



HM TREASURY

Financial Reporting Advisory Board Paper

MHCA – Worked Examples

Issue:	Worked examples have been produced to assist departments in applying MHCA principles
Impact on guidance:	The examples will be available on the FReM website
UK GAAP adaptation?	N/A
IAS/IFRS compliant?	N/A
IPSAS compliant?	N/A
Impact on budgetary regime?	N/A
Recommendation:	That the FRAB approves the worked examples
Timing:	2005-06

DETAIL

Background

1. The FReM and previously the RAM require entities to prepare financial statements under the historical cost convention, modified by the revaluation of fixed assets, current assets, current asset investments and stocks.
2. Worked examples have been prepared to provide guidance on how entities should apply price indices to revalue assets at a current value. The guidance is included at Annex. A
3. The worked examples will be available on the FReM website.
4. The worked examples do not have an impact on Department Yellow.

Summary and recommendation

5. That the board notes the worked examples.

HM Treasury