

Notes to the Consolidated Financial Statements

For the year ended 30 June 2019

34. Related party disclosures (cont.)

Trading transactions with joint ventures and joint operations

	2019 \$000	2018 \$000
<i>ActewAGL Retail Partnership</i>		
AGL sold gas and electricity to the ActewAGL Retail Partnership on normal commercial terms and conditions.		
Net amounts received	369,024	373,070
<i>Sunverge Energy Inc</i>		
On 4 February 2016, AGL entered into a supply agreement with Sunverge Energy Inc to supply AGL with battery storage units, energy software and support services on normal commercial terms and conditions. This agreement ceased during the year ended 30 June 2018.		
Net amounts paid	-	1,367
<i>Powering Australian Renewables Fund</i>		
AGL has purchased electricity and environmental products from Powering Australian Renewables Fund (PARF) on normal commercial terms and conditions.		
Net amounts received/(paid)	155	(5,593)
AGL received management fees from PARF for overseeing the operation and construction of PARF's generation assets.		
Net amounts received	1,863	3,651
<i>North Queensland Energy Joint Venture</i>		
North Queensland Energy Joint Venture (NQE) pays management fees to AGL as the operator of NQE.		
Net amounts received	750	750

35. Cash and cash equivalents

(a) Reconciliation to cash flow statement

Cash and cash equivalents at the end of the reporting period as shown in the Consolidated Statement of Cash Flows can be reconciled to the related items in the Consolidated Statement of Financial Position as follows:

	2019 \$m	2018 \$m
Cash at bank and on hand	99	163
Short-term deposits	16	300
Total cash and cash equivalents	115	463

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For the year ended 30 June 2019

35. Cash and cash equivalents (cont.)

(b) Reconciliation of profit for the year to net cash flows from operating activities

	2019 \$m	Restated 2018 \$m ¹
Profit for the year	905	1,582
Share of profits of associates and joint ventures	(33)	(39)
Dividends received from joint ventures	27	40
Depreciation and amortisation	625	568
Share-based payment expense	6	6
Loss/(gain) in fair value of financial instruments	198	(803)
Net gain on disposal of subsidiaries and businesses	(52)	(25)
Loss on disposal of assets on exit of business	47	-
Loss on disposal of joint operation	2	-
Net gain on disposal of property, plant and equipment	(2)	(6)
Non-cash finance costs	61	66
Capitalised finance costs	(21)	(11)
Deferred transaction costs on borrowings	-	(2)
Impairment of investments in associates	-	20
Other non-cash expenses	-	8
Changes in assets and liabilities		
Decrease in trade and other receivables	72	56
Increase in inventories	(74)	(32)
Decrease in derivative financial instruments	17	75
(Increase)/decrease in other financial assets	(187)	162
Increase in other assets	(9)	(27)
(Decrease)/increase in trade and other payables	(12)	29
Decrease in provisions	(81)	(23)
Decrease in other financial liabilities	-	(26)
(Decrease)/increase in other liabilities	(1)	20
Decrease in tax assets and liabilities	111	505
Net cash provided by operating activities	1,599	2,143

1. Comparatives have been restated for the adoption of AASB 9 Financial Instruments and AASB 16 Leases. Refer to Note 38(c).

(c) Reconciliation of changes in liabilities arising from financing activities

Year ended 30 June 2019	Balance at beginning of financial year \$m ¹	Net repayments \$m	Non-cash movements \$m	Balance at end of financial year \$m
Liabilities arising from financing activities				
USD senior notes	931	-	123	1,054
Subordinated notes	650	(650)	-	-
Medium term notes	598	-	1	599
Bank loans	410	410	-	820
CPI bonds	88	(7)	-	81
Other loans	144	(11)	-	133
Lease liabilities	154	(5)	23	172
Deferred transaction costs	(12)	(1)	4	(9)
	2,963	(264)	151	2,850

1. Comparatives have been restated for the adoption of AASB 16 Leases. Refer to Note 38(c).

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For the year ended 30 June 2019

35. Cash and cash equivalents (cont.)

Year ended 30 June 2018 ¹	Balance at beginning of financial year \$m	Net repayments \$m	Non-cash movements \$m	Balance at end of financial year \$m
Liabilities arising from financing activities				
USD senior notes	938	-	(7)	931
Subordinated notes	650	-	-	650
Medium term notes	598	-	-	598
Bank loans	830	(420)	-	410
CPI bonds	160	(73)	1	88
Other loans	155	(11)	-	144
Lease liabilities	157	(9)	6	154
Deferred transaction costs	(15)	-	3	(12)
	3,473	(513)	3	2,963

1. Comparatives have been restated for the adoption of AASB 16 Leases. Refer to Note 38(c).

ACCOUNTING POLICY

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash. The carrying amount represents fair value.

For the purposes of the Consolidated Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above net of outstanding bank overdrafts.

36. Financial instruments

(a) Classes and categories of financial instruments and their fair values

The following table combines information about:

- classes of financial instruments based on their nature and characteristics;
 - Amortised cost
 - Fair value through profit or loss ('FVTPL')
 - Fair value through other comprehensive income ('FVOCI')
- the carrying amounts of financial instruments;
- fair values of financial instruments (except financial instruments when carrying amount approximates their fair value); and
- fair value hierarchy levels of financial assets and financial liabilities for which fair value was disclosed.