

DRAFT**200X–0Y NDPB Green: illustrative accounts**

1. The illustrative accounts for “NDPB Green” (a fictitious Executive NDPB) comprise:
 - a Net Expenditure Account;
 - b Balance Sheet;
 - c Cash Flow Statement;
 - d Statement of Changes in Taxpayers’ Equity;
 - e Notes to the accounts.
2. The accounts are for illustration only and should only be followed as the circumstances of an individual NDPB dictate. The accounts do not show every line item which may be necessary in the circumstances of an individual NDPB.

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Net Expenditure Account

for the year ended 31 March 200Y

	200X-0Y	200W-0X
Note	£000	£000
Expenditure		
Staff costs	3	
Depreciation	4	
Other Expenditures	4	
Income		
Income from Activities	5	
Other Income	5	
Net Expenditure		
Cost of Capital	4	
Interest payable/receivable	4/5	
Net Expenditure after cost of capital Charge and interest		

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Balance Sheet

as at 31 March 200Y

		200Y £000	200X £000
	Note		
Non-current assets:			
Property, plant and equipment	6		
Intangible assets	7	<i>Intangible</i>	<i>Intangible</i>
Financial Assets	18	<i>Investments</i>	<i>Investments</i>
Total non-current assets		Total non-current assets (A)	Total non-current assets (A)
Current assets:			
Assets classified as held for sale		<i>IFRS 5</i>	<i>IFRS 5</i>
Inventories	7	<i>Inventories</i>	<i>Inventories</i>
Trade receivables	10		
Other current assets			
Cash and cash equivalents	11	<i>Cash</i>	<i>Cash</i>
Total current assets		Total current assets (B)	Total current assets (B)
Total assets		Total	Total
Current liabilities			
Trade and other payables	12	<i>< 1 year</i>	<i><1 year</i>
Other payables	12		
Total current liabilities		Total current liabilities (C)	Total current liabilities (C)
Non-current assets plus/less net current assets/liabilities		Total (A+B-C)	Total (A+B-C)
Non-current liabilities			
Provisions	13	<i>Provisions</i>	<i>Provisions</i>
Pension Liabilities	3		
Other payables	13	<i>>1 year</i>	<i>>1 year</i>
Financial Liabilities	18		
Total non-current liabilities		Total non-current liabilities (D)	Total non-current liabilities (D)
Assets less liabilities		Total (A+B-C-D)	Total (A+B-C-D)
Reserves			
Capital reserve		<i>General</i>	<i>General</i>
Revaluation reserve		<i>Revaluation</i>	<i>Revaluation</i>
General reserve		<i>Grants from parents</i>	<i>Grants from parents</i>
		Total	Total

The financial statements on pages x to y were approved by the Board on [date] and were signed on its behalf by:

(Signed) (Chairman/Chief Executive)
[date]

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Cash Flow Statement

for the year ended 31 March 200Y

		200X-0Y £000	200W-0X £000
	Note		
Cash flows from operating activities			
Net Surplus after cost of capital and interest			
Adjustments for cost of capital charge	4		
(Increase)/Decrease in trade and other receivables			
<i>less movements in receivables relating to items not passing through the Net Expenditure account</i>			
(Increase)/Decrease in Inventories			
Increase/(Decrease) in trade payables			
<i>less movements in payables relating to items not passing through the Net Expenditure account</i>			
Use of provisions	13		
Net cash outflow from operating activities			
Cash flows from investing activities			
Purchase of property, plant and equipment	6		
Purchase of intangible assets	7		
Proceeds of disposal of property, plant and equipment			
Loans to other bodies	18		
(Repayments) from other bodies	18		
Net cash outflow from investing activities			
Cash flows from financing activities			
Grants from parent department			
Capital element of payments in respect of finance leases and on-balance sheet PFI contracts			
Net financing			
Net increase/(decrease) in cash and cash equivalents in the period			
Cash and cash equivalents at the beginning of the period	11		
Cash and cash equivalents at the end of the period	11		

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Statement of Changes in Reserves

for the year ended 31 March 200Y

	Note	Capital Reserve £000	Reval Reserve £000	I & E Reserve £000	Total Reserves £000
Balance at 31 March 200V					
Changes in accounting policy					
Restated balance at 1 April 200W					
Changes in reserves 200W-0X					
Net gain/(loss) on revaluation of property, plant and equipment					
Net gain/(loss) on revaluation of intangible assets					
Net gain/(loss) on revaluation of investments					
Release of reserves to the I&E					
Non-cash charges – cost of capital	4				
Transfers between reserves					
Retained Surplus/Deficit					
<i>Note: the lines provided above represent those items most likely to be required by an 'average' NDPB. You should refer to IAS 1 (implementation guidance) for other entries that might be required.</i>					<i>Insert additional line entries as necessary to capture all transactions passing through reserves (for example, gains or losses on cash flow hedges and forex exchange differences)</i>
Total recognised income and expense for 200W-0X					
Grant from Parent					
Balance at 31 March 200X					
Changes in taxpayers' equity for 200X-0Y					
Net gain/(loss) on revaluation of property, plant and equipment					
Net gain/(loss) on revaluation of intangible assets					
Net gain/(loss) on revaluation of investments					
Release of reserves to the I&E					
Non-cash charges – cost of capital	4				
Transfers between reserves					
Retained Surplus/Deficit					
<i>Note: the lines provided above represent those items most likely to be required by an 'average' NDPB. You should refer to IAS 1 (implementation guidance) for other entries that might be required.</i>					<i>Insert additional line entries as necessary to capture all transactions passing through reserves (for example, gains or losses on cash flow hedges and forex exchange differences)</i>
Total recognised income and expense for 200X-0Y					
Grant from Parent					
Balance at 31 March 200Y					

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NDPB Green – Annual Report and Accounts 200X-0Y

Notes to the NDPB's Accounts

1. Statement of accounting policies

These financial statements have been prepared in accordance with the 200X-0Y *Government Financial Reporting Manual (FReM)* issued by [*insert name of issuing authority*]. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the [*insert name of NDPB*] for the purpose of giving a true and fair view has been selected. The particular policies adopted by the [*insert name of NDPB*] [for the reportable activity] are described below. They have been applied consistently in dealing with items that are considered material to the accounts.

1.1 Accounting convention

These accounts have been prepared under the historical cost convention modified to account for the revaluation of property, plant and equipment, intangible assets and inventories.

A description of the accounting policies for all material items should then follow. Headings might include:

- *Property, plant and equipment, with other headings for donated, heritage and infrastructure assets as appropriate*
- *Depreciation*
- *intangible assets*
- *investments*
- *inventories*
- *research and development expenditure*
- *operating income*
- *foreign exchange*
- *leases*
- *Service Concessions (PPP/PFI)*
- *Financial Instruments*
- *grants receivables*
- *provisions (including the discount rate used where the time value of money is significant and the estimated risk-adjusted cash flows are discounted)*
- *estimation techniques used and changes in accounting estimates (see in particular IAS 8.32 to 40)*
- *value added tax*
- *third party assets*

NDPBs must include the following notes in the appropriate place in the sequence.

1.a Capital charge

A charge, reflecting the cost of capital utilised by the NDPB, is included in the Expenditure Account. The charge is calculated at the real rate set by HM Treasury (currently [*insert the current rate*] per cent) on the average carrying amount of all assets less liabilities, except for:

- a property, plant and equipment and intangible assets where the cost of capital charge is based on opening values, adjusted pro rata for in-year:
 - additions at cost
 - disposals as valued in the opening balance sheet (plus any subsequent capital expenditure prior to disposal)
 - impairments at the amount of the reduction of the opening balance sheet value (plus any subsequent capital expenditure)
 - depreciation of property, plant and equipment and amortisation of intangible assets;

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- b donated assets, and cash balances with the Office of the Paymaster General, where the charge is nil;
- c [additions to heritage collections].

1.b Pensions

Past and present employees are covered by the provisions of the [name of the scheme]. *Details of Scheme here.*

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2 Analysis of Net Expenditure by Segment

	Segment 1 £000	Segment 1 £000	Segment 1 £000	Total £000
Gross Expenditure				
Income				
Net Expenditure				
Total Assets				
<i>Other items reported to senior management</i>				

3. Staff numbers and related costs

Staff costs comprise:

	200W-0X £000			
	Total	Permanently employed staff	Others	Total
Wages and salaries				
Social security costs				
Other pension costs				
Sub Total				
Less recoveries in respect of outward secondments				
Total net costs*				
Of which:				

Details of the NDPB's pension scheme details as required by IAS 19 should be provided here

Average number of persons employed

The average number of whole-time equivalent persons employed during the year was as follows.

200W-0X

Number	Total	Permanent staff	Others	Total
Directly Employed				
Other				
Staff engaged on capital projects				
Total				

4. Other Expenditure

	200X-0Y £000	200W-0X £000
Note		

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The following expenditure items (if incurred) must be listed individually within this note, although not necessarily in this order. Best practice suggests that the items are presented in descending order of magnitude.

Running Costs

Rentals under operating leases

Interest charges

PFI service charges

Research and Development expenditure

Non-cash items

Depreciation

Amortisation

Profit on disposal of fixed asset

Where netted off expenditure within the Net Expenditure Account

Loss on disposal of property, plant and equipment

Cost of Capital charges

Provision provided for in year 13

Unwinding of discount on provisions 14

In addition, other expenditure should be analysed and any significant items listed individually as part of this table. You should NOT insert a shoulder heading of 'other' and then provide a separate note analysing 'other'. That is not helpful to the reader of the accounts.

Total

During the year the NDPB purchased the following non-audit services from its auditor, [name Auditor, e.g. the National Audit Office][list services received with details of cost]

5. Income

Drafting note: this note analyses the income recorded in the Net Expenditure Account.

	200X-0Y	200W-0X
	£000	£000
	Total	Total
Income source 1		
Income source 2, etc		

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6. Property, plant and equipment

	Land & Buildings excluding Dwellings	Dwellings	Information Technology	Plant & Machinery	Furniture & Fittings	Payments on Account & Assets under Construction	Total
	£000	£000	£000	£000	£000	£000	£000
Cost or valuation						-	
At 1 April 200X							
Additions							
Donations							
Disposals							
Reclassifications							
Revaluations							
At 31 March 200Y							
Depreciation							
At 1 April 200X							
Charged in year							
Disposals							
Reclassifications							
Revaluations							
At 31 March 200Y							
Net book value at 31 March 200Y							
Net book value at 31 March 200X							
Asset financing:							
Owned							
Finance Leased							
On-balance sheet PFI contracts							
Net book value at 31 March 200Y							

Notes

Insert here a note giving the names and qualifications of the valuers of any assets, what assets they valued, and the date on which they were valued during the year. The note should also state that property, plant and equipment are valued using indices.

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	Land & Buildings excluding Dwellings	Dwellings	Information Technology	Plant & Machinery	Furniture & Fittings	Payments on Account & Assets under Construction	Total
	£000	£000	£000	£000	£000	£000	£000
Cost or valuation						-	
At 1 April 200W							
Additions							
Donations							
Disposals							
Reclassifications							
Revaluations							
At 31 March 200X							
Depreciation							
At 1 April 200W							
Charged in year							
Disposals							
Reclassifications							
Revaluations							
At 31 March 200X							
Net book value at 31 March 200W							
Net book value at 31 March 200X							
Asset financing:							
Owned							
Finance Leased							
On-balance sheet PFI contracts							
Net book value at 31 March 200X							

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7. Intangible assets

Intangible assets comprise *[insert type (for example, software licences)]*

	Total £000
Cost or valuation	
At 1 April 200X	
Additions	
Donations	
Disposals	
Revaluation	
At 31 March 200Y	
Amortisation	
At 1 April 200X	
Charged in year	
Disposals	
Revaluation	
At 31 March 200Y	
Net book value at 31 March 200X	
Cost or valuation	
At 1 April 200W	
Additions	
Donations	
Disposals	
Revaluation	
At 31 March 200X	
Amortisation	
At 1 April 200W	
Charged in year	
Disposals	
Revaluation	
At 31 March 200X	
Net book value at 31 March 200W	

8. Impairments

NDPBs should insert here, if relevant, a note that reports the total impairment charge for the year, showing how much has been charged direct to the Net Expenditure Account and how much has been taken through the revaluation reserve.

9. Inventories

	200X-0Y £000	200W-0X £000
Inventories		
	<i>Inventories should be listed by appropriate classification (e.g., publications, medical supplies).</i>	

10. Trade receivables and other current assets

	200X-0Y £000	200X-0Y £000

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Amounts falling due within one year:

Trade receivables

Deposits and advances

Other receivables

Other receivables should be analysed and any significant items disclosed separately

Prepayments and accrued income

Current part of PFI prepayment

Current part of NLF loan

200X-0Y
£000200X-0Y
£000**Amounts falling due after more than one year:**

Trade receivables

Deposits and advances

Other receivables

Prepayments and accrued income

11. Cash and cash equivalents200X-0Y
£000200X-0Y
£000

Balance at 1 April

Net change in cash and cash equivalent balances

Balance at 31 March

The following balances at 31 March were held at:

Office of HM Paymaster General

Commercial banks and cash in hand

Short term investments

Balance at 31 March

12. Trade payables and other current liabilities200X-0Y
£000200W-0X
£000**Amounts falling due within one year**

VAT

Other taxation and social security

Trade payables

Other payables

Other payables should be analysed and any significant items disclosed separately

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Accruals and deferred income
 Current part of finance leases
 Current part of imputed finance lease element of on
 balance sheet PFI contracts
 Current part of NLF loans

Amounts falling due after more than one year:

Other payables, accruals and deferred income
 Finance leases
 Imputed finance lease element of on-balance sheet PFI
 contracts
 NLF loans

13. Provisions for liabilities and charges

	Provision 1	Other	Total
	£000	£000	£000
Balance at 1 April 200X			
Provided in the year			
Provisions not required written back			
Provisions utilised in the year			
Unwinding of discount			
Balance at 31 March 200Y			

Key provisions should be analysed. Headings might include 'legal', 'nuclear decommissioning' etc

Analysis of expected timing of discounted flows

	Provision 1	Other	Total
	£000	£000	£000
In the remainder of the Spending Review period (to 20AA)			
Between 20AA+1 and 20AA+5			
Between 20AA+6 and 20AA+10			
Thereafter			
Balance at 31 March 200Y			

Included in the amounts not expected to be called until after 20AA+10 are:

	Provision 1	Other	Total
	£000	£000	£000
Amounts not expected to be called until the period beginning 20AA+50			
Amounts not expected to be called until the period beginning 20AA+75			

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NDPBs should give brief details of each of the other provisions: what they are, how the provision is calculated, the period over which expenditure is likely to be incurred; and the discount rate where the time value of money is significant.

14. Capital commitments

	200X-0Y £000	200W-0X £000
Contracted capital commitments at 31 March 200Y for which no provision has been made		
Property, plant and equipment		
Intangible assets		

15. Commitments under leases

15.1 Operating leases

Commitments under operating leases to pay rentals during the year following the year of these accounts are given in the table below, analysed according to the period in which the lease expires.

	200X-0Y £000	200W-0X £000
Obligations under operating leases comprise:		
Buildings:		
Expiry within 1 year		
Expiry after 1 year but not more than 5 years		
Expiry thereafter		
Other:		
Expiry within one year		
Expiry after 1 year but not more than 5 years		
Expiry thereafter		

15.2 Finance leases

Obligations under finance leases are as follows.

	200X-0Y £000	200W-0X £000
Obligations under finance leases comprise:		
Land		
Rentals due within 1 year		
Rentals due after 1 year but within 5 years		
Rentals due thereafter		
Less interest element		
Buildings		

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Rentals due within 1 year
 Rentals due after 1 year but within 5 years
 Rentals due thereafter

Less interest element

Other
 Rentals due within 1 year
 Rentals due after 1 year but within 5 years
 Rentals due thereafter

Less interest element

16. Commitments under PFI contracts

16.1 On-balance sheet

For each relevant PFI contract, this note should:

- state what the contract is for and note that, under IFRIC 12, the asset is treated as an asset of the NDPB;

	200X-0Y £000	200W-0X £000
Imputed finance lease obligations under on-balance sheet PFI contracts comprises:		
Rentals due within 1 year		
Rentals due within 2 to 5 years		
Rentals due thereafter		
Less interest element		

16.2 Off-balance sheet

For each relevant PFI contract, this note should:

- state what the contract is for and note that the property is not an asset of the NDPB
- give the estimated capital value; and

16.3 Charge to the Income and Expenditure and future commitments

The total amount charged in the Income and Expenditure in respect of off-balance sheet PFI transactions and the service element of on-balance sheet PFI transactions was £s,000 (200W-0Y: £t,000); and the payments to which the NDPB is committed during 200X-0Y, analysed by the period during which the commitment expires, is as follows.

	200X-0Y £000	200W-0X £000
Expiry within 1 year		
Expiry within 2 to 5 years		
Expiry within 6 to 10 years		
Expiry within 11 to 15 years		

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and so on in bands of five years until the expiry of the contract

17. Other financial commitments

The NDPB has entered into non-cancellable contracts (which are not leases or PFI contracts), for *[state what service is being provided]*. The payments to which the NDPB is committed during 200X–0Y, analysed by the period during which the commitment expires are as follows.

	200X-0Y £000	200W-0X £000
Expiry within 1 year		
Expiry within 2 to 5 years		
Expiry thereafter		

18. Financial Instruments

Further IFRS 7 disclosures should be given here ONLY where appropriate: Disclosures should be given only where they are necessary because the NDPB holds financial instruments that are complex or play a significant medium to long-term role in the financial risk profile of the NDPB. The headings in IFRS 7 should be used to the extent that they are relevant. Where the NDPB does not face significant medium to long-term financial risks, then it is sufficient to make a statement to that effect. (Given that all NDPBs have financial instruments within the scope of IAS 32, silence is not an option.). Where further guidance is required NDPBs should refer to the Department Yellow Illustrative Resource Accounts

19. Contingent liabilities disclosed under IAS 37

The NDPB has entered into the following unquantifiable contingent liabilities by offering guarantees, indemnities or by giving letters of comfort. None of these is a contingent liability within the meaning of IAS 37 since the possibility of a transfer of economic benefit in settlement is too remote.

Statutory guarantees [listed]

Statutory indemnities [listed]

Letters of comfort [listed]

NDPBs should give an explanation as to why the liabilities are unquantifiable and, should any of them relate to an NDPB, that fact should be noted.

20. Related-party transactions

The NDPB should disclose here its the parent and other bodies sponsored by its parent. These bodies are regarded as related parties with which the NDPB has had various material transactions during the year.

In addition, the NDPB has had [a small number of][various material] transactions with other government departments and other central government bodies. Most of these transactions have been with [name of department, agency etc].

No board member, key manager or other related parties has undertaken any material transactions with the NDPB during the year. *[Drafting note: if there have been material transactions, they should be disclosed.]*

21. Third-party assets

Where the or NDPB has third party assets as defined in the Financial Reporting Manual, a brief statement should be made here about the capacity in which the or NDPB acts that gives rise to these assets. The note should then go on to say: These are not NDPB assets and are not included in the accounts. The assets held at the balance sheet date to which it was practical to ascribe monetary values comprised monetary assets, such as bank balances and monies on deposit, and listed securities. They are set out in the table immediately below.

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	31 March 200X £000	Gross inflows £000	Gross outflows £000	31 March 200Y £000
Monetary assets such as bank balances and monies on deposit				
Listed securities				

Other significant assets held at the balance sheet date to which it was not practical to ascribe monetary values comprised:

Any necessary details should be given of any investments in unlisted non monetary financial assets and of physical assets, the numbers of which should be disclosed in the following categories:

	31 March 200Y Number	31 March 200X Number
Residential property		
Farms and other agricultural holdings		
Other property assets		
Motor vehicles, boats and caravans		
Chattels deemed of significant value:		
Works of art		
Antiques and collections		
Silverware and jewellery		
<i>Other significant categories</i>		
Miscellaneous		

[Drafting note: the note should also refer to where any additional information might be found about the activities giving rise to the third party assets.]

22 First-time adoption of IFRS (see FReM 1.7.4f)

	General Fund £000	Revaluation reserve £000	Donated asset reserve £000
Taxpayers' equity at 31 March 200X under UK GAAP			
Adjustments for:			
<i>List the adjustments made by standard</i>			
Taxpayers' equity at 1 April 200X under IFRS			
			£000
Net Expenditure for 200W-0X under UK GAAP			
Adjustments for:			
<i>List the adjustments made by standard</i>			
Net Expenditure for 200W-0X under IFRS			

In addition to the cash balances of £x,xxx reported under UK GAAP at 31 March 200X, the NDPB held cash equivalents of £yyy. These were reported under UK GAAP as investments.