—	—	—	—	46,835,726,000	—	—	—	—	—	5,155,252,000	368,786,176	
Treasury Bills (sterling)	7,591,965,000	68,541,071,052	—	3,953,174	-579,227	—	70,469,615,000	—	—	—	—	—	5,666,794,999	332,215,436	
Ways and Means Advances	31,540,931,256	304,221,615,243	—	—	—	—	310,056,990,747	—	—	—	—	—	25,725,555,752	1,010,621,436	
International Monetary Fund— Interest-Free Notes	5,555,500,000	32,450,000	—	—	—	—	1,215,500,000	—	—	—	—	—	4,372,450,000	—	
Government of Pakistan— Pension annuities	7,447	—	—	—	—	—	7,447	—	—	—	—	—	—	53	
Liability to Gilt-Edged Official Operations Account	73,414,615	—	—	—	—	—	—	—	—	—	—	73,414,615	—	—	
Bank of England (Issue Department)— Treasury liability	—	—	—	—	—	—	15,101,979	—	—	—	—	—	—	—	
Total: Other Debt payable in Sterling	51,228,126,941	419,255,122,845	-296,142,212	3,953,174	-579,227	15,112,922	428,804,046,289	—	—	-699,272	—	72,016,833	41,626,372,805	1,731,315,409	
Total Debt payable in Sterling	403,939,051,250	460,873,910,600	-296,142,212	496,625,061	-364,343,709	2,663,497,040	461,285,198,643	177,167	788,537	-71,942,568	40,401,555	73,414,615	405,984,560,081	26,947,894,331	

(1) See 3½% Conversion Loan 1961 or after (page 59).

THE NATIONAL DEBT: COMPOSITION AND TRANSACTIONS IN 1997-98—continued

Security	Principal outstanding 31 March 1997	Borrowing in 1997-98						Repayments in 1997-98						Principal outstanding 31 March 1998 ⁽¹⁾	Foreign Currency	Interest paid in 1997-98
		Received in cash ⁽²⁾	Discount(+)/premium(-) on stock issues	Borrowing not yet brought to account	Cash receipts in respect of prior year borrowing	By capital uplift, conversion etc. ⁽³⁾	Paid in cash ⁽⁴⁾	Cash donations and bequests	Discount(+)/premium(-) on stock bought for cancellation	Cash retained for repayment	Debt redeemed from prior year cash payments	By conversion etc.				
Brought forward	£ 403,939,651,250	£ 460,873,910,600	£ -296,142,212	£ 496,625,061	£ -364,343,709	£ 2,663,497,040	£ 461,285,198,643	£ 177,167	£ 788,537	£ -71,942,568	£ 40,401,555	£ 73,414,615	£ 405,984,560,081		£ 26,947,894,331	
Other Debt (payable in external currencies):																
United States of America: Government Loan under Financial Agreement dated 6 December 1945 (Cmnd. 6708) ⁽⁵⁾	534,754,141	—	—	—	—	-14,215,235	76,035,018	—	—	—	—	—	444,503,888	US \$744,321,761	15,460,514	
Government of Canada: Loan under Financial Agreement dated 6 March 1946 (Cmnd. 6904) ⁽⁶⁾	106,290,405	—	—	—	—	-6,280,688	14,470,637	—	—	—	—	—	85,539,080	CAN \$203,762,643	2,944,157	
Floating Rate Notes US \$2Bn 2001	1,221,799,669	—	—	—	—	-32,250,550	—	—	—	—	—	—	1,189,549,119	US \$1,991,900,000	68,027,004	
US \$2Bn Bond 2001	1,219,247,992	—	—	—	—	-32,183,197	—	—	—	—	—	—	1,187,064,795	US \$1,987,740,000	80,285,459	
ECU Treasury Bills	2,701,232,971	8,562,137,856	—	—	—	-259,884,756	8,562,137,856	—	—	—	—	—	2,441,348,215	ECU 3,800,000,000	107,800,362	
Other public sector debt assigned to Her Majesty's Government	110,520,739	—	—	—	—	-1,843,182	102,139,100	—	—	—	—	—	6,538,457	DM 15,155,130 US \$2,752,648	3,541,617	
ECU Treasury Notes	3,909,679,300	1,459,979,682	—	—	—	-372,876,259	1,463,252,411	—	—	—	—	—	3,533,530,312	ECU 5,500,000,000	219,713,725	
ECU Bonds	1,954,839,650	—	—	—	—	-188,074,494	—	—	—	—	—	—	1,766,765,156	ECU 2,750,000,000	166,569,864	
Deutschemark Bond 1997	2,011,336,625	—	—	—	—	-121,302,261	1,890,034,364	—	—	—	—	—	—	—	134,664,949	
US \$3Bn Bond Issue 2002	1,840,152,119	—	—	—	—	-48,572,543	—	—	—	—	—	—	1,791,579,576	US \$3,000,000,000	130,897,930	
<i>Total: debt payable in external currencies</i>	15,609,853,611	10,022,117,538	£ -296,142,212	£ 496,625,061	£ -364,343,709	£ 1,586,013,875	£ 473,393,268,029	£ 177,167	£ 788,537	£ -71,942,568	£ 40,401,555	£ 73,414,615	£ 418,430,978,679		£ 929,905,581	
TOTAL NATIONAL DEBT	419,548,904,861	470,896,028,138	£ -296,142,212	£ 496,625,061	£ -364,343,709	£ 1,586,013,875	£ 473,393,268,029	£ 177,167	£ 788,537	£ -71,942,568	£ 40,401,555	£ 73,414,615	£ 418,430,978,679		£ 27,877,799,912	

(1) These figures represent the Sterling amounts received/paid during the financial year valued at the market rates prevailing at the time the transactions were arranged.

(2) These figures represent the change in the Sterling value of the debt resulting from changes in the valuation of the outstanding external debt.

(3) Valued at middle market rates at 31 March 1998 (£1 = US \$1.6745, Can \$2.3821, DM 3.0963, ECU 1.556517).

(4) By agreement with the Governments of the United States and Canada, payment of the interest on these loans due on 31 December, 1956, 1957, 1964, 1968 and 1976, amounting to US\$ 424,322,545.59 and Can \$115,802,213.36, respectively was deferred (Table B22 refers). Payment of the instalments of principal on these loans due on 31 December 1957, 1964, 1965, 1968 and 1976 was also deferred (Cmnds. 121 and 178).

B22: NATIONAL LOANS FUND CONTINGENT AND OTHER LIABILITIES

	Amount outstanding at 31 March 1997	Increases		Decreases		Amount outstanding at 31 March 1998
		Interest, dividends and prizes payable	NLF cash issues of interest, dividends and prizes	Net cash issues retained for payment	Capital uplift redeemed	
National Savings	£	£	£	£	£	£
Children's Bonus Bonds ⁽¹⁾	15,766,727	73,654,105	—	—	69,778,571	19,642,261
Deposit Bonds ⁽¹⁾	17,249,046	37,248,277	—	—	36,882,490	17,614,833
First Option Bonds ⁽¹⁾	10,425,203	68,437,483	66,253,506	-876,701	—	13,485,881
Income Bonds ⁽²⁾	48,060,527	665,519,033	657,987,742	504,347	—	55,087,471
Investment Deposits ⁽²⁾	136,207,715	497,759,219	—	—	493,630,902	140,336,032
Capital Bonds ⁽¹⁾	92,829,546	171,981,536	—	—	207,769,146	57,041,936
Pensioners Guaranteed Income Bonds ⁽²⁾⁽⁶⁾	17,524,953	509,507,268	507,743,455	-148,061	—	19,436,827
Premium Bonds ⁽⁴⁾	—	429,064,050	429,064,050	—	—	—
Save as You Earn ⁽³⁾	28,725,965	12,379,287	20,008,978	92,089	—	21,004,185
Savings Certificates ⁽³⁾	3,334,972,227	1,256,809,808	1,726,561,349	-2,038,386	—	2,867,259,072
Treasurer's Account ⁽²⁾⁽⁶⁾	213,411	2,523,316	79,636	—	—	2,657,091
Yearly Plan ⁽²⁾	68,015,113	28,296,064	41,504,558	2,124,908	—	52,681,711
Total National Savings	3,769,990,433	3,753,179,446	3,449,203,274	-341,804	808,061,109	3,266,247,300
National Investment Loans Office						
<i>Miscellaneous Financial Provisions Act 1955</i>						
Unclaimed Dividends	28,332,314	—	—	—	—	30,242,667
National Loans Act, 1968 Section 9						
Bank of England Issue Department	6,252,415,729	—	—	—	—	9,282,219,509
Foreign Debt⁽⁵⁾						
United States of America: Government Loan under Financial Agreement dated 6 December 1945 (Cmnd 6708) - Deferred interest	260,272,677	—	—	—	—	253,402,535
Government of Canada: Loan under Financial Agreement dated 6 March 1946 (Cmnd 6904) - Deferred interest	51,586,873	—	—	—	—	48,613,498

⁽¹⁾ Non-capitalised interest.⁽²⁾ Accrued interest⁽³⁾ Accrued interest and index-linking bonus⁽⁴⁾ Prize money⁽⁵⁾ See footnote on page 63 for detail.⁽⁶⁾ Correction of prior year error.**B23: SERVICE OF THE NATIONAL DEBT**

	1996-97 £	1997-98 £	1997-98 £
Interest (see Table B21)	25,942,524,922		27,877,799,912
Management and Expenses			
(i) Management of the Debt:			
Bank of England	13,929,445		11,531,465
Bank of Ireland	217,416		101,224
Total Management	14,146,861		11,632,689
(ii) Expenses of the Debt:			
Premium Savings Bonds: prize money	337,783,750	429,064,050	
Gilt-edged Securities	705,224	534,572	
Costs in respect of Floating Rate Notes due 1997	5,093	—	
Costs in respect of DM Bond 1997	1,215	225	
CRND Gilt-edged Official Operations Account (GOOA)	40,800	49,900	
Costs in respect of US Bond Issue 2001	3,218,953	—	
Costs in respect of Floating Rate Notes due 2001	1,916,443	—	
Total Expenses	343,671,478		429,648,747
Total Management and Expenses	357,818,339		441,281,436
TOTAL SERVICE OF THE NATIONAL DEBT	26,300,343,261		28,319,081,348

B24: SINKING FUNDSPrincipal of life annuities
(19 & 20 Geo. 5 c. 29)

Issued from the National Loans Fund	£ 13,943	Amount applied in the year to the extinction of an equal nominal amount of the capital liability in respect of such annuities	£ 13,943
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3½% Conversion Loan Sinking Fund
(11 & 12 Geo. 5 c. 32)

Issued from the National Loans Fund	£ 2,097,054	Amount applied in purchase and cancellation of £1,994,023 3½% Conversion Loan	£ 1,397,782
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**B25: DEBT REDEEMED THROUGH SINKING FUNDS IN 1997-98
RECONCILIATION WITH CASH ISSUES**

Debt redeemed (as detailed on pages 59 and 62)		£ 1,997,023
Issues (as detailed above)		1,411,725
Excess of debt redeemed over issues		<u>585,298</u>
viz:		
Discount on 3½% Conversion Loan redeemed through Sinking Fund	£ 596,241	
Life annuities - increase (-)/decrease (+) of debt redeemed on revaluation	<u>-10,943</u>	
		<u>585,298</u>

B26: DEBT REDEEMED BY CANCELLATION, ETC IN 1997-98

	<i>Cash/Cash equivalent applied</i> £	<i>Debt cancelled</i> £
Miscellaneous cash receipts applied by National Investment and Loans Office to debt redemption:		
Donations and bequests	176,964	369,280
Stock transferred and cancelled:		
Donations and bequests	203	186
Total stock cancelled	<u>177,167</u>	<u>369,466</u>

SECTION 5
OTHER SUPPLEMENTARY INFORMATION
B27: GILT-EDGED STOCK: DISCOUNTS/PREMIUMS AND COST OF FINANCING 1997-98

	Marketable Securities (Note 1)			Undated	Non-Marketable Securities		Total
	Up to 5 years	5-15 years	Over 15 years		£	£	
Discount/Premium on Gilts in Issues	£	£	£	£	£	£	
Discount/(Premium) as at 31 March 1997 (Notes 2 and 3)	279,178,990	5,052,522,216	7,170,823,603	—	115,106,990	12,617,631,799	
Discount/(Premium) on issues in the year ended 31 March 1998 (Note 4)	(1,875,000)	(148,168,650)	(176,588,750)	—	30,490,188	(296,142,212)	
Adjustments for stock conversions in the year ended 31 March 1998		—	—	—	—	—	
(Charge)/(Credit) for the year ended 31 March 1998 (Note 5)	67,403,207	(493,912,327)	(376,756,917)	—	(93,148)	(803,359,185)	
Discount/(Premium) as at 31 March 1998	344,707,197	4,410,441,239	6,617,477,936	—	145,504,030	11,518,130,402	
Cost of financing 1 April 1997 - 31 March 1998							
Interest payable for the year ended 31 March 1998 (Note 6)	9,347,934,658	9,031,188,618	3,127,257,239	101,854,057	1,397,705,325	23,005,939,897	
Capital uplift on index-linked stocks	170,273,361	751,307,923	908,487,725	—	10,254,000	1,840,323,009	
Discount/(Premium) on cancellations in the year ended 31 March 1998	—	—	—	—	—	—	
Charge/(Credit) for the year ended 31 March 1998 (Note 5)	(67,403,207)	493,912,327	376,756,917	—	93,148	803,359,185	
Total cost of financing gilts in 1997-98	9,450,804,812	10,276,408,868	4,412,501,881	101,854,057	1,408,052,473	25,649,622,091	

(1) Reflects changes in maturing group.

(2) Reflects adjustments to previous year's figures.

(3) Outstanding discount/premium to be apportioned over remaining life of gilts.

(4) These figures reflect the amounts shown in the National Debt table (B21).

(5) Represents the charge/credit in respect of the discount/premium amortised over the life of the gilts.

(6) These figures are calculated on an accruals basis. The interest figures included in the National Debt table (B21) are taken from the NLF Accounts and are on a cash basis.

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