

Department for Culture, Media & Sport

Resource Accounts 2000–01

**Department for Culture,
Media & Sport
Resource Accounts
2000–01**

(For the year ended 31 March 2001)

*Ordered by the House of Commons to be printed
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Contents

| | Page |
|---|------|
| Foreword | 3 |
| Statement of Accounting Officer's Responsibilities | 8 |
| Statement on the System of Internal Financial Control | 9 |
| Audit Opinion and Report | 10 |
| Consolidated Resource Accounts (Schedules 1–5) | 11 |
| Notes to the Accounts | 17 |
| Appendix: Treasury Accounts Direction | |

Foreword

Introduction

The Department for Culture, Media and Sport was formed in April 1992 to bring together in one Department all the diverse activities in Government relating to Culture and Heritage matters. Originally called the Department of National Heritage, the Department's name was changed on 14 July 1997 to the Department for Culture, Media and Sport, following the General Election on 1 May 1997.

Although the structures through which policies are delivered have been subject to change since the Department's formation in 1992, it continues to be responsible for the Arts, Sports, Museums & Galleries, Tourism, Media, Broadcasting, Heritage, Libraries, Historic Royal Palaces, the Royal Parks and the National Lottery.

Departmental Aims and Objectives

Aim

To improve the quality of life for all through cultural and sporting activities, and to strengthen the creative industries.

The Department will:

- Work to bring quality and excellence in the fields of culture, media and sport;
- Make these available to the many, not just to the few;
- Raise standards of cultural education and training; and
- Help to develop the jobs of the future in the creative industries.

Objectives

The Department in partnership with others, works to:

1. create an efficient and competitive market by removing obstacles to growth and unnecessary regulation so as to promote Britain's success in the fields of culture, media, sport and tourism at home and abroad;
2. broaden access for this and future generations to a rich and varied cultural and sporting life and to our distinctive built environment;
3. raise the standards of cultural education and training;
4. ensure that everyone has the opportunity to achieve excellence in the areas of culture, media and sport and to develop talent, innovation and good design;
5. maintain public support for the National Lottery and ensure that the objective of the Lottery Fund supports DCMS' and other national priorities; and
6. promote the role of the Department's sectors in urban and rural regeneration, in pursuing sustainability and combatting social exclusion.

In carrying out these objectives the Department will seek maximum value for money in using its human and financial resources, through applying the principles of efficiency and effectiveness in its sectors and in encouraging partnership with others.

Entities Included Within the Resource Accounts

These Consolidated Resource Accounts present the results for 2000–01 of:

The Department for Culture, Media and Sport (DCMS)

The Royal Parks Agency (RPA)

The Royal Commission on Historical Manuscripts (RCHM)

The principal activities undertaken by the bodies in pursuit of the aims and objectives of the Department are summarised below together with details on how to obtain further information on each entity:

Principal Activities*The Department for Culture, Media and Sport (DCMS)*

The Department's main activity is to set Government policy on a very wide range of cultural and leisure activities. The Department itself is small, spending only some £39.2 million (£38.8 million in 1999–2000) on its running costs, which includes support for seven Advisory NDPBs and Committees, but providing some £931.3 million (£924.4 million in 1999–2000) of Grant-in-Aid and other funding for over 80 Non-Departmental Public Bodies and other sponsored bodies, which support and implement Government policy in their particular fields.

The Royal Commission on Historical Manuscripts (RCHM)

Its main objective is to gather and disseminate information on the nature and extent and whereabouts of archives that are of importance to British History. The information is included in the RCHM's National Register of Archives (NRA). The Commission's website (www.hmc.gov.uk) is now the primary means of disseminating information about the activity of the RCHM and giving access to the NRA. The RCHM's Annual Review for 2000–01 has been published, and is available from the Historical Manuscripts Commission.

The Royal Parks Agency (RPA)

Responsible for managing and policing eight Royal Parks—St James's, Green, Hyde, Regent's, Greenwich, Richmond, Bushy and Kensington Gardens and for Brompton Cemetery, Victoria Tower Gardens, Parliament Square Gardens and Grosvenor Square Gardens. Additionally it maintains other gardens and greens and polices Abingdon Street Gardens, Hampton Court Park and Hampton Park Green. The Agency's own Annual Report and Accounts for 2000–01 have been published separately as a House of Commons Paper and copies are available from the Stationery Office.

Departmental Report

The Department's Annual Report 2001 covers in detail all the activities of the Department and sets out expenditure plans for 2001–02 to 2003–04. Copies can be obtained from the Stationery Office, or viewed on the Department's Website (www.culture.gov.uk).

Entities Excluded

The publicsector bodies which are outside the Departmental Accounting Boundary for which DCMS has lead policy responsibility are listed below together with their status. These bodies publish their own annual reports and accounts during the year.

Public Corporations

British Broadcasting Corporation
Channel 4
Sianel Pedwar Cymru (S4C)

Radio Authority
Independent Television Commission

*Non-Departmental Public Bodies***Museums and Galleries**

British Museum
National Museums and Galleries on Merseyside
National Portrait Gallery
Natural History Museum
Victoria and Albert Museum
Tate
Imperial War Museum
National Museum of Science and Industry
Wallace Collection

National Gallery
Museum of Science and Industry in Manchester
Sir John Soane's Museum
National Maritime Museum
Museum of London
Royal Armouries Museum
Geffrye Museum
Horniman Museum and Gardens

Libraries

British Library
Re: Source The Council for Museums, Archives & Archives

Public Lending Right

Arts

Arts Council of England

Historic Buildings, Monuments & Sites

Royal Household
 Commission for Architecture and the Built Environment
 Churches Conservation Trust

English Heritage
 National Heritage Memorial Fund
 Historic Royal Palaces

Tourism

British Tourist Authority

English Tourism Council

Broadcasting & Media

Broadcasting Standards Commission
 The National Film and Television School

The Film Council

Sports

Football Licensing Authority
 UK Sport

Sport England

Other

National Lottery Commission

In addition to these bodies the Department is responsible for the operation of the National Lottery Distribution Fund (NLDF), which is separately accounted for, and also takes responsibility for the Lottery distribution bodies which received £1,767,688,000, and paid out £1,855,091,000, from the Fund during 2000–01 (received £1,766,394,000, and paid out £1,908,458,000 in 1999–2000). Note that the 2000–01 figures are provisional, and still subject to audit. The Department also has responsibility for some of the Distributing Bodies that are also NDPBs. The Accounts of the NLDF are published annually and are available from the Stationery Office.

The Department also supports a number of other bodies, which are contained in Note 8 to the Accounts, with advisory bodies, committees, self financed public corporations and Lottery funded bodies listed in Note 24.

The Department is responsible for two items of voted expenditure:

- Vote 1 Covers the Departments own running costs and the Grant-in-Aid allocated to our sponsored bodies (Request for Resources 1).
- Vote 2 Covers the funds allocated to the BBC from the licence fee receipts collected by the TV Licensing Authority (Request for Resources 2).

Ministers

The Ministers who had responsibility for the Department during the year were:

| | |
|---------------------------|---------------------------------|
| Chris Smith | Secretary of State |
| Lord McIntosh of Haringey | Spokesman in the House of Lords |
| Alan Howarth | Parliamentary Under Secretary |
| Janet Anderson | Parliamentary Under Secretary |
| Kate Hoey | Parliamentary Under Secretary |

Permanent Head of the Department and Management Board

The Permanent Secretary and members of the Management Board during 2000–01 were:

| | |
|----------------|--|
| Robin Young | Permanent Secretary |
| Paul Bolt | Director of Strategy and Communications |
| Philippa Drew | Director of Education, Training, Arts and Sports |
| Nicholas Kroll | Director of Corporate Services Group |
| Brian Leonard | Director of Regions, Tourism, Millennium and International |
| Andrew Ramsay | Director of Creative Industries, Media and Broadcasting |
| Alex Stewart | Director of Museums, Galleries, Libraries and Heritage |

Appointment of Head of the Department and the Management Board

The Permanent Head of the Department and members of the Management Board are appointed in line with section 5.1 of the Civil Service Management Code. These staff have individual contracts of employment which specify the length of the appointment (if appropriate) and termination procedures.

Ministers' and Board Members' Remuneration

The details of Ministers' and Board Members' remuneration are set out in Note 2 on pages 19 and 20. Board Members' remuneration falls under the Senior Civil Service pay bands.

Important Events which have occurred since the Financial Year End**Change in Ministerial Team and Permanent Secretary**

Subsequent to the General Election there was a full change in the Ministerial Team within the Department:

Secretary of State:

Rt Hon Tessa Jowell MP—Appointed 8 June 2001

Minister of State (and Minister for the Arts):

Rt Hon Baroness Blackstone—appointed 11 June 2001

Minister of State (and Minister for Sport):

Rt Hon Richard Caborn—appointed 11 June 2001

Parliamentary Under Secretary of State (and Minister for Tourism, Film and Broadcasting):

Dr Kim Howells—appointed 11 June 2001

The Permanent Secretary, Robin Young, left the Department on 1 June 2001, and was replaced temporarily by a member of the Management Board, Nicholas Kroll.

Change in Status

The Royal Commission on Historic Manuscripts became an NDPB on 1 April 2001. Its name changed to The Historical Manuscripts Commission.

Machinery of Government Changes

Subsequent to the General Election, responsibility for liquor licensing, censorship and video classification, gambling, horseracing, street trader licensing, and the Golden Jubilee were transferred to the Department from the Home Office. With this came sponsorship responsibility for the Gaming Board for Great Britain, Horserace Betting Levy Board, the Alcohol Education and Research Council and the Horserace Totalisator Board (the Tote).

Pension Liabilities

Present and past employees are covered by the provisions of the Principal Civil Service Pension Scheme (PCSPS) which is non-contributory and unfunded. Although the Scheme is a defined benefit scheme, liability for payment of future benefits is a charge to the PCSPS. The Department, agencies and other bodies covered by the PCSPS meet the cost of pension cover provided for the staff they employ, by payment of charges calculated on an accruing basis. There is a separate scheme statement for the PCSPS as a whole.

Investors in People

On 27 October 1999 the Department achieved accreditation to the Investors in People award, and has since retained the standard.

Employment of Disabled Persons

The Department does not discriminate against staff or eligible applicants for posts on any grounds, including disability. Job application forms have also been made available in alternative formats i.e. large print and audio tape.

We have tried to make all the Department's buildings accessible to people with disabilities and a full disability access audit has been carried out to review this. The report concluded that DCMS does comply with the regulations under the Disability Discrimination Act 1995.

Equal Opportunities Policy

The Department is an equal opportunities employer. We do not discriminate against staff or eligible applicants for posts on the grounds of gender, marital status, race, colour, nationality, ethnic origin, religion, disability, age or sexual orientation. Every possible step will be taken to ensure that staff are treated equally and fairly and that decisions on recruitment, selection, training, promotion and career management are based solely on objective and job related criteria. We will actively pursue arrangements for flexible working patterns and are committed to creating a culture where individual differences are valued and respected. The Department will

not tolerate any form of discrimination, harassment or victimisation. We are committed to providing a working environment where no-one is disadvantaged.

The Department has a programme of equal opportunities awareness training for all staff, which includes a session on the disability legislation.

Policy on Payment of Suppliers

The Department has signed up to the CBI Prompt Payment Code, and the Better Payment Practice Code, and is committed to the payment of all invoices not in dispute within agreed contractual provisions or within 30 days of the presentation of a valid invoice (or delivery, if later). Performance during the 2000–01 financial year showed that 99.0% were paid within contract terms or 30 days (99.6% in 1999–2000).

Introduction of the euro

The Department has produced an outline changeover plan, which sets out an initial view of the likely effect on the introduction of the Euro on the Department and its Sponsored Bodies.

Auditor

The Comptroller and Auditor General has been appointed by Treasury under Section 5 of the Exchequer and Audit Act 1921 to be the Auditor for the Department, and all bodies within the Accounting Boundary.

Nicholas Kroll

12 November 2001

Acting Accounting Officer for the Department for Culture, Media & Sport

Statement of Accounting Officer's Responsibilities

Under Section 5 of the Exchequer and Audit Act 1921 the Department is required to prepare resource accounts for each financial year, in conformity with a Treasury direction, detailing the resources acquired, held, or disposed of during the year and the use of resources by the Department during the year.

The resource accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the Department, the net resource outturn, resources applied to objectives, recognised gains and losses and cash flows for the financial year.

The Treasury has appointed the Permanent Head of the Department as Accounting Officer of the Department with responsibility for preparing the Department's accounts and for transmitting them to the Comptroller and Auditor General.

In preparing the accounts the Accounting Officer is required to comply with the Resource Accounting Manual prepared by the Treasury, and in particular to:

- observe the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards, as set out in the Resource Accounting Manual, have been followed, and disclose and explain any material departures in the accounts;
- prepare the accounts on a going concern basis.

The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which an Accounting Officer is answerable, for keeping proper records and for safeguarding the Department's assets, are set out in the Accounting Officers' Memorandum, issued by the Treasury and published in Government Accounting.

A copy of the Treasury direction has been attached as an appendix to these accounts.

Statement on the System of Internal Financial Control

This statement is given in respect of the resource accounts for the Department for Culture, Media and Sport which incorporates the transactions and net assets of the core Department, the Royal Parks Agency and other bodies falling within the Departmental boundary for resource accounting purposes. As acting Accounting Officer for the Department, I acknowledge my overall responsibility for ensuring that the Department, its Agency and other bodies maintain and operate an effective system of internal financial control in connection with the resources concerned. The Chief Executive of the Royal Parks Agency is responsible for the maintenance and operation of the system of internal financial control in that body, and has signed a statement relating to that system which is reproduced in the accounts of the Agency.

The system of internal financial control can provide only reasonable and not absolute assurance that assets are safeguarded, transactions authorised and properly recorded and that material errors or irregularities are either prevented or would be detected within a timely period.

The system of internal financial control is based on a framework of regular management information, financial regulations, administrative procedures including segregation of duties, management supervision and a system of delegation and accountability. Development and maintenance of the system is undertaken by executive managers within the Department and its Agency. In particular, the system includes:

- comprehensive budgeting systems with an annual budget which is reviewed and agreed by the Management Board;
- regular reviews by the Management Board of periodic and annual financial reports which indicate financial performance against the forecasts;
- setting targets to measure financial and other performance;
- the preparation of regular financial reports which indicate actual expenditure against the forecast;
- a system of control in relation to sponsorship expenditure (within the Department);
- clearly defined capital investment control guidelines (within the Royal Parks Agency);
- as appropriate, formal project management disciplines (within the RPA).

The Department has an Internal Audit Unit. The Royal Parks Agency has an internal audit contract with Pannell Kerr Forster. The internal audit unit and contract operate to standards defined in the Government Internal Audit Manual. The work of internal audit is informed by an analysis of the risk to which the Department and its Agency is exposed, and annual internal audit plans are based on this analysis. Within the Department the analysis of risk and the internal audit plans are endorsed by the Department's Audit Committee and approved by me. Within the Agency the plans are approved by the Head of Finance and approved by the Chief Executive. At least annually, the Head of Internal Audit (HIA) provides me with a report on internal audit activity in the Department. The report includes the HIA's independent opinion on the adequacy and effectiveness of the Department's system of internal financial control. Similar reporting arrangements are in place in the Royal Parks Agency with at least an annual report by the Head of Internal Audit to the Agency's Chief Executive on internal audit activity in the body.

My review of the effectiveness of the system of internal financial control is informed by the work of the internal auditors and the executive managers within the Department and its Agency who have responsibility for the development and maintenance of the financial control framework, and comments made by the external auditors in their management letter and other reports.

As acting Accounting Officer, I am aware of the recommendations of the Turnbull Committee, and I am taking reasonable steps to comply with the Treasury's requirement for a statement of internal control to be prepared for the year ended 31 March 2002, in accordance with guidance to be issued by the Treasury.

Nicholas Kroll

Acting Accounting Officer

12 November 2001

The Certificate and Report of the Comptroller and Auditor General to the House of Commons

I certify that I have audited the financial statements on pages 11 to 35 under the Exchequer and Audit Departments Act 1921. These financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out on pages 17 and 18.

Respective responsibilities of the Accounting Officer and Auditor

As described on page 8, the Accounting Officer is responsible for the preparation of the financial statements and for ensuring the regularity of financial transactions. The Accounting Officer is also responsible for the preparation of the other contents of the Accounts. My responsibilities, as independent auditor, are established by statute and guided by the Auditing Practices Board and the auditing profession's ethical guidance.

I report my opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Exchequer and Audit Departments Act 1921 and Treasury directions made thereunder, and whether in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them. I also report if, in my opinion, the Foreword is not consistent with the financial statements, if the Department has not kept proper accounting records or if I have not received all the information and explanations I require for my audit.

I read the other information contained in the Accounts, and consider whether it is consistent with the audited financial statements. I consider the implications for my certificate if I become aware of any apparent misstatements or material inconsistencies with the financial statements.

I review whether the statement on page 9 reflects the Department's compliance with Treasury's guidance "Corporate governance: statement on the system of internal financial control". I report if it does not meet the requirements specified by the Treasury, or if the statement is misleading or inconsistent with other information I am aware of from my audit of the financial statements.

Basis of opinion

I conducted my audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts, disclosures and regularity of financial transactions included in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Department in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Department's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by error, or by fraud or other irregularity and that, in all material respects, the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conformed to the authorities which govern them. In forming my opinion I have also evaluated the overall adequacy of the presentation of information in the financial statements.

Schedule 5

Schedule 5 of the accounts, on page 16, shows an analysis of the Department's resources in terms of the six Departmental objectives to which it relates. The analysis of most of the expenditure is derived from returns from grant receiving bodies who are required to attribute their grant expenditure across the Departmental objectives. For many of the bodies, the relationship of the Department's objectives to the bodies' own objectives demands judgmental interpretation such as to defy any meaningful precision in that attribution. The mechanical processes of numerical attribution in bodies has been subject locally to independent review, and to Departmental overview. Nevertheless, the level of interpretative latitude unavoidable in the overall exercise, in the context of the Department's objectives, means that significantly different, yet still defensible, attributions could have been reported. Interpretation on comparisons between years requires corresponding caution. The Department's continuing work to clarify further the relationship between their objectives and those of the grant receiving bodies is reducing the scope for judgemental interpretation and leading to more consistent attribution to objectives.

My opinion on the accounts is not qualified in this or any other respect.

Opinion

In my opinion:

- the financial statements give a true and fair view of the state of affairs of the Department for Culture, Media and Sport at 31 March 2001 and of the net resource outturn, resources applied to objectives, recognised gains and losses and cash flows for the year then ended, and have been properly prepared in accordance with the Exchequer and Audit Departments Act 1921 and directions made thereunder by the Treasury; and
- in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

I have no observations to make on these financial statements.

John Bourn
Comptroller and Auditor General

19 November 2001

National Audit Office
157–197 Buckingham Palace Road
Victoria
London SW1W 9SP

SCHEDULE 1

Summary of Resources Outturn 2000–01

For the year ended 31 March 2001

| | Note | 2000–01 Estimate | | 2000–01 Outturn | | 1999–2000 Restated | | | |
|--|------|----------------------|-----------------|----------------------|------------------|---|-----------------------|---------------|------------------|
| | | Gross Expenditure | AinA | Gross Expenditure | AinA | Net total outturn compared with Estimate Saving/ (excess) | Prior-year Outturn | | |
| | | £000 | £000 | £000 | £000 | £000 | £000 | | |
| Request for Resources 1 DCMS Administration and Programme | | 1,024,890 | (10,101) | 1,014,789 | 991,825 | (10,101) | 981,724 | 33,065 | 965,617 |
| Request for Resources 2 BBC | | 2,060,000 | — | 2,060,000 | 2,086,326 | — | 2,086,326 | (26,326) | 2,270,801 |
| Total Resources¹ | | 3,084,890 | (10,101) | 3,074,789 | 3,078,151 | (10,101) | 3,068,050 | 6,739 | 3,236,418 |
| Non Operating Cost A in A | | — | — | (13,461) | — | — | (8,461) | (5,000) | — |
| Net Cash Requirement | | — | — | 3,059,566 | — | — | 3,029,198 | 30,368 | 3,218,330 |

Reconciliation of Resource to
Cash Requirement

| | | | | | | | |
|--|-----|--|------------------|--|------------------|---------------|------------------|
| Total Resources | 6 | | 3,074,789 | | 3,068,050 | 6,739 | 3,236,418 |
| Capital: | | | | | | | |
| Purchase of Fixed Assets | 9 | | 5,040 | | 489 | 4,551 | 1,876 |
| New Loans | | | — | | — | — | — |
| (Loss)/Profit on Disposal of Fixed Assets | 3 | | — | | (90) | 90 | (1,037) |
| Non-operating cost A in A | | | (13,461) | | (8,461) | (5,000) | — |
| Accruals adjustments | | | | | | | |
| Non-cash items | 3&4 | | (6,476) | | (5,024) | (1,452) | (5,287) |
| Changes in working Capital other than Cash | 12 | | (339) | | (32,424) | 32,085 | (1,621) |
| Change in Monies due for BBC | 14 | | — | | 6,658 | (6,658) | (12,020) |
| Use of provision—Early Retirement Costs | 17 | | 13 | | — | 13 | 1 |
| <i>Excess Cash receipts to be surrendered to the Consolidated Fund</i> | — | | — | | — | — | — |
| Net Cash Requirement (Schedule 4) | | | 3,059,566 | | 3,029,198 | 30,368 | 3,218,330 |

Explanation of the variation between Estimate and outturn (net total resources)

Note 8 provides an analysis of the favourable variance of £6,739,000.

Explanation of the variation between Estimate net cash requirement and outturn (net cash requirement)

The favourable variance of £30,368,000 is largely due to:

- i. Changes in Working Capital, which are mainly due to the movements in the year end balance due to/from the BBC, which is difficult to predict;
- ii. Changes in Monies due to the BBC, which is difficult to predict.

¹ For an analysis of outturn expenditure and appropriation-in-aid, see Schedule 2 and Notes 3, 4, 5 and 8 to these accounts.

Analysis of income payable to the Consolidated Fund

In addition to Appropriations in Aid the following income relates to the Department and is payable to the Consolidated Fund (cash receipts being shown in italics).

| | Note | 2000–01 Forecast | | 2000–01 Outturn | |
|---|------|------------------|------------------|-----------------|------------------|
| | | Income | <i>Receipts</i> | Income | <i>Receipts</i> |
| | | £000 | £000 | £000 | £000 |
| Operating income not classified as A in A Request for Resources 1 | 5 | — | — | 11,062 | <i>11,062</i> |
| Operating income not classified as A in A Request for Resources 2 | 5 | 2,060,120 | <i>2,060,120</i> | 2,086,475 | <i>2,093,133</i> |
| Non-Operating income not classified as A in A Excess cash receipts to be surrendered to the Consolidated Fund | | 13,461 | <i>13,461</i> | 8,461 | <i>13,461</i> |
| | | — | — | 2,072 | — |

The Non-Operating income not classified as A in A of £8,461,000 relates to the proceeds from the sale of Southampton Buildings, which the Department is unable to retain.

In the years prior to the introduction of Resource Estimates: the above figures for Estimates are illustrative; the references to A in A and CFER in Schedule 1 and relevant notes to the accounts do not apply for purposes of parliamentary control. The figures represent what will be classified as A in A and CFER following the introduction of Resource Estimates.

SCHEDULE 2

Operating Cost Statement

for the year ended 31 March 2001

| | Note | 2000–01 | | 1999–2000 | |
|-----------------------------------|------|-------------|------------------|-------------|------------------|
| | | £000 | £000 | £000 | £000 |
| Administration Costs | | | | | |
| Staff costs | 2 | | 20,972 | | 20,227 |
| Other administration costs | 3 | | 18,468 | | 18,855 |
| Gross administration costs | 8 | | 39,440 | | 39,082 |
| Operating income | 5 | | (278) | | (257) |
| Net administration costs | | | 39,162 | | 38,825 |
| Programme Costs | | | | | |
| Request for Resources 1 | | | | | |
| Expenditure | 8 | 952,385 | | 936,013 | |
| Less: income | 5 | (20,885) | 931,500 | (11,477) | 924,536 |
| Request for Resources 2 | | | | | |
| Expenditure | 8 | 2,086,326 | | 2,270,801 | |
| Less: income | 5 | (2,086,475) | (149) | (2,270,921) | (120) |
| Net programme costs | 4 | | 931,351 | | 924,416 |
| Net operating costs | 6&8 | | 970,513 | | 963,241 |
| Net resource outturn | 6&8 | | 3,068,050 | | 3,236,418 |

All income and expenditure are derived from continuing operations.

Statement of Recognised Gains and Losses

for the year ended 31 March 2001

| | 2000–01 | 1999–2000 |
|--|--------------|--------------|
| | £000 | £000 |
| Net gain on revaluation of Tangible Fixed Assets | 8,096 | 9,801 |

The income relating to the Request for Resources 2 (Home Broadcasting) is higher than the amount paid over to the BBC due to the expenses incurred by the Department (charged to Request for Resources 1) in administering the Licence fee.

SCHEDULE 3**Balance Sheet**

as at 31 March 2001

| | | 31 March 2001 | | 31 March 2000 Restated | |
|---|------|---------------|---------------|---------------------------|---------------|
| | Note | £000 | £000 | £000 | £000 |
| Fixed Assets | | | | | |
| Intangible assets | 10 | 292 | | 100 | |
| Tangible assets | 11 | 59,055 | | 52,792 | |
| | | | 59,347 | | 52,892 |
| Current Assets | | | | | |
| Stocks | 13 | 75 | | 81 | |
| Debtors | 14 | 19,844 | | 27,785 | |
| Cash at bank and in hand | 15 | (1,795) | | 5,040 | |
| Cash at bank—relating to BBC | 15 | 13,536 | | 64,674 | |
| | | 31,660 | | 97,580 | |
| Creditors due within one year | 16 | (64,508) | | (94,391) | |
| Net Current (Liabilities)/Assets | | | (32,848) | | 3,189 |
| Total assets less current liabilities | | | 26,499 | | 56,081 |
| Creditors (amounts falling due after more than one year) | | | — | | — |
| Provision for liabilities and charges | 17 | | (14) | | (27) |
| | | | 26,485 | | 56,054 |
| Taxpayers' Equity | | | | | |
| General Fund | 22 | | (1,064) | | 36,601 |
| Revaluation Reserve | 18 | | 27,549 | | 19,453 |
| | | | 26,485 | | 56,054 |

Nicholas Kroll
Acting Accounting Officer for the Department for Culture, Media & Sport

12 November 2001

SCHEDULE 4**Cash Flow Statement**

for the year ended 31 March 2001

| | | 2000–01 | 1999–2000 |
|---|------|------------------|------------------|
| | | <u>£000</u> | <u>Restated</u> |
| | Note | £000 | £000 |
| Net cash outflow from operating activities | | (932,975) | (955,297) |
| Capital expenditure and financial investment | | (489) | (1,876) |
| Receipts due to the Consolidated Fund which are outside the scope of the Department's activities | | 8,461 | — |
| Payments of amounts due to the Consolidated Fund | | (2,158,555) | (2,432,587) |
| Financing | | 3,025,585 | 3,222,028 |
| (Decrease) in cash in the period | 15 | <u>(57,973)</u> | <u>(167,732)</u> |
| Reconciliation of operating cost to operating cash flows | | | |
| Net operating cost | | 970,513 | 963,241 |
| Adjustments for non-cash transactions | 3&4 | (5,024) | (5,287) |
| Adjustments for movements in working capital other than cash | 12 | (32,424) | (1,621) |
| (Loss)/Profit on Disposal of Fixed Assets | | (90) | (1,037) |
| Early Retirement Costs | | — | 1 |
| Net cash flow from operating activities | | <u>932,975</u> | <u>955,297</u> |
| Analysis of capital expenditure and financial investment | | | |
| Intangible fixed asset additions | 10 | 353 | 141 |
| Tangible fixed-asset additions | 11 | 5,054 | 1,742 |
| Proceeds of disposal of fixed assets | 9 | (4,918) | (7) |
| Net cash outflow from investing activities | 9 | <u>489</u> | <u>1,876</u> |
| Analysis of financing and reconciliation to the net cash requirement | | | |
| From Consolidated Fund (Supply)—current year | | 3,025,585 | 3,222,028 |
| Net financing | | 3,025,585 | 3,222,028 |
| Decrease in cash | | 57,973 | 167,732 |
| Net cash flows other than financing | | <u>3,083,558</u> | <u>3,389,760</u> |
| Adjustment for payments and receipts not related to supply | | | |
| Amounts due to the Consolidated Fund—received in a prior year and paid over | | (67,260) | (238,690) |
| Amounts due to the Consolidated Fund—received and not paid over | | 12,900 | 67,260 |
| Net cash requirement (Schedule 1) | | <u>3,029,198</u> | <u>3,218,330</u> |

SCHEDULE 5

Resources by Departmental Aims and Objectives

| | 2000–01 | | | 1999–2000 | | |
|----------------------------|------------------|--------------------|----------------|------------------|--------------------|----------------|
| | Gross | Income | Net | Gross | Income | Net |
| | £000 | £000 | £000 | £000 | £000 | £000 |
| Objective 1 | 133,629 | (2,873) | 130,756 | 124,974 | (425) | 124,549 |
| Objective 2 | 470,671 | (8,351) | 462,320 | 433,662 | (6,149) | 427,513 |
| Objective 3 | 131,836 | (2,319) | 129,517 | 129,722 | (1,103) | 128,619 |
| Objective 4 | 143,022 | (2,337) | 140,685 | 142,881 | (523) | 142,358 |
| Objective 5 | 7,314 | (5,241) | 2,073 | 6,881 | (3,153) | 3,728 |
| Objective 6 | 105,353 | (42) | 105,311 | 136,975 | (381) | 136,594 |
| BBC | 2,086,326 | (2,086,475) | (149) | 2,270,801 | (2,270,921) | (120) |
| Net Operating Costs | 3,078,151 | (2,107,638) | 970,513 | 3,245,896 | (2,282,655) | 963,241 |

Figures for the BBC grant and associated licence fee from Request for Resources 2 are shown separately because of their materiality. They relate to the Department's objective 2.

DCMS Objectives are as follows:

- Objective 1** create an efficient and competitive market by removing obstacles to growth and unnecessary regulation so as to promote Britain's success in the fields of culture, media, sport and tourism at home and abroad;
- Objective 2** broaden access for this and future generations to a rich and varied cultural and sporting life, and to our distinctive built environment;
- Objective 3** raise the standards of cultural education and training;
- Objective 4** ensure that everyone has the opportunity to achieve excellence in the areas of culture, media and sport and to develop talent, innovation and good design;
- Objective 5** maintain public support for the National Lottery and ensure that the objective of the Lottery Fund supports DCMS' and other national priorities; and
- Objective 6** promote the role of the Department's sectors in urban and rural regeneration, in pursuing sustainability and combatting social exclusion.

Notes to Departmental Resource Accounts

1. Statement of Accounting Policies

The financial statements have been prepared in accordance with the Resource Accounting Manual issued by HM Treasury. The particular accounting policies adopted by the Department are described below. They have been applied consistently in dealing with items considered material in relation to the accounts.

1.1 Accounting Convention

These accounts have been prepared under the historical cost convention modified to account for the revaluation of fixed assets at their value to the Department by reference to their current costs.

1.2 Basis of Consolidation

These accounts comprise a consolidation of the core Department, its Agency—the Royal Parks Agency, and the Royal Commission on Historical Manuscripts, and advisory NDPBs. The following advisory bodies are included by way of accounting for funds paid through grant expenses: Regional Cultural Consortia; Advisory Committee on Historic Wreck Sites; Treasure Trove Reviewing Committee/Treasure Trove Valuation Committee; Advisory Committee on the Government Art Collection; Reviewing Committee on the Export of Works of Art; Advisory Committee for the Public Lending Right; and Advisory Council on Libraries.

1.3 Intangible Fixed Assets

These relate to licences to use software that have been developed by third parties, and are valued at cost.

1.4 Tangible Fixed Assets

Title to the freehold land and buildings shown in the accounts is held as follows:

- i. Property on the Departmental estate;
- ii. Property held by the Department of Environment, Transport and the Regions in the name of the Secretary of State.

For DCMS as an entity, freehold land has been subject to a revaluation as at 30 September 2000, in accordance with the Resource Accounting Manual, using appropriate indices. Buildings, equipment, computers, fixtures and fittings have not been restated using appropriate indices, as for 2000–01 the modified historic costs are not materially different to the historic costs, therefore the historic costs have been shown in the Balance Sheet. For the RPA all assets have been restated using suitable indices. The minimum level for capitalisation of a tangible fixed asset is £2,000, which was agreed with NAO and Treasury effective from 1 April 1998.

The Department and RPA have a number of non-operational heritage assets held for their historic and cultural association alone. In accordance with the Resource Accounting Manual these non-operational Heritage Assets have been valued at NIL.

There has been a change in accounting policy relating to the Government Art Collection, in accordance with the Resource Accounting Manual, which requires that additions to collections from 1 April 2000 are recognised in the Balance Sheet. The purchase price will normally provide a reliable basis for valuation.

1.5 Depreciation

Freehold land, and Collections are not depreciated.

Depreciation is provided at rates calculated to write off the value of freehold buildings and other tangible fixed assets by equal instalments over their estimated useful lives.

Asset lives are in the following ranges:

| | |
|------------------------|-----------------------|
| Buildings | up to 75 years |
| Leasehold Improvements | the term of the lease |
| Plant | 3 Years |
| Equipment & Computers | 3-10 years |
| Fixtures and Fittings | 3-20 years |
| Intangible Assets | 1 year |

1.6 Research

Expenditure on research is treated as an operating cost in the year in which it is incurred.

1.7 Operating Income

Operating income comprises fees and charges for services provided to external customers and public sector repayment work. It includes both operating income appropriated-in-aid of the Vote and income to the Consolidated Fund authorised by HM Treasury to be treated as operating income.

1.8 Administration and Programme Expenditure

The Operating Cost Statement is analysed between administration and programme costs. Administration costs reflect the costs of running the Department as defined under the Administration Cost Control Regime, together with associated operating income.

Programme cost reflect non-administration costs, including payments of grants and other disbursements by the Department.

1.9 Grants Payable

Government Grant-in-Aid paid or payable is recorded as expenditure on an annual basis in relation to the grant drawn down by the grantee from DCMS.

Government Grants paid or payable are recorded as expenditure on an annual basis in relation to the grant payable to the grantee from DCMS.

1.10 Capital Charge

A charge, reflecting the cost of capital utilised by the Department, is included in operating costs. The charge is calculated at the government's standard rate of 6 per cent in real terms on all assets less liabilities, except for donated assets, additions to Collections, cash balances with OPG and the amount due to the Consolidated Fund, where the charge is nil.

1.11 Foreign Exchange

Revenue and expenditure incurred in foreign currencies which are not covered by a forward contract are translated at the rate of exchange ruling on the date of the transaction.

1.12 Taxation

VAT is accounted for in accordance with SSAP 5.

1.13 Pensions

Present and past employees are covered by the provisions of the Principal Civil Service Pension Scheme (PCSPS) which is non-contributory and unfunded. Although the Scheme is a Defined Benefit Scheme, liability for payment of future benefits is a charge to the PCSPS. Departments, agencies and other bodies covered by the PCSPS meet the cost of pension cover provided for the staff they employ by payment of charges calculated on an accruing basis. There is a separate scheme statement for the PCSPS as a whole.

1.14 Early Departure Costs

The Department is required to meet the cost of benefits beyond the normal PCSPS benefits in respect of employees who retire early. The Department provides in full for this cost when the early retirement programme has been announced and is binding on the Department. The Department may, in certain circumstances, settle some or all of its liability in advance by making a payment to the Paymaster General's account at the Bank of England for the credit of the Civil Superannuation Vote. The amount provided is shown net of any such payments.

1.15 Operating Leases

Operating lease rentals are charged to the operating cost statement in equal amounts over the lease term.

2. Staff Number and Costs

a. Staff costs consist of:

| | 2000–01 | | | | 1999–2000 |
|-----------------------|---------------|---------------|------------|------------------|---------------|
| | Total | Officials | Ministers | Special Advisers | Total |
| | £000 | £000 | £000 | £000 | £000 |
| Wages and Salaries | 17,284 | 17,058 | 127 | 99 | 16,657 |
| Social Security Costs | 1,322 | 1,298 | 13 | 11 | 1,262 |
| Other pension costs | 2,366 | 2,355 | — | 11 | 2,308 |
| | 20,972 | 20,711 | 140 | 121 | 20,227 |

For 2000–01 contributions of £2,230,219 (£2,128,498 in 1999–2000) were paid to the PCSPS at rates determined by the Government Actuary and advised by the Treasury. These rates were in the range of 11–18.5% (11–18.5% in 1999–2000) of pensionable pay. There is an additional £136,000 (£180,000 in 1999–2000) of Early Retirement costs included within Other Pension Costs.

b. The average number of whole-time equivalent persons employed (including senior management) during the year was as follows:

| | 2000–01 | 1999–2000 |
|--------------|------------|------------|
| Objective 1 | 51 | 46 |
| Objective 2 | 411 | 389 |
| Objective 3 | 51 | 48 |
| Objective 4 | 55 | 53 |
| Objective 5 | 20 | 36 |
| Objective 6 | 40 | 51 |
| Total | 628 | 623 |

c. The salary and pension entitlements of the most senior managers of the Department were as follows:

| Name and title | Age | Salary (as defined below) | | Real increase in pension at age 60 | | Total accrued pension at 60 at 31 March 2001 | |
|---|-----|---------------------------|-----------|------------------------------------|-----------|--|-----------|
| | | 2000–01 | 1999–2000 | 2000–01 | 1999–2000 | 2000–01 | 1999–2000 |
| | | £000 | £000 | £000 | £000 | £000 | £000 |
| Robin Young <i>Permanent Secretary</i> | 52 | 115–120 | 105–110 | 5–10 | 0–2.5 | 40–45 | 30–35 |
| Paul Bolt <i>Director</i> | 47 | 65–70 | 65–70 | 0–2.5 | 0–2.5 | 20–25 | 20–25 |
| Philippa Drew <i>Director</i> | 54 | 80–85 | 75–80 | 0–2.5 | 0–2.5 | 30–35 | 30–35 |
| Nicholas Kroll <i>Director</i> | 46 | 70–75 | 65–70 | 0–2.5 | 0–2.5 | 15–20 | 15–20 |
| Brian Leonard <i>Director</i> | 53 | 70–75 | 70–75 | 0–2.5 | 0–2.5 | 20–25 | 20–25 |
| Andrew Ramsay <i>Director</i> | 49 | 80–85 | 80–85 | 0–2.5 | 0–2.5 | 25–30 | 25–30 |
| Alex Stewart <i>Director</i> | 47 | 70–75 | 65–70 | 0–2.5 | 0–2.5 | 20–25 | 20–25 |

Pensions benefits are provided through the Principal Civil Service Pension Scheme (PCSPS). This is a statutory scheme which provides benefits on a “final Salary” basis at a normal retirement age of 60. Benefits accrue at the rate of 1/80th of pensionable salary for each year of service. In addition, a lump sum equivalent to 3 years’ pension is payable on retirement. Members pay contributions of 1.5 per cent of pensionable earnings. Pensions increase in payment in line with the Retail Prices Index. On death, pensions are payable to the surviving spouse at a rate of half the member’s pension. On death in service the scheme pays a lump sum benefit of twice pensionable pay and also provides a service enhancement on computing the spouse’s pension. The enhancement depends on length of service and cannot exceed 10 years. Medical retirement is possible in the event of serious ill-health. In this case, pensions are brought into payment immediately without actuarial reduction and with service enhanced as for widow(er) pensions.

Salaries include gross salaries, reserved rights to London Weighting or London allowances, recruitment and retention allowances. Bonuses paid in respect of the year are also included.

The information above relates to the Permanent Secretary and Directors of the Department. Equivalent information relating to the RPA, consolidated into the Department's resource account, is given in its separate accounts.

d. The remuneration of Ministers (from the DCMS vote, but excluding pension costs) was as follows:

| | 2000–01 | 1999–2000 |
|---|----------------|------------------|
| | £ | £ |
| Secretary of State Chris Smith | 48,516 | 47,149 |
| Parliamentary Under Secretary of State for Tourism, Film & Broadcasting Janet Anderson | 26,053 | 25,319 |
| Parliamentary Under Secretary of State for the Arts Alan Howarth | 26,053 | 25,319 |
| Parliamentary Under Secretary of State for Sport Kate Hoey — joined 28/07/99 | 26,053 | 16,880 |
| Parliamentary Under Secretary of State for Sport Tony Banks left 27/07/99 | — | 8,439 |

3. Other Administration Costs

| | 2000–01 | 1999–2000 |
|------------------------------------|----------------|------------------|
| | £000 | Restated £000 |
| Rentals under operating leases | 4,090 | 3,270 |
| Non cash items: | | |
| Depreciation & Amortisation | 2,439 | 2,158 |
| Auditors remuneration and expenses | 85 | 85 |
| Cost of Capital Charge | 2,424 | 3,044 |
| Early Retirement Costs | 10 | — |
| Loss on disposal of fixed assets | 90 | 1,037 |
| Other Expenditure | 9,330 | 9,261 |
| | 18,468 | 18,855 |

4. Net Programme Costs

| | 2000–01 | 1999–2000 |
|--|------------------|------------------|
| | £000 | £000 |
| Current grants and other current expenditure | 3,038,641 | 3,163,411 |
| Capital grants and other capital expenditure | 4 | 43,403 |
| Non-Cash Items—depreciation | 66 | — |
| | 3,038,711 | 3,206,814 |
| Less Programme Income (note 5) | (2,107,360) | (2,282,398) |
| | 931,351 | 924,416 |

5. Income

| | 2000–01 | | Total £000 |
|---|--------------------------------|--|------------------|
| | Appropriated in Aid £000 | Payable to Consolidated Fund £000 | |
| Operating income analysed by classification and activity, is as follows | | | |
| RfR1 Administration income: | | | |
| EC Refunds | 38 | — | 38 |
| New Deal Employment Scheme receipts | 2 | — | 2 |
| NLDF—recovery of the Department's costs in administering the fund | 238 | — | 238 |
| Amounts Written Back | — | — | — |
| Total RfR1 Administration Income | 278 | — | 278 |
| RfR1 Programme income: | | | |
| NLDF—Reimbursement of the Department's Grant-in-Aid to the National Lottery Commission for regulation on the Lottery | 5,016 | — | 5,016 |
| Receipts from the National Heritage Lottery Fund to the Royal Commission for Historical Manuscripts for assessment work | 2 | — | 2 |
| Receipts by the Government Art Collection from sale of prints, hire of transparencies, copyright fees etc. | 4 | — | 4 |
| Amounts repayable relating to hotel industry and tourist projects | 264 | — | 264 |
| Filming and Broadcasting receipts | 14 | — | 14 |
| Recovery of Costs relating to ceremonies | 9 | — | 9 |
| Royal Parks Agency: fees and charges for licences, rents, gardening services, sports charges, unclaimed lost property, sponsorship, receipts from concessionaires and for the private use of telephones | 4,934 | — | 4,934 |
| Reimbursement from the Department of Trade and Industry of sector challenge grants | 644 | — | 644 |
| Payments by the BBC, ITC and Radio Authority to meet costs of the Broadcasting Standards Commission, and fees for self help TV transmission licences | 987 | — | 987 |
| Sale of redundant convalescent home goods—Osborne House | 21 | — | 21 |
| Sale of Southampton Buildings | — | 9,878 | 9,878 |
| Rent from British Museum for 6 Burlington Gardens | — | 176 | 176 |
| Rent from English Heritage for Fortress House | — | 863 | 863 |
| Rent from British Library for 25 Southampton buildings | — | 42 | 42 |
| Recoveries of Arts Pairing Scheme grants | — | 46 | 46 |
| Receipts from fines for illegal trading in Trafalgar Square | — | 1 | 1 |
| Receipts from Royal Commission on Historical Manuscripts | — | 1 | 1 |
| Fees for licences issued by Football Licensing Authority | — | 9 | 9 |
| Miscellaneous | — | 46 | 46 |
| Excess A-in-A | (2,072) | — | (2,072) |
| Total RfR1 Programme Income | 9,823 | 11,062 | 20,885 |
| RfR2—BBC Licence fees receivable: Not Appropriated-in-Aid | — | 2,086,475 | 2,086,475 |
| Total Income | 10,101 | 2,097,537 | 2,107,638 |

| Operating income analysed by classification and activity, is as follows | 1999–2000 | | |
|---|------------------------|------------------------------------|------------------|
| | Appropriated in Aid | Payable to Consolidated Fund | Total |
| | £000 | £000 | £000 |
| RfR1 Administration income: | | | |
| NLDF—recovery of the Department's costs in administering the fund | 156 | — | 156 |
| EC Refunds | 44 | — | 44 |
| New Deal Employment Scheme receipts | 4 | — | 4 |
| Amounts Written Back | 53 | — | 53 |
| Total RfR1 Administration Income | 257 | — | 257 |
| RfR1 Programme Income: | | | |
| NLDF—Reimbursement of the Department's Grant-in-Aid to the National Lottery Commission for regulation on the Lottery | 3,200 | — | 3,200 |
| Overpayments from the Inland Revenue relating to the assets accepted in Lieu Scheme | 2 | — | 2 |
| Receipts from the National Heritage Lottery Fund to the Royal Commission for Historical Manuscripts for assessment work | 10 | — | 10 |
| Receipts by the Government Art Collection from sale of prints, hire of transparencies, copyright fees etc. | 1 | — | 1 |
| Amounts repayable relating to hotel industry and tourist projects | 597 | — | 597 |
| Filming and Broadcasting receipts | 52 | — | 52 |
| Recovery of Costs relating to ceremonies | 10 | — | 10 |
| Royal Parks Agency: fees and charges for licences, rents, gardening services, sports charges, unclaimed lost property, sponsorship, receipts from concessionaires and for the private use of telephones | 4,221 | — | 4,221 |
| Reimbursement from the Department of Trade and Industry of sector challenge grants | 1,007 | — | 1,007 |
| Payments by the BBC, ITC and Radio Authority to meet costs of the Broadcasting Standards Commission, and fees for self help TV transmission licences | 986 | — | 986 |
| Rent from British Museum for 6 Burlington Gardens | — | 375 | 375 |
| Rent from English Heritage for Fortress House | — | 863 | 863 |
| Rent from British Library for 25 Southampton buildings | — | 645 | 645 |
| British Library's Superannuation transfer values | — | 208 | 208 |
| Recoveries of Arts Pairing Scheme grants | — | 31 | 31 |
| Receipts from fines for illegal trading in Trafalgar Square | — | 3 | 3 |
| Receipts from Royal Commission on Historical Manuscripts | — | 1 | 1 |
| Fees for licences issued by Football Licensing Authority | — | 9 | 9 |
| Miscellaneous | — | 121 | 121 |
| Excess A-in-A | (865) | — | (865) |
| Total RfR1 Programme Income | 9,221 | 2,256 | 11,477 |
| RfR2 BBC Licence fees receivable: Not Appropriated-in-Aid | — | 2,270,921 | 2,270,921 |
| Total Income | 9,478 | 2,273,177 | 2,282,655 |

Total Request for Resources 1 Income of £23,235,000 (£12,599,000 in 1999–2000) consists of £278,000 (£257,000 in 1999–2000) of Operating Income and £22,957,000 (£12,342,000 in 1999–2000) of Programme Income. This income is reduced by the excess appropriation-in-aid of £2,072,000 (£865,000 in 1999–2000).

The BBC income consists of monies not Appropriated-in-Aid of £2,093,133,000 (£2,258,901,000 in 1999–2000), and the change, compared to last year, of the cash that is in transit of £6,658,000 (£12,020,000 in 1999–2000).

Operating income not appropriated-in-aid (ie transferred to the Consolidated Fund) is analysed for resource budget purposes between that which is included in public expenditure and that which is not (see Note 6). In 2000–01, all operating income not classified as A in A was within public expenditure.

Under Section 180 and Schedule 18 of the Broadcasting Act 1990, the BBC is responsible for administering the collection of television licence fees, including the enforcement of the licensing system.

Licence revenue, estimated to be £142 million (£144 million for 1999–2000) remained uncollected because of licence fee evasion in 2000–01, including hidden evasion, eg. the use of a colour television when only a monochrome licence has been purchased. Evasion is calculated as the difference between the estimated households with a television, and the number of licences in force.

The estimate is derived from a statistical model which is undergoing reassessment, containing two main assumptions: (Number of households and Television Penetration Rate). The effect of a one percent variation in household numbers or TV penetration rate would be to alter the estimate by around £26 million.

Measures are being taken by the BBC to tackle evasion, so far as it considers them practical and cost effective.

6. Reconciliation of Net Operating Cost to Control Total and Net Resource Outturn

| | 2000–01 | 1999–2000 |
|---|------------------|------------------|
| | £000 | £000 |
| Net Operating Cost | 970,513 | 963,241 |
| Add: Operating income not classified A-in-A but within public expenditure | 2,104,195 | 2,261,157 |
| | 3,074,708 | 3,224,398 |
| Add: Licence fee monies in transit not yet surrendered | (6,658) | 12,020 |
| Net Resource Outturn | 3,068,050 | 3,236,418 |

Net operating cost is the total of expenditure and income appearing in the operating cost statement (Schedule 2). Net resource outturn is the total of those elements of expenditure and income that are subject to parliamentary approval and included in the Department's Supply Estimate. The outturn against the Estimate is shown in the summary of resource outturn (Schedule 1). Schedule 1 will not be fully relevant until after the introduction, subject to parliamentary approval, of resource-based supply.

7. Reconciliation of Net Cash Requirement to the Appropriation Account

| | 2000–01 | 1999–2000 |
|---|------------------|------------------|
| | £000 | £000 |
| Net Cash Requirement | 3,029,198 | 3,218,330 |
| (Decrease)/increase in cash in the year | (57,973) | (170,525) |
| Decrease in Amounts due to Consolidated Fund | 54,360 | 171,430 |
| Effect of Prior Year Adjustment | — | 2,793 |
| Net Parliamentary Funding | 3,025,585 | 3,222,028 |
| Other | — | (861) |
| Movement in Suspense Account Balances (RPA) | 216 | (245) |
| Expenditure shown in appropriation account | 3,025,801 | 3,220,922 |

8. Analysis of net resource outturn and net operating cost by function

| | 2000-01 | | | | | | |
|---|---------|---------------|--------|---------|-----------|----------|--|
| | Admin | Other Current | Grants | A-in-A | Net Total | Estimate | Net Total outturn compared with estimate |
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 |
| Request for Resources 1 | | | | | | | |
| A. Museums and Galleries | | | | | | | |
| Government Indemnity Scheme | | 2 | | | 2 | 150 | 148 |
| Spoliation Compensation | | | 125 | | 125 | 0 | (125) |
| B. Libraries | | | | | | | |
| British Library St Pancras | | 4 | | | 4 | — | (4) |
| Royal Commission on Historical Manuscripts | | | | (2) | (2) | (5) | (3) |
| Culture-on-Line | | 635 | | | 635 | 2,340 | 1,705 |
| C. Arts | | | | | | | |
| Government Art Collection | | 292 | | (4) | 288 | 416 | 128 |
| Other Arts Support | | 307 | | | 307 | 553 | 246 |
| D. Historic Buildings Monuments and Sites | | | | | | | |
| Public Buildings, Monuments & Statues | | 1,416 | | (44) | 1,372 | 1,788 | 416 |
| Ceremonies | | 589 | | | 589 | 997 | 408 |
| Chatham Historic Dockyard | | 300 | | | 300 | 300 | 0 |
| World Cultural Convention | | 138 | | | 138 | 130 | (8) |
| Underwater Archeology | | 257 | | | 257 | 277 | 20 |
| International Council on Monuments and Sites (ICOMOS) | | 16 | | | 16 | 38 | 22 |
| World Heritage Committee | | | | | — | 15 | 15 |
| Other Heritage Support | | 52 | | | 52 | 37 | (15) |
| E. The Royal Parks | 8,343 | 18,378 | | (4,934) | 21,787 | 21,409 | (378) |
| F. Tourism | | | | | | | |
| Tourism Strategy Fund | | 47 | | | 47 | 96 | 49 |
| Invest to Save | | 48 | | | 48 | 50 | 2 |
| Sector Challenge | | 2 | | (2) | — | — | 0 |
| G. Broadcasting and Media | | | | | | | |
| Sianel Pedwar Cymru (S4C) | | 75,126 | | | 75,126 | 75,127 | 1 |
| Broadcasting Standards Commission | | | | (986) | (986) | (986) | 0 |
| Grant to BBC for Met Office | | | | | | | |
| Weather Services | | 3,006 | | | 3,006 | 3,006 | 0 |
| Sector Challenge Media | | 642 | | (642) | — | 210 | 210 |
| Other Film Support | | 189 | | | 189 | 155 | (34) |
| Audio Visual Eureka | | 188 | | | 188 | 393 | 205 |
| Film Development Loans | | (8) | | | (8) | — | 8 |
| Independent Television Commission/Self-help TV | | 1 | | (1) | — | — | 0 |
| H. Administration and Research | | | | | | | |
| Central Administration | 26,234 | | | (278) | 25,956 | 26,803 | 847 |
| Research and other services | | 1,024 | | | 1,024 | 2,575 | 1,551 |
| I. National Lottery Commission | | | | | | | |
| National Lottery Commission | | | | (5,016) | (5,016) | (5,016) | 0 |
| J. The Royal Parks | 4,298 | | | | 4,298 | 4,373 | 75 |
| K. Administration and Research | 565 | | | | 565 | 2,000 | 1,435 |
| L. Museums and Galleries | | | | | | | |
| British Museum | | | 34,939 | | 34,939 | 34,939 | 0 |
| Natural History Museum | | | 30,408 | | 30,408 | 30,408 | 0 |
| Imperial War Museum | | | 11,743 | | 11,743 | 11,743 | 0 |
| National Gallery | | | 19,215 | | 19,215 | 19,215 | 0 |
| National Maritime Museum | | | 11,660 | | 11,660 | 11,660 | 0 |

| | | | 2000–01 | | Net Total | Estimate | Net Total outturn compared with estimate £000 |
|--|-------|------------------|---------|--------|-----------|----------|--|
| | Admin | Other Current | Grants | A-in-A | | | |
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 |
| National Museums and Galleries on Merseyside | | | 14,013 | | 14,013 | 14,013 | 0 |
| National Portrait Gallery | | | 5,138 | | 5,138 | 5,138 | 0 |
| National Museum of Science and Industry | | | 24,347 | | 24,347 | 24,368 | 21 |
| National Coal Mining Museum of England | | | 1,152 | | 1,152 | 1,152 | 0 |
| Tate Gallery | | | 24,881 | | 24,881 | 24,881 | 0 |
| Victoria and Albert Museum | | | 30,449 | | 30,449 | 30,549 | 100 |
| Wallace Collection | | | 2,073 | | 2,073 | 2,073 | 0 |
| Museum of Science and Industry in Manchester | | | 2,677 | | 2,677 | 2,677 | 0 |
| Museum of London | | | 4,480 | | 4,480 | 4,480 | 0 |
| Sir John Soane's Museum | | | 593 | | 593 | 593 | 0 |
| Horniman Museum | | | 3,327 | | 3,327 | 3,327 | 0 |
| Geffrye Museum | | | 1,176 | | 1,176 | 1,176 | 0 |
| Royal Armouries | | | 5,227 | | 5,227 | 5,437 | 210 |
| Museums Reserve | | | | | — | 169 | 169 |
| Tyne & Wear Museums | | | 994 | | 994 | 994 | 0 |
| M. Libraries | | | | | | | |
| British Library | | | 82,266 | | 82,266 | 90,163 | 7,897 |
| Public Lending Right | | | 5,137 | | 5,137 | 5,150 | 13 |
| Royal Commission on Historical Manuscripts | | | 1,103 | | 1,103 | 1,120 | 17 |
| N. Museums Libraries and Archives | | | | | | | |
| Re:Source Museums Libraries & Archives Council | | | 13,164 | | 13,164 | 13,520 | 356 |
| Designated Museums Challenge Fund | | | 3,044 | | 3,044 | 4,500 | 1,456 |
| Wolfson Public Libraries Scheme | | | 454 | | 454 | 2,117 | 1,663 |
| O. Arts | | | | | | | |
| Arts Council of England | | | 238,179 | | 238,179 | 238,179 | 0 |
| P. Sports | | | | | | | |
| Football Licensing Authority | | | 940 | | 940 | 960 | 20 |
| United Kingdom Sports Council | | | 12,750 | | 12,750 | 12,750 | 0 |
| Sport England | | | 38,323 | | 38,323 | 38,323 | 0 |
| National Playing Fields Association (Children's Play) | | | 495 | | 495 | 516 | 21 |
| Other Sport Support | | | 10 | | 10 | 10 | 0 |
| British Chess Federation | | | 53 | | 53 | 50 | (3) |
| Q. Historic Buildings, Monuments and Sites | | | | | | | |
| Royal Household | | | 16,091 | | 16,091 | 16,091 | 0 |
| English Heritage | | | 119,000 | | 119,000 | 119,000 | 0 |
| Churches Conservation Trust | | | 2,829 | | 2,829 | 2,829 | 0 |
| National Heritage Memorial Fund | | | 3,500 | | 3,500 | 3,500 | 0 |
| Commission for Architecture and the Built Environment | | | 1,848 | | 1,848 | 1,897 | 49 |
| Historic Royal Palaces | | | 203 | | 203 | 275 | 72 |
| Royal Naval College | | | 1,993 | | 1,993 | 2,000 | 7 |
| Somerset House | | | 1,500 | | 1,500 | 1,500 | 0 |
| R. Tourism | | | | | | | |
| British Tourist Authority | | | 37,020 | | 37,020 | 37,000 | (20) |
| English Tourist Council | | 157 | 10,068 | (264) | 9,961 | 11,068 | 1,107 |
| S. Broadcasting and Media | | | | | | | |
| The Film Council | | | 21,760 | | 21,760 | 21,760 | 0 |
| Broadcasting Standards Commission | | | 1,901 | | 1,901 | 1,971 | 70 |

| | | | 2000–01 | | Net Total | Estimate | Net Total outturn compared with estimate £000 |
|--|---------------|------------------|----------------|-----------------|----------------|------------------|--|
| | Admin | Other Current | Grants | A-in-A | | | |
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 |
| The National Film and Television School | | | 2,300 | | 2,300 | 2,300 | 0 |
| T. National Lottery Commission | | | 5,016 | | 5,016 | 5,017 | 1 |
| U. Spaces for Sport and Art | | | 13 | | 13 | 15,000 | 14,987 |
| Excess A-in-A | | | | 2,072 | 2,072 | — | (2,072) |
| Total RfR1 | 39,440 | 102,808 | 849,577 | (10,101) | 981,724 | 1,014,789 | 33,065 |
| Request for Resources 2 | | | | | | | |
| A. BBC-Home Broadcasting | — | — | 2,086,326 | — | 2,086,326 | 2,060,000 | (26,326) |
| Total RfR2 | — | — | 2,086,326 | — | 2,086,326 | 2,060,000 | (26,326) |
| Resource outturn | 39,440 | 102,808 | 2,935,903 | (10,101) | 3,068,050 | 3,074,789 | 6,739 |
| Non A-in-A operating income | — | — | (2,086,475) | (11,062) | (2,097,537) | (2,073,581) | 23,956 |
| Net operating cost | 39,440 | 102,808 | 849,428 | (21,163) | 970,513 | 1,001,208 | 30,695 |

| | | | 1999–2000 | | | Estimate £000 | Net total outturn compared with estimate £000 |
|---|--------|------------------|-----------|---------|-----------|------------------|--|
| | Admin | Other Current | Grants | A-in-A | Net Total | | |
| | £000 | £000 | £000 | £000 | £000 | | |
| Request for Resources 1 | | | | | | | |
| A. Museums and Galleries | | | | | | | |
| Government Indemnity Scheme | | 12 | | | 12 | 98 | 86 |
| Assets in Lieu | | | | (2) | (2) | — | 2 |
| B. Libraries | | | | | | | |
| Royal Commission on Historical Manuscripts | | | | (10) | (10) | (5) | 5 |
| C. Arts | | | | | | | |
| Government Art Collection | | 371 | | (1) | 370 | 356 | (14) |
| Other Arts Support | | 170 | | | 170 | 543 | 373 |
| South Bank Theatre Board | | | | | — | 10 | 10 |
| D. Historic Buildings Monuments and Sites | | | | | | | |
| Public Buildings, Monuments & Statues | | 1,314 | | (62) | 1,252 | 1,090 | (162) |
| Ceremonies | | 750 | | | 750 | 803 | 53 |
| Business Sponsorship Incentive Scheme | | 105 | | | 105 | — | (105) |
| Chatham Historic Dockyard | | 300 | | | 300 | 300 | 0 |
| World Cultural Convention | | 130 | | | 130 | 130 | 0 |
| Underwater Archeology | | 247 | | | 247 | 263 | 16 |
| Royal Fine Art Commission | | 325 | | | 325 | 0 | (325) |
| International Council on Monuments and Sites (ICOMOS) | | 37 | | | 37 | 35 | (2) |
| Theatres Trust | | 55 | | | 55 | 55 | 0 |
| Heritage Grant Fund | | 501 | | | 501 | 511 | 10 |
| E. The Royal Parks | 9,369 | 20,892 | | (4,221) | 26,040 | 25,002 | (1,038) |
| F. Tourism | | | | | | | |
| Tourism Strategy Fund | | 127 | | | 127 | 160 | 33 |
| Tourism Sector Challenge | | 264 | | (264) | — | — | 0 |
| Invest to Save | | 49 | | | 49 | 50 | 1 |
| G. Broadcasting and Media | | | | | | | |
| Sianel Pedwar Cymru (S4C) | | 75,127 | | | 75,127 | 75,127 | 0 |
| Broadcasting Standards Commission | | | | (986) | (986) | (986) | 0 |
| Grant to BBC for Met Office Weather Services | | 2,922 | | | 2,922 | 2,679 | (243) |
| Sector Challenge Media | | 608 | | (743) | (135) | 151 | 286 |
| Other Film Support | | (14) | | | (14) | 297 | 311 |
| Audio Visual Eureka | | 215 | | | 215 | 150 | (65) |
| Film Development Loans | | 784 | | | 784 | — | (784) |
| H. Administration and Research | | | | | | | |
| Central Administration | 24,511 | | | (257) | 24,254 | 25,951 | 1,697 |
| Research and other services | | 1,104 | | | 1,104 | 1,523 | 419 |
| I. National Lottery Commission | | | | | | | |
| National Lottery Commission | | | | (3,200) | (3,200) | (3,200) | 0 |
| J. The Royal Parks | 3,800 | | | | 3,800 | 3,931 | 131 |
| K. Administration and Research | 1,402 | | | | 1,402 | 1,812 | 410 |
| L. Museums and Galleries | | | | | | | |
| British Museum | | | 34,721 | | 34,721 | 34,721 | 0 |
| Natural History Museum | | | 29,583 | | 29,583 | 29,583 | 0 |
| Imperial War Museum | | | 12,149 | | 12,149 | 12,149 | 0 |
| National Gallery | | | 19,478 | | 19,478 | 19,478 | 0 |
| National Maritime Museum | | | 10,923 | | 10,923 | 10,923 | 0 |

| | Admin | Other Current | 1999–2000 | | Net Total | Estimate | Net total outturn compared with estimate £000 |
|--|-------|------------------|-----------|--------|-----------|----------|--|
| | | | Grants | A-in-A | | | |
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 |
| National Museums and Galleries on Merseyside | | | 13,714 | | 13,714 | 13,714 | 0 |
| National Portrait Gallery | | | 5,115 | | 5,115 | 5,115 | 0 |
| National Museum of Science and Industry | | | 24,537 | | 24,537 | 24,576 | 39 |
| Tate Gallery | | | 19,727 | | 19,727 | 19,727 | 0 |
| Victoria and Albert Museum | | | 30,034 | | 30,034 | 30,084 | 50 |
| Wallace Collection | | | 2,463 | | 2,463 | 2,463 | 0 |
| Museum of Science and Industry in Manchester | | | 2,717 | | 2,717 | 2,717 | 0 |
| Museum of London | | | 4,360 | | 4,360 | 4,361 | 1 |
| Sir John Soane's Museum | | | 630 | | 630 | 630 | 0 |
| Horniman Museum | | | 2,961 | | 2,961 | 3,062 | 101 |
| Geffrye Museum | | | 1,172 | | 1,172 | 1,172 | 0 |
| Royal Armouries | | | 4,807 | | 4,807 | 5,096 | 289 |
| Design Museum | | | 200 | | 200 | 200 | 0 |
| M. Libraries | | | | | | | |
| British Library | | | 78,465 | | 78,465 | 80,760 | 2,295 |
| Royal Geographical Society | | | 54 | | 54 | 54 | 0 |
| Public Lending Right | | | 5,051 | | 5,051 | 5,051 | 0 |
| Royal Commission on Historical Manuscripts | | | 1,088 | | 1,088 | 1,095 | 7 |
| N. Museums Libraries and Archives | | | | | | | |
| Library and Information Commission | | | 3,158 | | 3,158 | 3,441 | 283 |
| Libraries and Information Commission–Pension | | | 1,131 | | 1,131 | 1,152 | 21 |
| Museums and Galleries Commission | | | 9,726 | | 9,726 | 13,007 | 3,281 |
| Re:Source Museums Libraries and Archives Council | | | 99 | | 99 | 137 | 38 |
| Designated Museums Challenge Fund | | | 2,500 | | 2,500 | 0 | (2,500) |
| Wolfson Public Libraries Scheme | | | 1,883 | | 1,883 | 2,000 | 117 |
| O. Arts | | | | | | | |
| Arts Council of England | | | 229,226 | | 229,226 | 229,251 | 25 |
| P. Sports | | | | | | | |
| Football Licensing Authority | | | 920 | | 920 | 920 | 0 |
| United Kingdom Sports Council | | | 12,600 | | 12,600 | 12,600 | 0 |
| Sport England | | | 37,523 | | 37,523 | 37,873 | 350 |
| National Playing Fields Association (Childrens Play) | | | 484 | | 484 | 500 | 16 |
| Other Sport Support | | | 20 | | 20 | — | (20) |
| British Chess Federation | | | 46 | | 46 | 50 | 4 |
| Q. Historic Buildings, Monuments and Sites | | | | | | | |
| Royal Household | | | 16,107 | | 16,107 | 16,107 | 0 |
| English Heritage | | | 112,609 | | 112,609 | 114,859 | 2,250 |
| Churches Conservation Trust | | | 2,479 | | 2,479 | 2,479 | 0 |
| National Heritage Memorial Fund | | | 2,500 | | 2,500 | 2,500 | 0 |
| Commission for Architecture and the Built Environment | | | 525 | | 525 | 1,265 | 740 |
| Historic Royal Palaces | | | 227 | | 227 | 275 | 48 |
| Royal Naval College | | | 5,974 | | 5,974 | 6,000 | 26 |
| Somerset House | | | 1,500 | | 1,500 | 1,500 | 0 |
| R. Tourism | | | | | | | |
| British Tourist Authority | | | 36,000 | | 36,000 | 36,000 | 0 |
| English Tourist Council | | | 11,783 | (597) | 11,186 | 11,800 | 614 |

| | 1999–2000 | | | | | | Net total outturn compared with estimate £000 |
|---|---------------|--------------------------|------------------|----------------|-------------------|------------------|--|
| | Admin £000 | Other Current £000 | Grants £000 | A-in-A £000 | Net Total £000 | Estimate £000 | |
| S. Broadcasting and Media | | | | | | | |
| The Film Council | | | 537 | | 537 | 400 | (137) |
| Broadcasting Standards Commission | | | 1,971 | | 1,971 | 1,971 | 0 |
| The National Film and Television School | | | 2,200 | | 2,200 | 2,200 | 0 |
| British Film Institute | | | 16,910 | | 16,910 | 16,910 | 0 |
| British Screen Finance | | | 2,000 | | 2,000 | 2,000 | 0 |
| European Film Co-production | | | 2,000 | | 2,000 | 2,000 | 0 |
| British Film Commission | | | 850 | | 850 | 850 | 0 |
| T. National Lottery Commission | | | 3,200 | | 3,200 | 3,201 | 1 |
| U. Spaces for Sport & Art | | | | | | | |
| British Library St Pancras Excess A-in-A | | | 6,981 | | 6,981 | 0 | (6,981) |
| | | | | 865 | 865 | 0 | (865) |
| Total RfR1 | 39,082 | 106,395 | 829,618 | (9,478) | 965,617 | 966,815 | 1,198 |
| Request for Resources 2 | | | | | | | |
| A. BBC—Home Broadcasting | — | — | 2,270,801 | — | 2,270,801 | 2,320,000 | 49,199 |
| Total RfR2 | — | — | 2,270,801 | — | 2,270,801 | 2,320,000 | 49,199 |
| Resource outturn | 39,082 | 106,395 | 3,100,419 | (9,478) | 3,236,418 | 3,286,815 | 50,397 |
| Non A-in-A operating income | | | (2,273,177) | | (2,273,177) | (2,322,264) | (49,087) |
| Net operating cost | 39,082 | 106,395 | 827,242 | (9,478) | 963,241 | 964,551 | 1,310 |

Programme Vote 1 expenditure of £952,385,000 (£936,013,000 in 1999–2000) comprises the total of Other Current and Grants.

Functions (represented by letters A to U) represent the disaggregation of requests for resources for control purposes and parliamentary approval. They may not correspond to Departmental objectives, which in turn reflect a disaggregation of Departmental aims for the management of activities. (For analysis of A in A, see Note 5.)

The Resource Estimate groups the following functions:

Functions A to I —Spending in Departmental Expenditure Limits

Functions J & K —Spending in Annually Managed Expenditure (Depreciation and Cost of Capital charge only);

Functions L to U —Other Spending outside Departmental Expenditure Limits.

9. Analysis of capital expenditure, financial investment and associated A-in-A

| | 2000–01 | | | Net Total £000 |
|-------------------------|--------------------------------|-------------------|----------------|----------------------|
| | Capital Expenditure £000 | Loans etc £000 | A-in-A £000 | |
| Request for Resources 1 | 5,407 | — | (4,918) | 489 |
| Total | 5,407 | — | (4,918) | 489 |
| | 1999–2000 | | | Net Total £000 |
| | Capital Expenditure £000 | Loans etc £000 | A-in-A £000 | |
| Request for Resources 1 | 1,883 | — | (7) | 1,876 |
| Total | 1,883 | — | (7) | 1,876 |

10. Intangible Fixed Assets

| Total | Software Licences £000 | Total £000 |
|---------------------------|------------------------------|---------------|
| Cost and Valuation | | |
| At 1 April 2000 | 261 | 261 |
| Additions | 353 | 353 |
| Disposals | — | — |
| Revaluation | — | — |
| At 31 March 2001 | 614 | 614 |
| Amortisation | | |
| At 1 April 2000 | 161 | 161 |
| Charged in year | 161 | 161 |
| Disposals | — | — |
| At 31 March 2001 | 322 | 322 |
| NBV | | |
| At 31 March 2001 | 292 | 292 |
| At 31 March 2000 | 100 | 100 |

11. Tangible Fixed Assets

| Total | Land & Buildings £000 | Equipment & Computers £000 | Fixtures & Fittings £000 | Collections £000 | Assets under Construction £000 | Total £000 |
|---------------------------|-----------------------------|-------------------------------------|--------------------------------|---------------------|--------------------------------------|---------------|
| Cost and Valuation | | | | | | |
| at 1 April 2000 | 55,717 | 2,520 | 7,172 | — | 100 | 65,509 |
| Additions | 2,597 | 1,565 | 538 | 124 | 230 | 5,054 |
| Disposals | (5,000) | (170) | (3) | — | — | (5,173) |
| Revaluation | 6,536 | 4 | (4) | — | — | 6,536 |
| At 31 March 2001 | 59,850 | 3,919 | 7,703 | 124 | 330 | 71,926 |
| Depreciation | | | | | | |
| At 1 April 2000 | 7,045 | 1,539 | 4,133 | — | — | 12,717 |
| Charged in year | 1,278 | 585 | 481 | — | — | 2,344 |
| Disposals | — | (162) | (4) | — | — | (166) |
| Revaluations | (2,005) | 2 | (21) | — | — | (2,024) |
| At 31 March 2001 | 6,318 | 1,964 | 4,589 | — | — | 12,871 |
| NBV | | | | | | |
| At 31 March 2001 | 53,532 | 1,955 | 3,114 | 124 | 330 | 59,055 |
| At 31 March 2000 | 48,672 | 981 | 3,039 | — | 100 | 52,792 |

The land to the north of the British Library St Pancras site was professionally re-valued at £3.5 million during June 1997 by Grimley International Property Advisers. It has been revalued as at 30 September 2000 using suitable indices.

The sale of the property at 6 Burlington Gardens, valued at £5 million in the accounts was completed during 2000–01.

The net book value of land and buildings comprises:

| | 2000–01 £000 | 1999–2000 £000 |
|-----------------|-----------------|-------------------|
| Freehold | 50,490 | 47,530 |
| Leasehold—short | 3,042 | 1,142 |
| | 53,532 | 48,672 |

The non-operational Heritage Assets held by the Department are valued at nil, apart from purchased additions to the Government Art Collection, which have been included at cost, in the Department's asset register as from 1 April 2000. This is in accordance with the Resource Accounting Manual, which requires that where additions are made to collections, when the main collections existing at 31 March 2000 are not capitalised, purchase price information will normally provide a reliable basis for capitalisations.

Other non-operational Heritage Assets are: Apsley House and part of Osborne House; Wellington Arch and Marble Arch, although the management responsibility was transferred to English Heritage on 1 April 1999; Trafalgar Square, where management responsibility for 47 statues was transferred to English Heritage on 1 April 1999, responsibility for 9 statues in Trafalgar Square was transferred to the Greater London Authority on 1 October 2000, leaving DCMS retaining responsibility for 2 statues.

In addition the legal title to the buildings at the Natural History Museum, the Science Museum and Imperial College were vested in the name of the Secretary of State for the Environment. Title was passed to DCMS when the Civil Estate, managed by Property Holdings was dispersed in 1996. Legal title to these buildings is in the process of being passed to the Trustees of these institutions. The risks and benefits to these buildings lies with the institutions themselves, rather than the Department, and as such applying the criteria in FRS 5: Reporting the Substance of Transactions, they have not been included in the Balance Sheet of the Department, but in the Notes to the Accounts of those institutions. Once legal title has been passed, the value of the buildings will be shown on their Balance Sheets. Transfer of the Natural History Museum site is imminent and is awaiting completion of title searches with the Land Registry.

The Secretary of State retains the freehold title to Blythe House, Olympia, which is used for storage by the British Museum, Victoria & Albert Museum and the Science Museum. Each of these institutions holds a share in this property, which has been individually valued by each institution over various dates, totalling £14 million.

12. Movements in working capital other than cash

| | 2000-01 | 1999-2000 Restated |
|--|-----------------|-----------------------|
| | £000 | £000 |
| (Decrease)/Increase in debtors | (7,941) | 12,051 |
| (Increase) in creditors (excluding amounts due to Consolidated Fund) | (24,477) | (13,676) |
| (Decrease)/Increase in Stock | (6) | 4 |
| | (32,424) | (1,621) |
| Decrease in Amounts due to Consolidated Fund | 54,360 | 171,430 |
| | 21,936 | 169,809 |

13. Stocks

| | 2000-01 | 1999-2000 |
|--------|-----------|-----------|
| | £000 | £000 |
| Stocks | 75 | 81 |

In the opinion of the Board of the RPA the current replacement cost of stock is not materially different from the amount shown in the Balance Sheet.

14. Debtors

| | 2000-01 | 1999-2000 Restated |
|--------------------------------------|---------------|-----------------------|
| | £000 | £000 |
| Amounts falling due within one year: | | |
| Trade debtors | 2,191 | 1,243 |
| Deposits and advances | 1,354 | 1,286 |
| VAT | 1,546 | 720 |
| Other debtors | 13,159 | 23,416 |
| Pre-payments and accrued income | 1,594 | 1,120 |
| | 19,844 | 27,785 |

Other debtors includes £12,929,000 (£19,587,000 in 1999–2000) that relates to amounts that have been received by the Post Office and other collection agents, relating to BBC, but have yet to be paid over to the Department. An equal amount has been included within other creditors as an amount payable to the BBC.

The VAT and Other debtors comparative figures have been restated from £846,000 to £720,000 and from £23,426,000 to £23,416,000 respectively, to reflect a more accurate position as at 31st March 2000.

15. Cash at Bank and in Hand

| | <u>2000–01</u> | <u>1999–2000</u> |
|--|-------------------|------------------|
| | £000 | £000 |
| Balance as at 1 April | 70,751 | 240,239 |
| Prior Year Adjustment | (1,037) | — |
| Revised Balance at 1 April | 69,714 | 240,239 |
| Net Cash (outflow)/Inflow: Department | (70,873) | (237,785) |
| Balance (excluding amounts due to Consolidated Fund) Payable to the Consolidated Fund | (1,159) 12,900 | 2,454 67,260 |
| Balance at 31 March | 11,741 | 69,714 |

The Office of HM Paymaster General (OPG) provides a current account banking service. The following balances are held at 31 March.

| | <u>2000–01</u> | <u>1999–2000</u> |
|-----------------------------------|----------------|------------------|
| | £000 | £000 |
| Balances at OPG | 11,715 | 69,600 |
| Commercial banks and cash in hand | 26 | 114 |
| | 11,741 | 69,714 |

The balance at the OPG relates to amounts that have been funded by Parliament, but have not been spent by the Department at the year end. This will be accounted for in the funding received in 2000–01, and has been disclosed as a creditor within excess Parliamentary grant received.

This includes an amount of £13,536,336 (£64,674,378 at 31 March 2000) that relates to cash drawn down from Vote 2 for payments to the BBC, which has not been required to be paid to them. Due to the materiality of this, it has been disclosed separately on the face of the Balance Sheet on Schedule 3. The Department appears to be showing an overdraft of £1,795,000, as it has been funding its expenditure by utilising its CFER receipts. The Department has an amount to draw down from the Vote amounting to £3,686,000 (referred to in Note 16).

The prior year adjustment, reducing the cash in hand by £1,037,000 has been made to reflect a more accurate position as at 31 March 2000.

16. Creditors amounts falling due within one year

| | <u>2000–01</u> | <u>1999–2000</u> |
|--|----------------|------------------|
| | £000 | Restated £000 |
| VAT | 25 | 142 |
| Trade creditors | 45 | 109 |
| Other creditors | 47,415 | 23,454 |
| Accruals and deferred income | 4,123 | 3,426 |
| Amount due to Consolidated Fund, including excess Parliamentary grant received and receipts not classified as A-in-A | 12,900 | 67,260 |
| | 64,508 | 94,391 |

As stated within Note 14, Other Creditors includes an amount of £12,929,000 (£19,587,000 in 1999–2000) that relates to amounts that have been received by the Post Office, relating to the BBC, but have yet to be paid over to the Department. On receipt by the Department, this sum is also payable to the BBC.

Also within Other Creditors is an amount of £32,984,000 (other debtors of £1,719,000 in 1999–2000) that relates to the amount that is payable to the BBC.

Included within the amount due to the Consolidated Fund is a net deficient Parliamentary funding of £1,967,000 (excess funding of £44,991,000 in 1999–2000), made up of an excess for Vote 2 of £1,719,000 (£46,263,000 in 1999–2000), but with insufficient Vote 1 funding of £3,686,000 (£1,272,000 in 1999–2000).

The amount due to the Consolidated Fund has been restated from £65,658,000 to £67,260,000, to reflect a more accurate position as at 31 March 2000.

17. Provisions for Liabilities and Charges

| | Early retirement and Pension Commitments | Other | Total |
|---------------------------------|---|----------|-----------|
| | £000 | £000 | £000 |
| Balance at 1 April 2000 | 27 | — | 27 |
| Provision in year | — | — | — |
| Payments in year | — | — | — |
| Transfer to Creditors | (13) | — | (13) |
| Balance at 31 March 2001 | 14 | — | 14 |

18. Revaluation Reserve

| | Revaluation Reserve |
|--|---------------------|
| | £000 |
| Balance at 1 April 2000 | 19,453 |
| Arising on revaluation during the year | 8,560 |
| Transferred to General Reserve | (464) |
| Balance at 31 March 2001 | 27,549 |

The revaluation reserve reflects the unrealised element of the cumulative balance of indexation and revaluation adjustments.

19. Capital Commitments

| | 2000–01 | 1999–2000 |
|---|---------|-----------|
| | £000 | £000 |
| Contracted capital commitments at 31 March 2001, for which no provision has been made | 25 | 410 |

20. Commitments under operating leases

| | 2000–01 | | 1999–2000 | |
|--|-----------------------|------------|-----------------------|------------|
| | Land and Buildings | Other | Land and Buildings | Other |
| | £000 | £000 | £000 | £000 |
| At 31 March 2001 the Department was committed to making the following payments during the next year in respect of operating leases expiring: | | | | |
| Within one year | — | 8 | — | 5 |
| Between two and five years | — | 147 | — | 200 |
| After five years | 3,925 | 86 | 3,767 | 63 |
| | 3,925 | 241 | 3,767 | 268 |

21. Contingent Liabilities

The Department reported £2,755.2 million of contingent liabilities as at 31 March 2001 (£2,010.3 million at 31 March 2000) in its annual return to HM Treasury relating to the bodies it sponsors. This included: statutory liabilities under the Government Indemnity Scheme of £2,041.2 million (£1,829.1 million at 31 March 2000) which indemnifies private lenders to museums, galleries and other institutions when mounting exhibitions or taking long-term loans for either study or display; non-statutory liabilities in respect of indemnities granted in respect of works of art on loan to the Royal Collection £699.2 million (£164.3 million at 31 March 2000); £6.5 million for items on loan to the Government Art Collection (£5.5 million at 31 March 2000); and an indemnity cover of £1 million for a sculpture in one of the royal parks (£1 million at 31 March 2000). Using a new basis the comparatives for contingent liabilities would be £2,896.7 million and for the Royal Collection £1,050.7 million at 31 March 2000.

Also included in the above total, the Department reported an assurance to fund: the Greenwich Foundation (Royal Naval College) for the 7 years 1998–99 to 2004–05 (£7 million outstanding at 31 March 2001); and £263,650 consequent upon two proposed leases of the Tower Hill Vaults site (on behalf of the Historic Royal Palaces). There were also some unquantifiable contingent liabilities.

22. Reconciliation of Net Operating Cost to Change in General Fund

| | 2000–01 | 1999–2000 |
|---|---------------------|---------------------|
| | £000 | £000 |
| Net Operating Cost for the year (see Schedule 2) | (970,513) | (963,241) |
| Income not Appropriated-in-Aid paid to Consolidation Fund | (2,104,195) | (2,261,157) |
| Income not Appropriated-in-Aid due to Consolidated Fund | 8,461 | — |
| | (3,066,247) | (3,224,398) |
| Net Parliamentary Funding | 3,025,585 | 3,222,028 |
| Transfers from Revaluation Reserve | 464 | 111 |
| Non cash charges: | | |
| Early Retirement Costs | 24 | 32 |
| Cost of Capital | 2,424 | 3,044 |
| Auditor's remuneration | 85 | 85 |
| Prior Year Adjustment | — | (2,793) |
| Net increase/(decrease) in General Fund | (37,665) | (1,891) |
| General Fund at 1 April 2000 | 36,601 | 38,492 |
| General Fund at 31 March 2001 | (1,064) | 36,601 |

The Prior Year Adjustment reflects the effect on the General Fund, as a result of the adjustments in Notes 14, 15 and 16.

23. Analysis of net operating cost

This note analyses funding by the Department to the relevant spending body:

| | 2000–01 | | 1999–2000 | |
|----------------------------------|------------------|----------------|----------------|----------------|
| | Budget | Outturn | Budget | Outturn |
| | £000 | £000 | £000 | £000 |
| Core Department | 31,378 | 29,617 | 29,286 | 27,625 |
| RPA | 25,782 | 26,085 | 28,933 | 29,840 |
| NDPBs and other sponsored bodies | 957,629 | 914,960 | 906,462 | 905,896 |
| BBC | (120) | (149) | (130) | (120) |
| | 1,014,669 | 970,513 | 964,551 | 963,241 |

The Welsh Channel Four Authority (S4C) has been included within Non-Departmental Public Bodies.

24. Related Party Transactions

The Department for Culture, Media and Sport is the parent Department of the Royal Parks Agency. In addition it sponsors the institutions set out in Note 8, and is responsible for the following Lottery bodies that are regarded as related parties, some of which are also exchequer funded:

- National Heritage Memorial Fund (Heritage Lottery Fund)
- Community Fund (previously the National Lottery Charities Board)
- The Millennium Commission
- New Millennium Experience Company Ltd
- Sport England
- UK Sport
- Arts Council of England
- New Opportunities Fund
- National Endowment for Science Technology and the Arts
- Film Council

During the year the Department had no material transactions with the following self financing Public Corporations, that are also regarded as related parties:

- Channel Four Television Corporation
- Independent Television Commission
- The Radio Authority

Also the following non-executive advisory NDPBs and Committees are classified as related parties.

- Nine Regional Cultural Consortia
- Advisory Committee on Historic Wreck Sites
- Treasure Trove Reviewing Committee/Treasure Trove Valuation Committee
- Advisory Committee on the Government Art Collection
- Reviewing Committee on the Export of Works of Art
- Advisory Committee for the Public Lending Right
- Advisory Council on Libraries

The Regional Cultural Consortia receive programme funding, whereas the other advisory bodies only receive funds through the Department's administration costs.

None of the board members, key managerial staff or other related parties has undertaken any material transactions with the Department for Culture, Media and Sport during the year.

25. Notes to Schedule 5

Programme grants, ie. other current, capital and current grants have been allocated as follows:

| | 2000-01 | 1999-2000 |
|-------------|-----------------------|-----------------------|
| | <u>£000</u> | <u>£000</u> |
| Objective 1 | 129,658 | 121,377 |
| Objective 2 | 445,667 | 409,557 |
| Objective 3 | 128,471 | 126,537 |
| Objective 4 | 139,280 | 139,200 |
| Objective 5 | 6,553 | 5,793 |
| Objective 6 | 102,756 | 133,549 |
| | <u>952,385</u> | <u>936,013</u> |

The Department's NDPBs were responsible for attributing the Grant-in-Aid received from the Department by Departmental objectives. The Department issued guidance for this purpose. The analysis was subject to review by each body's Internal Auditors, and by the Head of the sponsoring division within DCMS.

In order for many of the NDPBs to apportion the monies fairly it was necessary for them to make certain assumptions on their interpretation of the DCMS objectives. If NDPBs had made different assumptions then a different allocation could have been made. It is possible that there could be inconsistencies in allocations made by different NDPBs. The Department feels that these possible inconsistencies are immaterial.

Sponsor divisions were required to attribute "other programme" expenditure by objective.

Running costs were allocated to objectives in the same proportions as the allocations to programme expenditure.

Appendix

ACCOUNTS DIRECTION GIVEN BY THE TREASURY IN ACCORDANCE WITH SECTION 5 OF THE EXCHEQUER AND AUDIT DEPARTMENTS ACT 1921

The Department for Culture, Media and Sport shall prepare resource accounts for the financial year ended 31 March 2001 in compliance with the accounting principles and disclosure requirements of the Treasury's Resource Accounting Manual (the "Resource Accounting Manual") which is in force for that financial year.

The accounts shall be prepared so as to give a true and fair view of the state of affairs of the department at 31 March 2001 and the net resource outturn, resources applied to objectives, recognised gains and losses and cash flows for the financial year then ended.

Compliance with the requirements of the Resource Accounting Manual 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 Resource Accounting Manual is inconsistent with the requirements to give a true and fair view the requirements of the Resource Accounting Manual should be departed 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 both with the economic characteristics of the circumstances concerned and the spirit of the Resource Accounting Manual. Any material departure from the Resource Accounting Manual should be discussed in the first instance with the Treasury.

Treasury Officer of Accounts

30 March 2001

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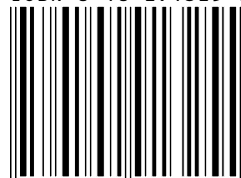
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