

HM IMPERIAL
GOVERNMENT



MINISTRY
OF FINANCE

FINANCIAL YEAR 2017 – 2018

TREASURY AND ECONOMIC
REPORTS

INTRODUCTION

The following document contains a summary of current government assets, the annual financial statement for His Majesty's Imperial Treasury and a report on the state of the economy from the Imperial Companies Agency and the National Employment Agency, both for the financial year lasting from the 1st of October 2017 to the 30th of September 2018, as defined by the Economy Act 2014. Comments are provided by HIM Emperor Adam I in his capacity as Director of the Imperial Companies Agency and as Cabinet Secretary, acting in the absence of senior civil servants at the Ministry of Finance itself.

This report is to be published and released to the general public, as well as presented to the Ruling Council at its October 2018 meeting.

SUMMARY OF GOVERNMENT ASSETS

As of 30th September 2018

Treasury account (cash)	£18.58
<i>Ministry of Finance</i>	£18.58
Flag	£25.00
Stationery	£3.60
<i>Cabinet Office</i>	£28.60
Tent	£30.00
Hubsan quadcopter	£26.00
<i>Ministry of Defence</i>	£56.00
Adammic Online Broadcasting shares (100%)	£22.00
Adammic Express shares (100%)	£0.00
Imperial Mail shares (100%)	£0.00
AISA inventory	£23.00
Populus Imperium monument	£8.00
<i>Ministry of National Development</i>	£53.00
Total assets	£156.18

EXPLANATORY NOTES

Assets held by the Office of the Emperor and the Office of State have not been included. Some trivial assets, such as archived documents, have not been included.

HIS MAJESTY'S IMPERIAL TREASURY – ANNUAL FINANCIAL STATEMENT

	£
Balance from end of previous financial year	40.32
Contributions Scheme	0.00
Company tax	2.24
Total income	2.24
Web domain renewal (Ministry of Citizenship & Information)	(23.98)
Total expenses	(23.98)
<u>Total budget deficit</u>	<u>(21.74)</u>
Balance at end of financial year	18.58
Deficit as % of balance at start of year	53.92%
Deficit as % of GDP	45.51%

Month-by-month breakdown

	£
Balance from end of previous financial year	40.32
<i>Cash flow - October 2017</i>	<u>0.00</u>
<i>Balance - October 2017</i>	40.32
<i>Cash flow - November 2017</i>	<u>0.00</u>
<i>Balance - November 2017</i>	40.32
Tax - Q3 2017	0.66
Tax - Q4 2017	0.69
<i>Cash flow - December 2017</i>	<u>1.35</u>
<i>Balance - December 2017</i>	41.67
Cash flow - Q4 2017	1.35
Balance - Q4 2017	<u>41.67</u>
Web domain renewal (Ministry of Citizenship & Information)	(23.98)
<i>Cash flow - January 2018</i>	<u>(23.98)</u>
<i>Balance - January 2018</i>	17.69
<i>Cash flow - February 2018</i>	<u>0.00</u>
<i>Balance - February 2018</i>	17.69

<i>(balance from previous page)</i>	17.69
<i>Cash flow - March 2018</i>	<u>0.00</u>
<i>Balance - March 2018</i>	17.69
Cash flow - Q1 2018	(23.98)
Balance - Q1 2018	<u>17.69</u>
<i>Tax - Q1 2018</i>	0.53
<i>Cash flow - April 2018</i>	<u>0.53</u>
<i>Balance - April 2018</i>	18.22
<i>Cash flow - May 2018</i>	<u>0.00</u>
<i>Balance - May 2018</i>	18.22
<i>Cash flow - June 2018</i>	<u>0.00</u>
<i>Balance - June 2018</i>	18.22
Cash flow - Q2 2018	0.53
Balance - Q2 2018	<u>18.22</u>
<i>Cash flow - July 2018</i>	<u>0.00</u>
<i>Balance - July 2018</i>	18.22
<i>Tax - Q2 2018</i>	0.36
<i>Cash flow - August 2018</i>	<u>0.36</u>
<i>Balance - August 2018</i>	18.58
<i>Difference from accounts following audit</i>	0.00
<i>Cash flow - September 2018</i>	<u>0.00</u>
<i>Balance - September 2018</i>	18.58
Cash flow - Q3 2018	0.36
Balance - Q3 2018	<u>18.58</u>

EXPLANATORY NOTES

The 2017-18 financial year saw a second year of budget deficit, which was halved in absolute terms (from £44.68 last year to £21.74 this year), whereas it remained roughly constant in relative terms (around 52-53% of cash reserves at year start). However, whereas last year's deficit was the deliberate result of large public spending projects, this year expenditure was massively reduced, and only included the cost of renewing the empireofadamnia.org.uk domain, which is generally considered the bare minimum for a functioning government. Despite this, a deficit was still run, due to the fact that government income was virtually nothing.

Although it was planned that income-raising measures would be implemented shortly after the Budget was passed during the winter, it took until June for the Public Finance Act to be passed which reformed the Contributions Scheme, which had up till that point been suspended, from an opt-out to an opt-in system. Since then, nobody has signed up to the new Scheme, despite the

promise of rewards, and the Scheme has not raised a single penny this entire financial year. This has made the Treasury entirely dependent on company tax. The only company which paid any tax was Capital Brewery, which comes nowhere near to meeting demand; Adammic Investment has not been able to pay its tax bills on time due to cash flow issues, and it currently owes the Treasury a fair amount of money.

The current situation should alarm ministers. We estimate that if the Treasury does not implement serious revenue-raising measures, the government may be forced to close down the national website within two years, or face bankruptcy. Thankfully, due to the Public Finance Act passed earlier this year, the Sovereign Grant is now available; the government may be able to use the Emperor's private funds to essentially bail itself out. We also recommend reform of the company tax system to make it easier for companies like Adammic Investment to pay their tax bills. This may be an easier solution than attempting to make the Contributions Scheme work again; it will be difficult to make the Scheme take off in the newer provinces, and the distance between Greater Tytannia and the Treasury means that the old contributors now face various practical difficulties in taking part in the Scheme. Although the Scheme was historically the Treasury's flagship revenue-raising mechanism, we recommend investigating new, more novel options for raising revenue going forward.

IMPERIAL COMPANIES AGENCY – REPORT ON THE STATE OF THE ECONOMY

Q4 2017

Capital Brewery Ltd.	£3.45
Adammic Investment Ltd.	£25.60
Total	£29.05

Q1 2018

Capital Brewery Ltd.	£2.65
Adammic Investment Ltd.	-£53.31
Total	-£50.66

Q2 2018

Capital Brewery Ltd.	£1.80
Adammic Investment Ltd.	£48.34
Total	£50.14

Q3 2018

Capital Brewery Ltd.	£2.90
Adammic Investment Ltd.	£9.40
Total	£12.30

Total GDP **£40.83**

Growth -19.28%
(recession)

GDP per capita £0.94

Public sector £0.00 (0.00%)
Private sector £40.83 (100.0%)

By industry

Alcohol £10.80 (26.45%)
Finance £30.03 (73.55%)

Unemployment **36.59%**

EXPLANATORY NOTES

Disappointingly, the recession has continued for a second year, although it has slowed from the steep dive it took last year. The sustained recession can be mostly blamed on the complete death of the public sector, with the Contributions Scheme remaining suspended or inactive for the entire year, and publicly-owned companies such as the Adammic Express failing to generate any revenue.

On the other hand, the private sector has actually grown. This is largely due to the performance of Adammic Investment Ltd., which was by far the most profitable business this year in Adammia. It can now reasonably be said that the finance industry is the Empire's biggest economic sector. Indeed, without it, the Adammic economy would have almost completely collapsed this year. Capital Brewery continues to provide a small contribution to the economy, which is mostly consistent but did drop slightly this year.

Unemployment has risen sharply largely due to the influx of new citizens in provinces such as Alluria, who have not yet sought out jobs in the Empire.