



# HM TREASURY

For enquiries about distribution of this and other DAO letters, please contact Mangai Rajasingham  
Tel: 020-7270-5362  
Fax: 020-7451-7622  
mangai.rajasingham@hm-treasury.x.gsi.gov.uk

1 Horse Guards Road  
London  
SW1A 2HQ

[www.hm-treasury.gov.uk](http://www.hm-treasury.gov.uk)

## DAO(GEN)06/07

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11 December 2007

Dear Accounting Officer

## ACCOUNTS DIRECTIONS 2007-08

**This letter gives most departments and pension schemes, agencies, and trading funds the Treasury's statutory directions for the format and content of their resource and other accounts for the financial year 2007-08. The directions themselves, with a list of those to which they apply, are in the annexes attached.**

### **Contact**

2. Please address enquiries to Sarah Solomon in the Financial Reporting Policy Team (phone 020 7270 4562; email: [sarah.solomon@hm-treasury.gsi.gov.uk](mailto:sarah.solomon@hm-treasury.gsi.gov.uk)).

### **Application**

3. This DAO letter applies to those government departments and pension schemes, agencies and trading funds listed in the appendices to the relevant accounts directions. There are separate arrangements for other government departments and some agencies and trading funds as described in the notes to the respective accounts directions.

4. Please note the statutory deadlines for submitting signed resource and other accounts to the Comptroller and Auditor General by 30 November 2008. Departments should, however, also note the importance of administrative deadlines set by the Treasury, ie those requiring resource accounts and the accounts of agencies and trading funds to lay their audited accounts before Parliament before the Summer Recess. The timetable for preparing resource accounts and for providing information to the Treasury for preparation of Whole of Government accounts are set out in the concurrent DFD letter of 11 December 2007 (MS FD (07)30).

5. This DAO letter becomes effective immediately. The generic directions in DAO(GEN)12/06 (19 December 2006) are now spent.

Yours sincerely

Paula Diggle  
Treasury Officer of Accounts



**ACCOUNTS DIRECTION GIVEN BY THE TREASURY IN ACCORDANCE WITH SECTION 5(2) OF THE GOVERNMENT RESOURCES AND ACCOUNTS ACT 2000**

1. This direction applies to those **government departments** and **pension schemes** listed in the attached appendix.
2. These departments and pension schemes shall prepare resource accounts for the year ended 31 March 2008 in compliance with the accounting principles and disclosure requirements of the edition of the Government Financial Reporting Manual issued by H M Treasury ("the FReM") which is in force for 2007-08.
3. The accounts for **government departments** shall be prepared so as to:
  - (a) give a true and fair view of the state of affairs at 31 March 2008 and of the net resource outturn, resources applied to objectives, recognised gains and losses and cash flows for the financial year then ended; and
  - (b) provide disclosure of any material expenditure or income that has not been applied to the purposes intended by Parliament or material transactions that have not conformed to the authorities which govern them.
4. The accounts for **pension schemes** shall be prepared so as to:
  - (a) give a true and fair view of the state of affairs at 31 March 2008 and of the net resource outturn and cash flows for the financial year then ended;
  - (b) provide disclosure of any material expenditure or income that has not been applied to the purposes intended by Parliament or material transactions that have not conformed to the authorities which govern them; and
  - (c) ensure that the contributions payable to the Scheme during the year have been paid in accordance with the Scheme rules and the recommendations of the Actuary.
5. Compliance with the requirements of the FReM will, in all but exceptional circumstances, be necessary for the accounts to give a true and fair view. If, in these exceptional circumstances, compliance with the requirements of the FReM is inconsistent with the requirement to give a true and fair view, the requirements of the FReM should be departed from only to the extent necessary to give a true and fair view. In such cases, informed and unbiased judgement should be used to devise an appropriate alternative treatment which should be consistent with both the economic characteristics of the circumstances concerned and the spirit of the FReM. Any material departure from the FReM should be discussed in the first instance with the Treasury.



**DAVID WATKINS**

Head of Financial Reporting Policy Team, Her Majesty's Treasury  
11 December 2007

**APPLICATION OF THE ACCOUNTS DIRECTION**

This accounts direction applies to the following government departments and pension schemes:

| No | Name  |
|----|---|
|    | <b><i>Government Departments</i></b>  |
| 01 | Assets Recovery Agency  |
| 02 | Cabinet Office  |
| 03 | Central Office of Information   |
| 04 | Charity Commission  |
| 05 | Crown Estate Office   |
| 06 | Department for Business, Enterprise and Regulatory Reform (BERR)                        |
| 07 | Department for Children, Schools and Families   |
| 08 | Department for Communities and Local Government   |
| 09 | Department for Culture, Media and Sport   |
| 10 | Department for the Environment, Food and Rural Affairs                                  |
| 11 | Department of Innovation, Universities and Skills (DIUS)                                |
| 12 | Department for International Development  |
| 13 | Department for Transport  |
| 14 | Department for Work and Pensions  |
| 15 | Department of Health  |
| 16 | Food Standards Agency (Westminster Funded) (*)  |
| 17 | Foreign and Commonwealth Office   |
| 18 | Forestry Commission (England/GB) (**)   |
| 19 | Government Actuary's Department   |
| 20 | Government Equalities Office  |
| 21 | H M Procurator General and Treasury Solicitor   |
| 22 | H M Treasury  |
| 23 | Home Office   |
| 24 | Ministry of Defence   |
| 25 | Ministry of Justice   |
| 26 | National Archives   |
| 27 | National Savings and Investments – ALSO AGENCY OF HMT                                   |
| 28 | National School of Government   |
| 29 | Northern Ireland Court Service  |
| 30 | Northern Ireland Office   |
| 31 | Office for National Statistics - ALSO AGENCY OF HMT                                     |
| 32 | Office of Fair Trading  |
| 33 | Office of Gas and Electricity Markets   |
| 34 | Office of Her Majesty's Chief Inspector of Schools in England                           |
| 35 | Office of Rail Regulation   |
| 36 | Office of Water Services  |
| 37 | Postal Services Commission  |
| 38 | Privy Council Office  |
| 39 | Revenue and Customs Prosecutions Office   |
| 40 | Serious Fraud Office  |
| 41 | The Crown Prosecution Service   |
| 42 | The National Archives: Public Record Office and Historical Manuscripts Commission       |
| 43 | UK Trade and Investment   |
|    |   |
|    | <b><i>Pension Schemes</i></b>   |
| 44 | Armed Forces Retired Pay, Pensions etc  |
| 45 | Cabinet Office –Civil Superannuation (Principal Civil Service Pension Scheme)           |
| 46 | Department for Constitutional Affairs – Judicial Pension Scheme                         |
| 47 | Department for International Development: Overseas Superannuation                       |
| 48 | Department for Business, Enterprise and Regulatory Reform: United Kingdom Atomic Energy |

|    |  |
|----|--|
|    | Authority Superannuation Schemes                           |
| 49 | National Health Service Pension Scheme (England and Wales) |
| 50 | Teachers' Pension Scheme (England and Wales)               |

\* The Food Standards Agency is required to prepare consolidated accounts for 2007-08 by virtue of an accounts direction issued by H M Treasury on 14 November 2007 under paragraph 4(2) of Schedule 4 of the Food Standards Act 1999. That direction applies to 2007-08 and subsequent financial years.

\*\* The Forestry Commission is required to prepare accounts for its activities in Wales for 2007-08 by virtue of an accounts direction issued by H M Treasury on 9 September 2005 under paragraph 5 of Schedule 7 to the Government of Wales Act 1998. That direction applies to 2004-05 and subsequent financial years.

### **Notes**

1. Separate accounts directions are issued under section 5(2) of the Government Resources and Accounts Act 2000 to:

- H M Revenue and Customs (Resource account and Trust Statement)
- the Security and Intelligence Agencies
- Export Credits Guarantee Department

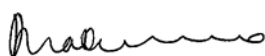
2. Although Estimates have been approved for the following bodies, their status precludes H M Treasury from issuing an accounts direction under section 5(2) of the Government Resources and Accounts Act 2000:

- Office of the Parliamentary Commissioner and the Health Service Commissioner for England
- House of Lords
- House of Commons: Members
- House of Commons: Administration
- National Audit Office
- Electoral Commission (although an accounts direction for 2005-06 and subsequent financial years was issued by H M Treasury on 27 February 2006 under paragraph 17(2) of Schedule 1 to the Political Parties, Elections and Referendums Act 2000).

## ANNEX B

### ACCOUNTS DIRECTION GIVEN BY THE TREASURY IN ACCORDANCE WITH SECTION 7 (2) OF THE GOVERNMENT RESOURCES AND ACCOUNTS ACT 2000

1. This direction applies to those **executive agencies** listed in the attached appendix.
2. These executive agencies shall prepare accounts for the year ended 31 March 2008 in compliance with the accounting principles and disclosure requirements of the edition of the *Government Financial Reporting Manual* issued by H M Treasury ("the FReM") which is in force for 2007-08.
3. The accounts shall be prepared so as to:
  - (a) give a true and fair view of the state of affairs as at 31 March 2008 and of the income and expenditure (or as appropriate, net resource outturn), total recognised gains and losses (or, as appropriate, recognised gains and losses), and cash flows of the agency for the financial year then ended; and
  - (b) provide disclosure of any material expenditure or income that has not been applied to the purposes intended by Parliament or material transactions that have not conformed to the authorities which govern them.
4. Compliance with the requirements of the FReM will, in all but exceptional circumstances, be necessary for the accounts to give a true and fair view. If, in these exceptional circumstances, compliance with the requirements of the FReM is inconsistent with the requirement to give a true and fair view the requirements of the FReM should be departed from only to the extent necessary to give a true and fair view. In such cases, informed and unbiased judgement should be used to devise an appropriate alternative treatment which should be consistent with both the economic characteristics of the circumstances concerned and the spirit of the FReM. Any material departure from the FReM should be discussed in the first instance with the Treasury.



**DAVID WATKINS**

Head of Financial Reporting Policy Team, Her Majesty's Treasury

11 December 2007

## Appendix to Annex B

### APPLICATION OF THE ACCOUNTS DIRECTION

This accounts direction applies to the following executive agencies:

| No | Name  | Department       |
|----|---|------------------|
| 01 | Treasury Solicitor's Department Agency                        | Attorney General |
| 02 | Employment Tribunals Service                                  | BER              |
| 03 | Insolvency Service  | BER              |
| 04 | Planning Inspectorate   | DCLG             |
| 05 | Royal Parks Agency  | DCMS             |
| 06 | Animal Health – EST 1/4/07                                    | DEFRA            |
| 07 | Central Science Laboratory                                    | DEFRA            |
| 08 | Centre for the Environment, Fisheries and Aquaculture Science | DEFRA            |
| 09 | Government Decontamination Service                            | DEFRA            |
| 10 | Marine and Fisheries Agency                                   | DEFRA            |
| 11 | Pesticides Safety Directorate                                 | DEFRA            |
| 12 | Rural Payments Agency   | DEFRA            |
| 13 | Veterinary Laboratories Agency                                | DEFRA            |
| 14 | Veterinary Medicines Directorate                              | DEFRA            |
| 15 | NHS Purchasing and Supply Agency                              | DH               |
| 16 | National Weights and Measures Laboratory                      | DIUS             |
| 17 | Government Car and Despatch Agency                            | DfT              |
| 18 | Highways Agency   | DfT              |
| 19 | Maritime and Coastguard Agency                                | DfT              |
| 20 | Vehicle Certification Agency                                  | DfT              |
| 21 | Child Support Agency (Administration accounts)                | DWP              |
| 22 | Rent Service (The)  | DWP              |
| 23 | Disability and Carers Service                                 | DWP              |
| 24 | Pension Service   | DWP              |
| 25 | Foreign and Commonwealth Office (Services)                    | FCO              |
| 26 | Wilton Park   | FCO              |
| 27 | Forest Research   | Forestry Comm'n  |
| 28 | Valuation Office  | HMT              |
| 29 | UK Debt Management Office                                     | HMT              |
| 30 | Criminal Records Bureau                                       | HO               |
| 31 | Identity and Passport Service                                 | HO               |
| 32 | Defence Analytical Services Agency                            | MOD              |
| 33 | Defence Medical, Education and Training Agency                | MOD              |
| 34 | Defence Storage and Distribution Agency                       | MOD              |
| 35 | Defence Vetting Agency  | MOD              |
| 36 | Ministry of Defence Police and Guarding Agency                | MOD              |
| 37 | People, Pay and Pensions Agency                               | MOD              |
| 38 | Service Children's Education                                  | MOD              |
| 39 | Service Personnel and Veterans Agency                         | MOD              |
| 40 | HM Courts Service   | MOJ              |
| 41 | Public Guardianship Office                                    | MOJ              |
| 42 | Tribunals Service – formed 04/06                              | MOJ              |
| 43 | HM Prison Service   | MOJ              |
| 44 | Compensation Agency   | NIO              |
| 45 | Forensic Science Agency Northern Ireland                      | NIO              |
| 46 | Northern Ireland Prison Service                               | NIO              |
| 47 | Youth Justice Agency  | NIO              |

In addition, separate directions have been issued to:

- Child Support Agency (Client Funds account) (DWP) ((22 May 2002)
- Disability and Carers Service (DWP) (14 December 2006)
- Jobcentre Plus (DWP) (3 April 2006) \*
- Pensions Service (DWP) (14 December 2006)
- Meat Hygiene Service (Food Standards Agency) (11 January 2006) \*

\* these directions were issued in respect of "2005-06 and subsequent financial years".

## ANNEX C

### ACCOUNTS DIRECTION GIVEN BY THE TREASURY IN ACCORDANCE WITH SECTION 4(6)(a) OF THE GOVERNMENT TRADING FUNDS ACT 1973

1. This direction applies to the **trading funds** listed in the attached appendix.
2. These trading funds shall prepare accounts for the year ended 31 March 2008 in compliance with the accounting principles and disclosure requirements of the edition of the *Government Financial Reporting Manual* issued by H M Treasury ("the FReM") which is in force for 2007-08.
3. The accounts shall be prepared so as:
  - (a) to give a true and fair view of the state of affairs as at 31 March 2008 and of the income and expenditure, total recognised gains and losses, and cash flows of the trading fund for the year then ended; and
  - (b) to provide disclosure of any material income or expenditure that has not been applied to the purposes intended by Parliament, or material transactions that have not conformed to the authorities which govern them.
4. Compliance with the requirements of the FReM will, in all but exceptional circumstances, be necessary for the accounts to give a true and fair view. If, in these exceptional circumstances, compliance with the requirements of the FReM is inconsistent with the requirement to give a true and fair view the requirements of the FReM should be departed from only to the extent necessary to give a true and fair view. In such cases, informed and unbiased judgement should be used to devise an appropriate alternative treatment which should be consistent with both the economic characteristics of the circumstances concerned and the spirit of the FReM. Any material departure from the FReM should be discussed in the first instance with the Treasury.



**DAVID WATKINS**

Head of Financial Reporting Policy Team, Her Majesty's Treasury

11 December 2007



## APPLICATION OF THE ACCOUNTS DIRECTION

This accounts direction applies to the following trading funds:

|    | Name  |
|----|---|
| 01 | Army Base Repair Organisation ABRO                  |
| 02 | Central Office of Information                       |
| 03 | Companies House                                     |
| 04 | Defence Aviation Repair Agency                      |
| 05 | Defence Science and Technology Laboratory           |
| 06 | Driving Standards Agency                            |
| 07 | Fire Service College                                |
| 08 | HM Land Registry                                    |
| 09 | Meteorological Office                               |
| 10 | Medicines and Healthcare Products Regulatory Agency |
| 11 | OGCbuying.solutions                                 |
| 12 | Ordnance Survey                                     |
| 13 | UK Intellectual Property Office                     |
| 14 | Royal Mint  |
| 15 | UK Hydrographic Office                              |
| 16 | Queen Elizabeth II Conference Centre                |
| 17 | Vehicle and Operator Services Agency                |

### Note

1. H M Treasury issued a separate accounts direction to the Driver and Vehicle Licensing Agency in respect of its Business account and the Vehicle Excise Duty account for 2005-06 and subsequent financial years on 25 April 2006.

2. UK Intellectual Property Office is the operating name of The UK Patent Office from 2/4/07.