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# Assets Recovery Agency

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## Introduction

1. This Estimate covers the administration, programme and capital costs of the Assets Recovery Agency.
2. The Agency is a Non-Ministerial Department which was set up under the Proceeds of Crime Act 2002. The Agency was formally established on 13 January 2003 with the majority of its powers coming into force on 24 February 2003 and assuming full financial independence from 1 April 2003.
3. The Agency's remit is to reduce crime by:
  - (a) Supporting all Law Enforcement Agencies in financial investigations and asset recovery through the development and provision of specialist training and advice.
  - (b) Investigating cases leading to post-conviction confiscation orders and/or applying for such orders.
  - (c) Enforcing certain confiscation orders.
  - (d) Using a new power of "civil recovery" – suing in the High Court for the recovery of the proceeds of unlawful conduct.
  - (e) Using powers of taxation where the Director has reasonable grounds to suspect that there is income, gains or profits that is chargeable to the relevant tax and which results from criminal conduct. The Director then carries out the tax functions that the Inland Revenue would ordinarily carry out. This is not just limited to the proceeds of unlawful conduct but all the defendant's property.
  - (f) To seek international assistance in obtaining restraint and confiscation.
4. The Director of the Agency is a corporation sole and is appointed by the Home Secretary who also is required to approve the annual plan.
5. Symbols are explained in the Introduction to this booklet.

## Part I

	£
<b>Request for Resources 1: Helping to reduce crime by recovering the proceeds of crime through criminal confiscation, civil recovery and taxation.</b>	<b>15,495,000</b>
<b>Total net resource requirement</b>	<b>15,495,000</b>
<b>Net cash requirement</b>	<b>15,401,000</b>

Amounts required in the year ending 31 March 2005 for expenditure by the Assets Recovery Agency on:

### **RfR 1: Helping to reduce crime by recovering the proceeds of crime through criminal confiscation, civil recovery and taxation.**

Payments and expenses related to investigation, litigation and enforcement of referred cases from law enforcement agencies, expenses for the development and delivery of specialist training courses in financial investigation and other associated asset identification and recovery, expenses related to the administration and management of the service provision and associated non-cash items.

The **Assets Recovery Agency** will account for this Estimate.

	Net total	Allocated in Vote on Account	Balance to complete
	£	£	£
<b>RfR 1</b>	<b>15,495,000</b>	<b>4,950,000</b>	<b>10,545,000</b>
<b>Total net resource requirement</b>	<b>15,495,000</b>	<b>4,950,000</b>	<b>10,545,000</b>
<b>Net cash requirement</b>	<b>15,401,000</b>	<b>4,848,000</b>	<b>10,553,000</b>

## Part II: Subhead detail

£'000

2004-05						2003-04 Provision	2002-03 Outturn		
Resources						Capital		Net Total Resources	Net Total Resources
Admin	Other Current	Grants	Gross Total	A in A	Net Total	Capital	Non- operating A in A		
1	2	3	4	5	6	7	8	9	10
<b>RfR 1: Helping to reduce crime by recovering the proceeds of crime through criminal confiscation, civil recovery and taxation</b>									
3,900	11,595	-	15,495	-	15,495	-	-	14,036	-
<b>Spending in Departmental Expenditure Limits (DEL)</b>									
<i>Central Government spending</i>									
A Helping to reduce crime									
3,900	11,595	-	15,495	-	15,495	-	-	14,036	-
<b>Total for Estimate:</b>									
3,900	11,595	-	15,495	-	15,495	-	-	14,036	-

## Part II: Resource to cash reconciliation

	2004-05		2003-04		2002-03		£'000
	Provision		Provision		Outturn		
<b>Net Total Resources</b>		15,495		14,036			-
<b>Voted capital items</b>							
Capital	-		100		-		
Less Non-operating A-in-A	-		-		-		
<b>Total net voted capital</b>		-		100			-
<b>Accruals to cash adjustment</b>							
Adjustments to remove non-cash items:							
Cost of Capital charges	-5		-12		-		
Depreciation	-123		-81		-		
New provisions and adjustments to previous provisions	-		-		-		
Profit/loss on sale of assets	-		-		-		
Prior period adjustments	-		-		-		
Other non-cash items	-39		-39		-		
Increase (+) / Decrease (-) in stock	-		-		-		
Increase (+) / Decrease (-) in debtors	-4		17		-		
Increase (-) / Decrease (+) in creditors	77		-135		-		
Use of provisions	-		-		-		
<b>Total accruals to cash adjustments</b>		-94		-250			-
<b>Excess cash to be CFERd</b>		-		-			-
<b>Net Cash Requirement</b>		15,401		13,886			-

## Part III: Extra receipts payable to the Consolidated Fund

In addition to appropriations in aid the following income relates to the Department and is payable to the Consolidated Fund (cash receipts being shown in italics):-

	2004-05		2003-04		2002-03		£'000
	Provision		Provision		Outturn		
	Income	Receipts	Income	Receipts	Income	Receipts	
Operating income not classified as AinA	-	<i>1</i>	-	<i>1</i>	-	-	
Non-operating income not classified as AinA	-	-	-	-	-	-	
Other amounts collectable on behalf of the Consolidated Fund	-	-	-	-	-	-	
Excess cash receipts to be surrendered to the Consolidated Fund	-	-	-	-	-	-	
<b>Total</b>	-	<i>1</i>	-	<i>1</i>	-	-	

## Forecast Operating Cost Statement

	2004-05 Provision	2003-04 Provision	2002-03 Outturn	£'000
<b>Net administration costs:</b>				
RfR 1	3,900	4,205		-
<b>Net programme costs:</b>				
RfR 1	11,595	9,831	-	
<b>Total net programme costs</b>	<u>11,595</u>	<u>9,831</u>		-
<b>Total Net Operating Cost</b>	15,495	14,036		-
<i>of which:</i>				
<b>Net Resource Outturn</b>	15,495	14,036		-
CFERs	-	-		-
Non-voted expenditure	-	-		-
<b>Resource Budget Outturn</b>	15,495	14,036		-

## Notes to the Main Estimate

### Reconciliation of resource expenditure between Estimates, Accounts and Budgets

	£'000		
	2004-05 Provision	2003-04 Provision	2002-03 Outturn
<b>Net Resource Outturn (Estimates)</b>	<b>15,495</b>	<b>14,036</b>	-
<i>Adjustments to remove:</i>			
provision voted for earlier years	-	-	-
<i>Adjustments to additionally include:</i>			
non-voted expenditure in the OCS	-	-	-
Consolidated Fund Extra Receipts in the OCS	-	-	-
Other adjustments	-	-	-
<b>Net Operating Cost (Accounts)</b>	<b>15,495</b>	<b>14,036</b>	-
<i>Adjustments to remove:</i>			
capital grants to local authorities	-	-	-
capital grants financed from the Capital Modernisation Fund	-	-	-
European Union income and related adjustments	-	-	-
voted expenditure outside the budget	-	-	-
<i>Adjustments to additionally include:</i>			
other Consolidated Fund Extra Receipts	-	-	-
resource consumption of non departmental public bodies	-	-	-
unallocated resource provision	-	-	-
Other adjustments	-	-	-
<b>Resource Budget Outturn (Budget)</b>	<b>15,495</b>	<b>14,036</b>	-
<i>of which:</i>			
Departmental Expenditure Limits (DEL)	15,495	14,036	-
Annually Managed Expenditure (AME)	-	-	-

### Reconciliation of capital expenditure between Estimates and Budgets

	£'000		
	2004-05 Provision	2003-04 Provision	2002-03 Outturn
<b>Net Voted Capital Outturn (Estimates)</b>	-	<b>100</b>	-
<i>Adjustments to remove:</i>			
gains / losses from sale of capital assets	-	-	-
<i>Adjustments to additionally include:</i>			
other Consolidated Fund Extra Receipts	-	-	-
capital spending by non-departmental public bodies	-	-	-
capital grants to local authorities	-	-	-
capital grants financed by the Capital Modernisation Fund	-	-	-
local authority credit approvals	-	-	-
capital spending by levy funded bodies	-	-	-
unallocated capital provision	-	-	-
Other adjustments	-	-	-
<b>Capital Budget Outturn (Budget)</b>	-	<b>100</b>	-
<i>of which:</i>			
Departmental Expenditure Limits (DEL)	-	100	-
Annually Managed Expenditure (AME)	-	-	-

## Notes to the Main Estimate *(continued)*

### Explanation of Accounting Officer responsibilities

The Treasury has appointed The Director, Jane Earl, as Principal Accounting Officer with overall responsibility for preparing the Department's Estimate.

The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which an Accounting Officer is answerable, for keeping proper records and for safeguarding the Department's assets, are set out in the Accounting Officers' Memorandum issued by the Treasury and published in *Government Accounting*.

## Notes to the Main Estimate *(continued)*

### Analysis of appropriations in aid (A in A)

	£'000					
	2004-05 provision		2003-04 provision		2002-03 outturn	
	Operating A in A	Non- operating A in A	Operating A in A	Non- operating A in A	Operating A in A	Non- operating A in A
<b>RfR 1: Helping to reduce crime by recovering the proceeds of crime by criminal and civil proceedings and taxation</b>						
Charges for financial investigators courses provided through ARA's Centre of Excellence	—	—	25	—	—	—
<b>Total RfR 1</b>	<b>—</b>	<b>—</b>	<b>25</b>	<b>—</b>	<b>—</b>	<b>—</b>

\*Amount that may be applied as appropriations in aid in addition to the net total, arising from amount recovered through the delivery of specialist training courses in financial investigation and other associated asset identification and recovery to Law Enforcement Agencies.

### Analysis of Consolidated Fund extra receipts

	£'000					
	2004-05 provision		2003-04 provision		2002-03 outturn	
	Income	Receipts	Income	Receipts	Income	Receipts
Income from fees not classified as A in Aφ	—	1	—	1	—	—
<b>Total</b>	<b>—</b>	<b>1</b>	<b>—</b>	<b>1</b>	<b>—</b>	<b>—</b>

## Notes to the Main Estimate *(continued)*

### Departmental Expenditure Limits and Administration Costs Limits

Administration costs limits	£'000		
	Gross provision	Income	Total administration costs limit
Gross administration costs limits	3,900	—	3,900
Net administration costs limits	—	—	—

Departmental Expenditure Limits (DEL)	£'000		
	Voted*	Non-voted	Total
Resource DEL	15,495	—	15,495
Capital DEL	—	—	—
Less depreciation	-123	—	-123
Total DEL	15,372	—	15,372

- \* i. Capital DEL includes items treated as resource in Estimates and Accounts, but which are treated as part of Capital DEL, under stage 2 of Resource Accounting and Budgeting, as implemented in the 2002 Spending Review
- ii. Excludes EU receipts included in Estimates, but excluded in Budgets

### Comparisons of provision sought with final provision and forecast outturn for the previous year

The total net resource sought for 2004-05 of £15,495,000 is 10.4 per cent higher than the final net provision and forecast outturn for 2003-04 of £14,036,000.

