

Financial Reporting Advisory Board Paper

Secretariat paper

Supply and Consolidated Fund Extra Receipts – worked examples Accounting for a PFI project – worked example

Issue:	Worked examples have been produced to assist departments in accounting for Supply and Consolidated Fund Extra Receipts and in accounting for a PFI project
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 notes the worked examples
Timing:	2005-06

DETAIL

Background

1. In developing the revised format of *Department Yellow*, it was announced that worked examples would be prepared that would assist accounts preparers in areas that are either unique to the public sector, or that present particular difficulties. This paper brings to the Board's attention two examples.
2. The need to account for Supply and Consolidated Fund Extra Receipts is unique to resource accounts. Chapter 16 of the *Resource Accounting Manual* provides guidance, including examples, on the accounting treatment in financial statements. The accounting treatment is explained in chapter

3 of the Financial Reporting Manual. Separate examples have been worked up (based closely on those already in the RAM). They are attached at Annex A.

3. Accounting for PFI projects can be particularly difficult, especially where the project itself is complex. The example attached at Annex B is based around a recent PFI project, which was selected because it contains a large element of barter, and it appears likely that future PFI projects will contain similar elements.

4. The worked examples will be available on the FReM website.

Summary and recommendation

5. That the Board notes the worked examples.

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Secretary