

## 200X–0Y NDPB Green: illustrative accounts

1. The illustrative accounts for “NDPB Green” (a fictitious Executive NDPB) comprise:
  - a Net Expenditure Account;
  - b Statement of Financial Position;
  - c Statement of Cash Flows;
  - 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 or Assembly Government Sponsored Body (AGSB) dictate. The accounts do not show every line item which may be necessary in the circumstances of an individual NDPB.

## Net Expenditure Account

for the year ended 31 March 200Y

	200X-0Y	200W-0X
Note	£000	£000
<b>Expenditure</b>		
Staff costs	4	
Depreciation	5	
Other Expenditures	5	
<b>Income</b>		
Income from Activities	6	
Other Income	6	
Net Expenditure		
Cost of Capital	5	
Interest payable/receivable	5/6	
Net Expenditure after cost of capital Charge and interest		

# Statement of Financial Position

as at 31 March 200Y

		200Y £000	200X £000	1 April 200W £000
	<b>Note</b>			
<b>Non-current assets:</b>				
Property, plant and equipment	7			
Intangible assets	8	<i>Intangible</i>	<i>Intangible</i>	<i>Intangible</i>
Financial Assets	9	<i>Investments</i>	<i>Investments</i>	<i>Investments</i>
<b>Total non-current assets</b>		<i>Total non-current assets (A)</i>	<i>Total non-current assets (A)</i>	<i>Total non-current assets (A)</i>
<b>Current assets:</b>				
Assets classified as held for sale		<i>IFRS 5 disclosures should be provided as necessary</i>	<i>IFRS 5 disclosures should be provided as necessary</i>	<i>IFRS 5 disclosures should be provided as necessary</i>
Inventories	11	<i>Inventories</i>	<i>Inventories</i>	<i>Inventories</i>
Trade and other receivables	12			
Other current assets				
Financial Assets	9	<i>Receivable within 12 months</i>		
Cash and cash equivalents	13	<i>Cash</i>	<i>Cash</i>	<i>Cash</i>
<b>Total current assets</b>		<i>Total current assets (B)</i>	<i>Total current assets (B)</i>	<i>Total current assets (B)</i>
<b>Total assets</b>		<i>Total</i>	<i>Total</i>	<i>Total</i>
<b>Current liabilities</b>				
Trade and other payables	14	<i>&lt; 1 year</i>	<i>&lt; 1 year</i>	<i>&lt; 1 year</i>
Other liabilities				
<b>Total current liabilities</b>		<i>Total current liabilities (C)</i>	<i>Total current liabilities (C)</i>	<i>Total current liabilities (C)</i>
<b>Non-current assets plus/less net current assets/liabilities</b>		<i>Total (A+B-C)</i>	<i>Total (A+B-C)</i>	<i>Total (A+B-C)</i>
<b>Non-current liabilities</b>				
Provisions	15	<i>Provisions</i>	<i>Provisions</i>	<i>Provisions</i>
Pension Liabilities				
Other payables		<i>&gt; 1 year</i>	<i>&gt; 1 year</i>	<i>&gt; 1 year</i>
Financial Liabilities	9			
<b>Total non-current liabilities</b>		<i>Total non-current liabilities (D)</i>	<i>Total non-current liabilities (D)</i>	<i>Total non-current liabilities (D)</i>
<b>Assets less liabilities</b>		<i>Total (A+B-C-D)</i>	<i>Total (A+B-C-D)</i>	<i>Total (A+B-C-D)</i>
<b>Taxpayers' equity</b>				
Capital reserve		<i>General</i>	<i>General</i>	<i>General</i>
Revaluation reserve		<i>Revaluation</i>	<i>Revaluation</i>	<i>Revaluation</i>
General reserve		<i>Grants from parents</i>	<i>Grants from parents</i>	<i>Grants from parents</i>
		<i>Total</i>	<i>Total</i>	<i>Total</i>

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*]

## Statement of Cash Flows

### for the year ended 31 March 200Y

		200X-0Y £000	200W-0X £000
	Note		
<b>Cash flows from operating activities</b>			
Net Surplus after cost of capital and interest			
Adjustments for cost of capital charge	5		
(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	15		
<b>Net cash outflow from operating activities</b>			
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	7		
Purchase of intangible assets	8		
Proceeds of disposal of property, plant and equipment			
Proceeds of disposal of intangibles			
Loans to other bodies			
(Repayments) from other bodies			
<b>Net cash outflow from investing activities</b>			
<b>Cash flows from financing activities</b>			
Grants from parent department			
Capital element of payments in respect of finance leases and on-balance sheet PFI contracts			
<b>Net financing</b>			
<b>Net increase/(decrease) in cash and cash equivalents in the period</b>			
<b>Cash and cash equivalents at the beginning of the period</b>	13		
<b>Cash and cash equivalents at the end of the period</b>	13		

## Statement of Taxpayers' Equity

### for the year ended 31 March 200Y

	Note	Capital Reserve £000	Reval Reserve £000	I & E Reserve £000	Total Reserves £000
<b>Balance at 31 March 200W</b>					
Changes in accounting policy					
Restated balance at 1 April 200W					
<b>Changes in Taxpayers Equity 200W-0X</b>					
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 Net Expenditure Account					
Non-cash charges – cost of capital	5				
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>	
<b>Total recognised Income and expense for 200W-0X</b>					
Grant from Parent					
<b>Balance at 31 March 200X</b>					
<b>Changes in taxpayers' equity for 200X-0Y</b>					
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 net Expenditure Account					
Non-cash charges – cost of capital	5				
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>	
<b>Total recognised Income and expense for 200X-0Y</b>					
Grant from Parent					
<b>Balance at 31 March 200Y</b>					

Where not shown on the face of the Statement of Changes in Taxpayers Equity departments should separately disclose the opening and closing element of the revaluation reserve that relates to intangibles detailing changes during the year.

# 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 statement of financial position (plus any subsequent capital expenditure prior to disposal)
  - impairments at the amount of the reduction of the opening statement of financial position value (plus any subsequent capital expenditure)
  - depreciation of property, plant and equipment and amortisation of intangible assets;

- 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.*

## 2. First-time adoption of IFRS

	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:

*List the adjustments made by standard*

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.

The appropriate amount of disclosure will vary on a case by case basis. Where there are significant adjustments, or where an IFRS basis of accounting is substantially different from a UK GAAP treatment for a material accounts figure, even if the adjustment is not particularly significant, you should disclose it in the reconciliation

## 3. Analysis of Net Expenditure by Segment

	Segment 1 £000	Segment 2 £000	Segment 3 £000	Total £000
Gross Expenditure				
Income				
Net Expenditure				
Total Assets				
<i>Other items reported to senior management</i>				

## 4. 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\***

:

*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				
<b>Total</b>				

**5. Other Expenditure**

**200X-0Y**  
**£000**

**200W-0X**  
**£000**

**Note**

*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 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 15

Unwinding of discount on provisions 15

*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]***

## 6. 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	<i>Income should be analysed by type (sales of services; sales of goods; interest; royalties; and dividends) as required by IAS 18 with any significant items listed individually (examples might be sales of publications, passport fees).</i>		
Income source 2, etc			

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## 7. Property, plant and equipment

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

### 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.

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

## 8. Intangible assets

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

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

## 9. Financial Instruments

As the cash requirements of NDPB Green are met through Grant-in-Aid provided by Department X, financial instruments play a more limited role in creating and managing risk than would apply to a non-public sector body. The majority of financial instruments relate to contracts to buy non-financial items in line with the NDPB's expected purchase and usage requirements and the NDPB is therefore exposed to little credit, liquidity or market risk.

*ONLY where the NDPB is exposed to risk should the appropriate IFRS 7 disclosures be made: 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. In such cases NDPBs should explain the significance of such instruments as required by IFRS 7 and disclose the carrying values following the requirements of the FReM and IAS 32 and IAS 39 and within the IFRS 7 headings to the extent 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 – similar to that above. (Given that all NDPBs have financial instruments within the scope of IAS 32, silence is not an option.).*

## 10. 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.

## 11. Inventories

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

## 12. Trade receivables and other current assets

	200X-0Y £000	200X-0Y £000
<b>Amounts falling due within one year:</b>		
Trade receivables		
Deposits and advances		
Other receivables		
		<i>Other receivables should be analysed and any significant items disclosed separately</i>
Prepayments and accrued Income		
Current part of PFI prepayment		
Current part of NLF loan		
		_____
		_____
	200X-0Y £000	200X-0Y £000

### Amounts falling due after more than one year:

Trade receivables		
Deposits and advances		
Other receivables		
Prepayments and accrued Income		
		_____
		_____

## 13. Cash and cash equivalents

	200X-0Y £000	200X-0Y £000
Balance at 1 April		
Net change in cash and cash equivalent balances		
	_____	

Balance at 31 March

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The following balances at 31 March were held at:

Commercial banks and cash in hand

Short term investments

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Balance at 31 March

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## 14. Trade payables and other current liabilities

	200X-0Y £000	200W-0X £000
<b>Amounts falling due within one year</b>		
VAT		
Other taxation and social security		
Trade payables		
Other payables		<i>Other payables should be analysed and any significant items disclosed separately</i>
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		
<b>Amounts falling due after more than one year:</b>		
Other payables, accruals and deferred Income		
Finance leases		
Imputed finance lease element of on-balance sheet PFI contracts		
NLF loans		

## 15. Provisions for liabilities and charges

	Provision 1 £000	Other £000	Total £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			
<b>Balance at 31 March 200Y</b>			

*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			

*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.*

## 16. Capital commitments

	200X-0Y	200W-0X
	£000	£000
Contracted capital commitments at 31 March 200Y not otherwise included in these financial statements		
Property, plant and equipment		
Intangible assets		

## 17. Commitments under leases

### 17.1 Operating leases

Total future minimum lease payments under operating leases are given in the table below for each of the following periods.

	200X-0Y		200W-0X	
	£000		£000	
	Core Department	Consolidated	Core Department	Consolidated
<b>Obligations under operating leases comprise:</b>				
Land				
Not later than one year				
Later than one year and not later than five years				
Later than five years				

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Buildings  
 Not later than one year  
 Later than one year and not later than five years  
 Later than five years

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Other:  
 Not later than one year  
 Later than one year and not later than five years  
 Later than five years

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### 17.2 Finance leases

Total future minimum lease payments under finance leases are given in the table below for each of the following periods.

	200X-0Y		200W-0X	
	£000		£000	
	Core Department	Consolidated	Core Department	Consolidated
<b>Obligations under finance leases comprise:</b>				
Buildings				
Not later than one year				
Later than one year and not later than five years				
Later than five years				
Less interest element				
Other				
Not later than one year				
Later than one year and not later than five years				
Later than five years				
Less interest element				

## 18. Commitments under PFI contracts

### 18.1 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		200W-0X	
	£000		£000	
<b>Total obligations under on-balance sheet PFI contracts for the following periods comprises:</b>				
Not later than one year				
Later than one year and not later than five years				
Later than five years				

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Less interest element

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### 18.2 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

### 18.3 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.

	<b>200X-0Y</b>	<b>200W-0X</b>
	<b>£000</b>	<b>£000</b>
Not later than one year		
Later than one year and not later than five years		
Later than five years		

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## 19. 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.

	<b>200X-0Y</b>	<b>200W-0X</b>
	<b>£000</b>	<b>£000</b>
Not later than one year		
Later than one year and not later than five year		
Later than five years		

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## 20. Contingent liabilities disclosed under IAS 37

The NDPB has the following contingent liabilities (list with explanatory narrative)

The NDPB has entered into the following unquantifiable contingent liabilities. 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.

(list)

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.

## 21. 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.

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.]*

## 22. 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 reporting period 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.

	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 reporting period 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		
Other significant categories		
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.]*