

The Non-financial Balance Sheets, 2011



Coverage: UK

Date: **02 November 2011**

Geographical Area: UK

Theme: **Economy**

Key findings

- UK net worth at the end of 2010 is valued at £7.3 trillion, an increase of 10.5 per cent from 2009.
- Households and non-profit institutions serving households (NPISH) sector have the highest net worth of £7.7 trillion.
- Residential buildings has increased by 5.2 per cent and remain the most valuable asset at £4.3 trillion.
- Commercial, industrial and other buildings (CIO), are the assets with the largest increase of £245.1 billion from the previous year.
- Central government net debt is -£547.1 billion.

Summary

At the end of 2010 the UK net worth is valued at £7.3 trillion. This is an increase of 10.5 per cent from the previous year. It equates to approximately a net worth of £120,000 per head of the population.

The value of non-financial assets has increased by £588.3 billion from 2009. Residential buildings remain the assets with the largest value in the economy. The tangible assets with the largest increase in the economy are commercial, industrial and other buildings, showing an increase of £245.1 billion from the previous year. The households and non-profit institutions serving households is the sector with the largest net worth in the economy, valued at £7.7 trillion in 2010.

The Non-financial balance sheets in detail

The Non-financial balance sheets show the market value of non-financial assets in the UK. As such they are a measure of the wealth of the UK.

Non-financial assets include both tangible and intangible assets. Tangible assets consist of property: plant and machinery; agricultural assets; vehicles; and also include certain types of farming stocks (mainly dairy cattle and orchards) and military equipment whose use is not solely destructive. Intangible assets consist of the value of computer software, patents, mineral exploration and artistic originals

Table 5 depicts the Non-financial balance sheet by asset and sector at current prices for 2010. Please see the data section of this publication.

Analysis by sector

Households and non-profit institutions serving households (NPISH) sector

The households and NPISH sector have a total net worth of £7.7 trillion in 2010. This is driven by an increase of £210 billion in residential buildings and an increase of £35.4 billion in non-marketable tenancy rights, making the total net worth of these assets for the sector £4 trillion and £610 billion respectively in 2010.

Financial corporations

The financial corporations sector has a total net worth of -£315 billion in 2010. This is driven by an increase of £10.0 billion in the value of commercial and industrial and other (CIO) buildings. This is mainly due to the implementation of the International Financial Reporting Standards (IFRS). The increase in non-financial assets for financial corporations is off-set by a net debt in the sector's financial assets.

Non-financial corporations

The non-financial corporations sector has a total net worth of £28.0 billion in 2010. This is driven by an increase of £218.1 billion in the value of CIO buildings. This is mainly due to the implementation of the IFRS. The increase in non-financial assets for non-financial corporations is off-set by a net debt in the sectors financial assets

Central government net debt

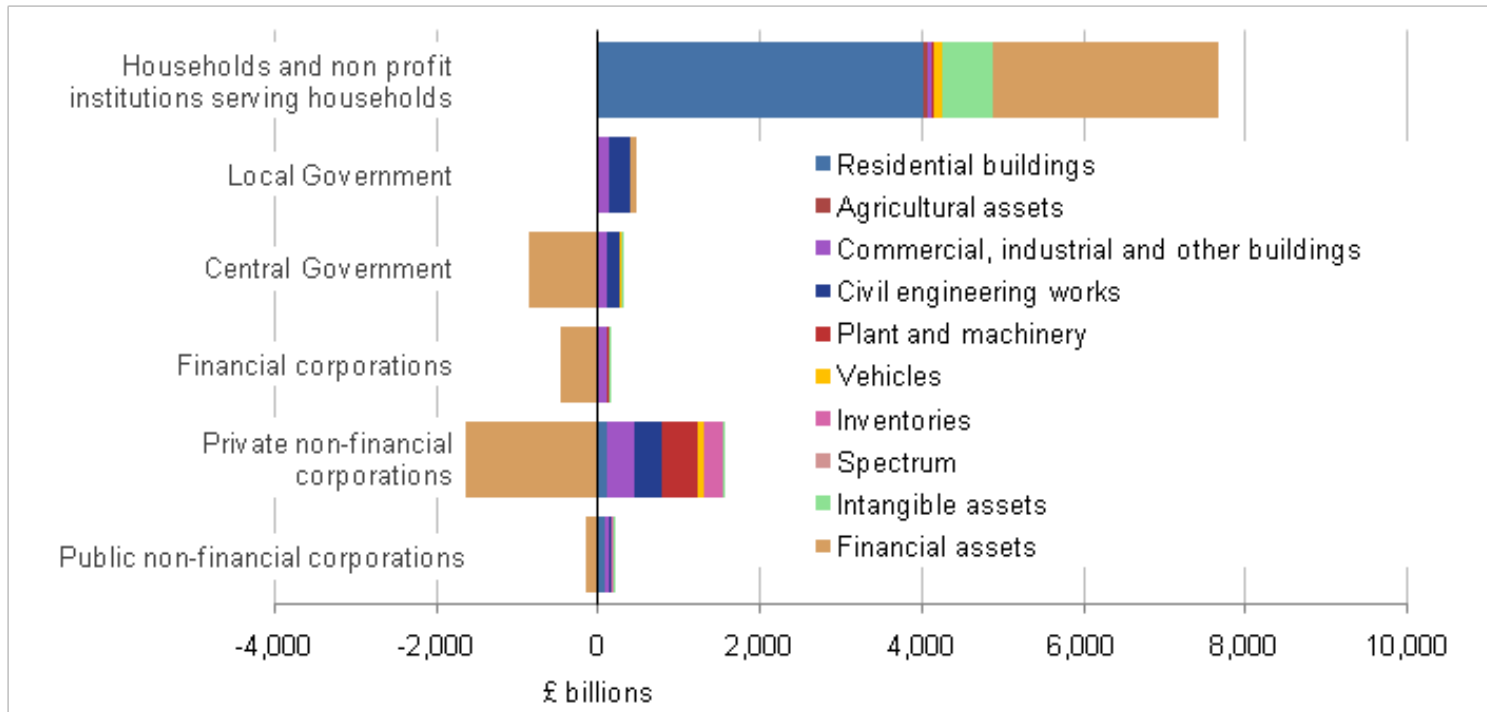
The value of non-financial assets for central government has an increase of £15.9 billion in 2010.

This is driven by an increase of £6.0 billion in the value of CIO buildings and an increase of £4.5 billion in the value of plant and machinery from 2009 to 2010. This is mainly due to the implementation of the IFRS. The increase in non-financial assets for central government is off-set by a decrease of £169.8 billion in the value of financial assets, making the total net worth of central government -£547.1 billion.

International Financial Reporting Standards

Please see Background notes 7 & 8. 'Understanding the data' and 'Interpreting the data' for further details.

Net worth of sector by asset in £'s billion for 2010



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(14 Kb)

Analysis by type of asset

Residential buildings

The value of residential buildings has a significant increase of £210.9 billion in 2010. This is driven by an increase of £210.2 billion in the households and non-profit institutions serving households (NPISH) sector and an increase of £5.9 billion in the private non-financial corporations sector. The total value of these assets for the household and NPISH sector is £4.0 billion and for the private non-financial sector is £111.8 billion. For the households and NPISH sector the increase in the value of residential buildings is driven by changes in the market values placed on these assets. For the private non-financial corporations sector the significant increase in the value of residential buildings is mainly due to the implementation of the International Financial Reporting Standards (IFRS).

Commercial, industrial and other buildings (CIO)

The value of CIO buildings has a significant increase of £245 billion in 2010. This is driven by an increase of £218 billion in the private non-financial corporations sector making the total net worth of this asset £807 billion. This is mainly due to the implementation of the IFRS.

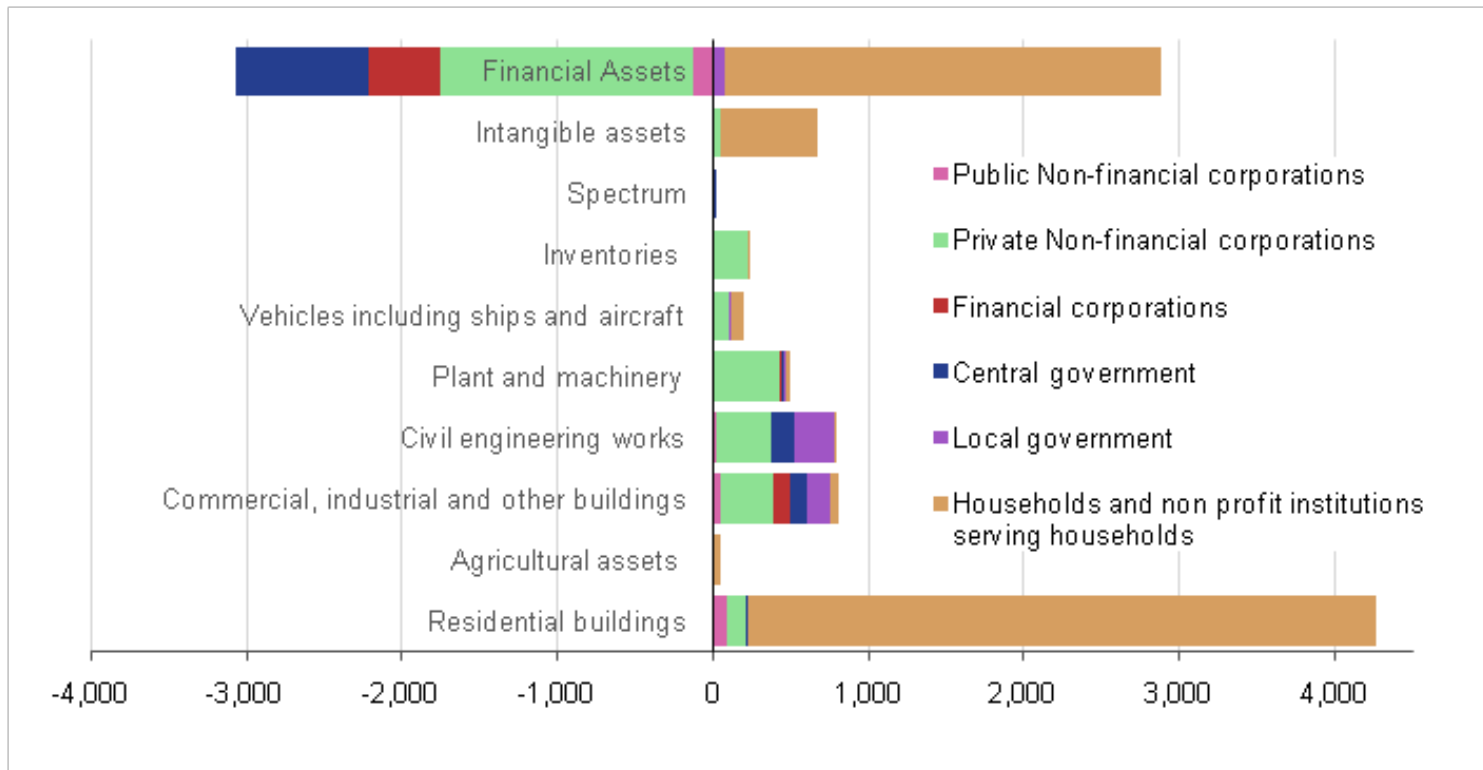
Civil engineering works

The value of civil engineering works in 2010 is £789.8 billion. This is an increase of £43.6 billion from the previous year. This is mainly driven by an increase of £38.4 billion in the non-financial corporations sector. The general government sector owns the largest proportion of the civil engineering works assets, which is valued at £409.2 billion.

International Financial Reporting Standards

Please see Background notes 7 & 8 . 'Understanding the data' and 'Interpreting the data' for further details.

Net worth of asset by sector in £'s billion for 2010



Download chart

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(13.5 Kb)

Background notes

1. Overview

The Non-financial balance sheets data are also published in Chapter 10 of the United Kingdom National Accounts: Blue Book. These data show the market value of non-financial assets, that is, what these assets would realise if sold on the market.

The population estimate used to derive net worth per head is consistent with the 2010 mid year population estimates, valued at 62 million. Please see reference table [Population Estimates for UK, England and Wales, Scotland and Northern Ireland, Mid-2010](#) for further information.

The net worth estimates of the UK economy exclude “human capital” the value of knowledge, skills and know-how and “environmental or natural capital”. Further information on human capital is available from the ONS article '[Measuring the UK's Capital Stock](#)' published in November 2010. A new article with estimates on “human capital” will be published in December 2011.

2. Non - financial balance sheets

Content

The Non-financial balance sheets show the market value of non-financial assets in the UK and as such are a measure of the wealth of the UK.

Non-financial assets include both tangible and intangible assets. Tangible assets consist of property, plant and machinery, agricultural assets, vehicles and also include certain types of farming stocks (mainly dairy cattle and orchards) and military equipment whose use is not solely destructive. Intangible assets consist of the value of computer software, patents, mineral exploration and artistic originals.

3. Data sources

Data sources include:

- Other government departments and agencies
- Annual reports of public corporations and major businesses
- Industry publications
- Chartered Institute of Public Finance and Accountancy report on Local Authority Assets

These sources are subject to International Financial Reporting Standards.

Where non-financial asset market valuations are not readily available, the UK net capital stocks data modelled in the Perpetual Inventory Method (PIM) within ONS is used as a proxy. For central government, data are taken from returns made by government departments to HM Treasury. Central government assets also include the value of the electro-magnetic spectrum. The spectrum is treated as a tangible non-produced asset and the payments made by the mobile phone companies as rent.

Further information can be found in the publication [Treatment of the sale of UK 3G Mobile Phone Licenses in the National Accounts - August 2011](#).

4. **International Financial Reporting Standards (IFRS)**

In 2005 it was announced that UK companies would be required to produce their accounts in line with the International Financial Reporting Standards (IFRS), to be fully implemented by 2013. The implementation of the IFRS has resulted in an upward revision on the valuation of some tangible assets such as CIO buildings, civil engineering and plant and machinery. As there is no obligation for companies to apply IFRS retrospectively, discontinuities in this data series are unavoidable and further information to accurately revise the back series is unavailable. Therefore it is advisable not to make year-on-year comparisons from 2005 to 2013 for CIO assets, as these changes affect data series across this period.

5. **What's new?**

On 29 September 2011 ONS published an article explaining the main changes introduced in this year's annual production of the Blue Book and related publications titled [Methods Changes in the 2011 Blue Book](#). A consequence of these changes is the separation of the 'Capital stocks, capital consumption and Non-financial balance sheets publication' into two products, one being this bulletin 'Non-financial balance sheets' published as originally planned on 2 November 2011 and the other being the 'Capital stocks and capital consumption data set' expected to be published on 4 January 2012.

Comments are invited on the new style. Please email gcf@ons.gsi.gov.uk

The launch of the new ONS website on 28 August 2011 has brought changes to the design and format of statistical bulletins. The main bulletin body is available in html and pdf format, but detailed data tables are available as Excel spreadsheets only. Many existing bookmarks and links will no longer work and users will need to update them.

6. **Code of Practice**

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7. **Understanding the data**

Short Guide to Non-financial balance sheets

The Non-financial balance sheets show the market value of non-financial assets in the UK. As such they are a measure of the wealth of the UK.

Non-financial assets include both tangible and intangible assets. Tangible assets consist of property: plant and machinery; agricultural assets; vehicles; and also include certain types of farming stocks (mainly dairy cattle and orchards) and military equipment whose use is not solely destructive. Intangible assets consist of the value of computer software, patents, mineral exploration and artistic originals.

8. **Interpreting the data**

International Financial Reporting Standards (IFRS)

In 2005 it was announced that UK companies would be required to produce their accounts in line with the International Financial Reporting Standards (IFRS), to be fully implemented by 2013. The implementation of the IFRS has resulted in an upward revision on the valuation of some tangible assets such as CIO buildings, civil engineering and plant and machinery. As there is no obligation for companies to apply IFRS retrospectively, discontinuities in this data series are unavoidable and further information to accurately revise the back series is unavailable. Therefore it is advisable not to make year-on-year comparisons from 2005 to 2013 for CIO assets, as these changes affect data series across this period.

Use of the data

The value measures of the Non-financial balance sheets estimates are widely used in private and public sector institutions, European Statistics Body (Eurostat), Bank of England and Her Majesty's Treasury, to assist in informed decision- and policy-making.

9. Methods and Quality

Please see the Quality and Methodology Information Paper on the [ONS website \(92.5 Kb Pdf\)](#).

10. National Accounts Revisions Policy

This Statistical Bulletin conforms to the [standard revisions policy for National Accounts](#) and is on the ONS website. In this Statistical Bulletin the earliest period open for revision is 1997.

Revisions are mainly due to:

- updated survey and administrative data
- actual data replacing forecasts
- the introduction to International Financial Reporting Standards

11. Publication Policy

Details of the policy governing the release of new data are available from the Media Relations Office. There are no organisations given pre-publication access to the contents of this bulletin.

12. Accessing data

The Non-financial balance sheets are available to download free from the [ONS website](#).

at 9.30 AM on the day of publication.

The Non-financial balance sheets Statistical Bulletin conforms to the standards set out in the [Code of Practice for Official Statistics](#).

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14. Details of the policy governing the release of new data are available by visiting www.statisticsauthority.gov.uk/assessment/code-of-practice/index.html or from the Media Relations Office email: media.relations@ons.gsi.gov.uk

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This document is also available on our website at www.ons.gov.uk.

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