
The Government Actuary's Department

Annual Report & Accounts 2010-11

(For the year ended 31 March 2011)

The Government Actuary's Department

Annual Report & Accounts 2010-11

(For the year ended 31 March 2011)

Accounts presented to the House of Commons pursuant to Section 6 (4) of the Government Resources and Accounts Act 2000
Annual Report presented to the House of Commons by Command of Her Majesty

Ordered to be printed by the House of Commons 18 July 2011

© Crown copyright 2011

You may re-use this information (excluding logos) free of charge in any format or medium, under the terms of the Open Government Licence. To view this licence, visit <http://www.nationalarchives.gov.uk/doc/open-government-licence/> or e-mail: psi@nationalarchives.gsi.gov.uk.

Where we have identified any third party copyright information you will need to obtain permission from the copyright holders concerned.

Any enquiries regarding this publication should be sent to us at enquiries@gad.gov.uk

This publication is available for download at www.official-documents.gov.uk

ISBN: 9780102974713

Printed in the UK by The Stationery Office Limited
on behalf of the Controller of Her Majesty's Stationery Office

ID 2443214 07/11 13951 19585

Printed on paper containing 75% recycled fibre content minimum.

Contents	Page
Introduction	2
Management Structure and Governance	6
Management Commentary: Operating and Financial Review	9
Core tables	14
Management Commentary: Human Resource Review	21
Management Commentary: Public Sector Sustainability Reporting	23
Remuneration Report	26
Statement of Accounting Officer's Responsibilities	30
Statement on Internal Control	31
The Certificate and Report of the Comptroller and Auditor General to the House of Commons	33
Accounts - Main Tables	
Statement of Parliamentary Supply	36
Statement of Comprehensive Net Expenditure	37
Statement of Financial Position	38
Statement of Cash Flows	39
Statement of Changes in Taxpayers Equity	40
Notes to the Accounts	41

Introduction

This document contains the Annual Report and Accounts of the Government Actuary's Department (GAD) for the year 1 April 2010 to 31 March 2011. These have been prepared in accordance with the guidance set out in HM Treasury's Government Financial Reporting Manual (FReM) for 2010-11.

The Annual Report contains information consistent with that covered in a directors' report for a public company where relevant for a government department, a management commentary on GAD and a remuneration report. The Accounts show how resources have been used by GAD in delivering its objectives. The Accounts have been prepared by GAD under a direction issued by HM Treasury in accordance with section 5(2) of the Government Resources and Accounts Act 2000.

GAD's Annual Report and Accounts is one of a series of Departmental Reports. The following HM Treasury publications are also relevant:

- Main Estimates 2010-11;
- Spring Supplementary Estimates 2010-11;
- Public Expenditure Statistical Analyses 2010 which present the overall Government expenditure outturn figures and plans for 2004-05 to 2010-11; and
- Spending Review 2010 which presents Government Spending plans for 2011-12 to 2014-15.

Readers may also wish to refer to the GAD website for more information on the Department (including the staff/client Departmental Report due out in July/August 2011) at www.gad.gov.uk

About the Government Actuary's Department

GAD provides actuarial analysis to governments and organisations in the public sector in the UK and around the world. GAD has unrivalled experience and expertise in advising the UK public service.

GAD is a non-Ministerial Department and its funding is almost entirely met from the fees charged to clients. As a non-profit organisation, the fees charged are set only to meet the cost of running the Department.

Resources managed by GAD

Apart from a leased office, office furniture and an IT network as shown in notes 10 and 11 to the accounts the only resource managed by GAD is the staff.

On 31 March 2011 GAD employed 130 staff (average number of persons employed during the year was 132), of whom 54 are qualified actuaries.

Our Aims, Commitments and Values

Aims

Whatever we do for any client must be highly valued. With this at heart, specifically, we aim to:

- Become the highly-valued principal provider of actuarial advice to all parts of the UK government and other relevant UK public bodies on policy related to pensions, social security and other actuarial matters.
- Grow our work of supplying actuarial advice in relation to UK public service pension schemes through a highly-valued service considered best in class for this type of work.
- Seek and deliver other selective actuarial opportunities in the fields of international insurance, social security and private sector pensions where we can offer a highly-valued service consistent with UK Government needs.

Commitment

Our commitment to quality is to consider the six key aspects of the service we deliver. Our service and advice should be:

- Correct
- Applicable
- Clear
- On time
- Value for money
- Properly discussed at regular status briefings

Values

In addition to the core values of the Civil Service (integrity, honesty, objectivity and impartiality), GAD has its own eight core values that have been discussed and agreed with staff to be exhibited by all in GAD. Our values are:

- Making client service our priority
- Professionalism (including impartiality, integrity, honesty and objectivity as well as actuarial)
- Treating people fairly and with respect
- Being flexible; sharing as individuals and as an organisation
- Enjoying a work/life balance
- Being forward looking and pro-active
- Pursuing a fulfilling career
- Having a strong public service ethos

Principal Activities

Public Sector Pensions

GAD has accumulated expertise and wide ranging experience over many years of advising government on occupational pension schemes. It currently advises on almost all of the public service schemes such as those for the armed forces, police, fire service, teachers and National Health Service. GAD's advice in this area involves pension schemes covering over five million members. This can be on strategic and policy issues, benefit design, financing, restructuring, and cost and financial risk to the employer of sponsoring a pension scheme, as well as how to recognise the cost of pensions in employer accounts.

Pensions Policy, Regulation and Supervision

GAD is a source of expertise for government departments and public bodies requiring actuarial input to policy development. While the main focus is on the provision of actuarial support to officials in HM Treasury and the Department for Work and Pensions (DWP), it also provides support to a number of autonomous bodies such as the Pension Protection Fund.

Staff Transfers

A specialist team provides advice on the pension aspects of TUPE transfers of staff from public sector schemes, and internal "machinery of Government" transfers. The terms of such transfers must comply with the Government's Fair Deal policy, and changes to the main public service schemes in the last couple of years have meant that the nature of the exercises is more complicated than previously, requiring clear and effective communication with transferring staff.

Insurance

GAD provides a broad range of actuarial services for overseas governments:

- In-depth reviews of insurance companies, analysing regulatory returns and financial statements;
- Analyses of business plans submitted for the authorisation of new companies, or for mergers and acquisitions of existing companies;
- The development of insurance regulations, and guidance on their interpretation for the industry and the supervisor;
- Developing training programmes for supervisors; and
- Financial modelling of long term liabilities.

GAD also provides financial modelling and analysis of long term liabilities for UK government departments.

Social Security

The Government Actuary has statutory obligations to report to Parliament on the financial impact, both over the short and long term, of social security legislation. In 2010-11 the Government Actuary prepared a report to accompany an Order concerning the annual up-rating of benefits, or changes in contributions, laid before Parliament by the Secretary of State for Work and Pensions. The most recent up-rating report was published in January 2011.

The Government Actuary is responsible for advising on the level of 'contracting-out rebates' available to contracted-out pension schemes. His most recent report covers the rebates payable in the period 2012 to 2017 and was published in February 2011.

GAD advises overseas governments (of countries of various sizes and at all levels of economic growth and development) on their state social security programmes.

Investment and Risk

GAD's expertise applies to the identification and control of financial and investment risks inherent in the structuring of financial institutions and the provision of benefits and services by government.

Work conducted to date includes:

- Investment strategy for financial institutions such as pension schemes and insurance companies;
- Exposure of Government to the financial risks of supporting certain pension schemes;
- Advice to government, e.g. in relation to the toxic assets recently uncovered in the banks and mortgage lenders; and
- Advice on management of risk with a big IT project.

Other Activities of GAD

Healthcare

Ageing populations can lead to increasing healthcare costs as well as to increasing social security expenditure. GAD provides a range of advice on healthcare schemes, including the projection of costs and the regulation of health insurance for overseas territories.

Long Term Care

GAD provides advice on the design, cost and ongoing financial monitoring of long term care arrangements and during 2010-11 provided support to the Department of Health.

Demography and Statistics

GAD supplies demographic advice to the Office for National Statistics; provides National Savings and Investments with a verification of the statistical randomness of the premium bond system (ERNIE); and provides the actuarial input for the preparation of the Ogden tables for use by the courts in personal injury and fatal accident cases.

Management Structure and Governance

Minister

GAD is a non-Ministerial Department and is one of the Chancellor's Departments. The Financial Secretary to the Treasury, Mark Hoban MP, had Ministerial responsibility for the Department during the financial year (with effect from 13th May 2010). No remuneration is payable by the Department to the Minister and the Department has no Special Advisers.

Senior Staff and Management Board

The position of Government Actuary, the permanent head of the Department has been held by Trevor Llanwarne MA, FIA, since 1st May 2008.

The Deputy Government Actuary, Client Relations Director, Technical Director, Director of Finance and Human Resources Director report directly to the Government Actuary, who is the Head of Department and Accounting Officer. There are six teams covering the UK public service and wider public sector pensions plus pensions policy. Three further teams cover social security, overseas pensions and insurance, and investment and risk. GAD established a small office in Scotland in January 2010 to service GAD's Scottish clients. The office was originally located in Glasgow but was re-located to Edinburgh in February 2011 and represents the tenth team. Each of these teams is headed by a Chief Actuary. Pay bands for senior staff grades are:

	Number	Pay Bands (£000's)
Government Actuary	1	141-279
Deputy Government Actuary	1	134-162
Sales, Marketing and Client Relations Director	1	134-162
Technical Director	1	134-162
Chief Actuaries	10	107-131

The Management Board was chaired by Trevor Llanwarne. The other members of the Management Board during the year were:

George Russell	Deputy Government Actuary & Head of Actuarial Operations
William Rayner	Sales, Marketing & Client Relations and Development Director
Edward Battersby ¹	Professional & Technical Director
Kevin Down	Director of Finance and Support Operations
Simon Bancroft-Rimmer	Director of Human Resources

Jan Smith	Non-Executive Director
Alex Jablonowski	Non-Executive Director
Jane May ²	Non Executive Director

1. Edward Battersby (Technical Director) retired on 31 March 2011. Colin Wilson was promoted to be the new Technical Director on 1 April 2011.

2. Jane May succeeded Jan Smith who stood down from her position with effect from 15th December 2010.

Attendance at Management Board meetings in 2010-11

Number of meetings	10
Number of meetings attended by:	
Trevor Llanwarne	10
George Russell	9
William Rayner	10
Edward Battersby	8
Kevin Down	9
Simon Bancroft-Rimmer	9
Jan Smith	5
Alex Jablonowski	10
Jane May	5

Management Board Members' Remuneration

The Government Actuary is employed and remunerated under terms agreed by HM Treasury. The determination of the pay of the remaining senior staff has been delegated to the Government Actuary and is settled through the annual pay negotiation arrangements for GAD staff. There were no pay negotiations in 2010 due to the Government pay freeze.

Further details are given in the Remuneration Report on pages 26-29.

Governance

The Management Board normally meets monthly (with the exception of August and also May in 2010-11). The Board focuses on the overall strategic management of the Department. It ensures the appropriate management of the risks that face the Department and takes decisions on key high level issues. Day-to-day operational issues are delegated to the Head of Actuarial Operations, the Support Operations Committee and the Technical Committee.

Audit Committee

GAD's Audit Committee has two posts which are filled by Non-Executive Directors, Alex Jablonowski (Chairman) and Jane May. Jane replaced Jan Smith on the Audit Committee in December 2010. The Government Actuary, Director of Finance, External Auditors and Internal Auditors are invited to attend the Committee, which normally meets at least five times a year. There were six meetings this year because the September meeting was not quorate so an additional meeting was held in October.

Attendance at Audit Committee meetings in 2010-11

Number of meetings	6
Number of meetings attended by:	
Alex Jablonowski (Chairman) (NED)	6
Jan Smith (NED)	4
Jane May (NED)	2
Other Attendees	
Accounting Officer	6
Director of Finance	5
Internal Audit	5
External Audit	4

Strategy

This year was the third in a three year plan constructed by Trevor Llanwarne when he came into post in 2008. Over that three year period, the objectives have been to embed the Aims, Commitments and Values set out on page 3 as the foundation for serving our clients and for delivery of the financial targets year on year. A new strategic plan is currently being agreed to cover the three year period from July 2011.

Against that background, the headline aspirations for the year 2010-11 were set as:

- Work smarter on business as usual
- Pursue focussed initiatives to improve the sustainability of the Department and to take advantage of any emerging opportunities.

Whilst these were aspirations for the financial year 2010-11, they also reflect the Department's determination to improve continually:

- The quality of the advice and analysis provided to clients
- The efficiency with which it is delivered, and
- The value for money of our work for our clients.

In seeking to meet our aspirations, we have pursued the following initiatives:

In the way we work with our clients: We have continued to coach our professional staff to work more in partnership with our clients, with regular briefings to review priorities, budgets and to check on the level of detail required from GAD in completing client assignments. We view regular feedback from clients as the only reliable measure of our performance. Feedback has been obtained via online surveys, as well as one-on-one discussions (sometimes from a member of the Management Board who is independent of the client facing team).

In the way we treat our people: We have viewed engagement of our staff as essential to our success. At the senior level, we continue to seek greater involvement from Chief Actuaries in the management of the Department. For operational purposes, they are empowered under the leadership of the Deputy Government Actuary, George Russell. For setting the tone and direction of the Department, the Management Board and the Chief Actuaries have worked as a combined group called the GAD Leadership Group.

Overall executive authority and responsibility remains with the Management Board, under the Chairmanship of the Government Actuary.

Around the rest of the Department, there are regular staff briefings and plenty of opportunities for professional development – for qualified actuaries, as study programmes for actuarial students, and for non-actuarial staff.

We were pleased that we came in the top 75 out of almost 250 entrants in the Sunday Times competition to find the Best Place to Work in the Public Sector, confirmation that our people strategy is both appropriate to the Department and being implemented effectively.

In the way we manage our risks: We are conscious that the provision of professional advice carries some associated risks which, in some circumstances, could impair the delivery of the operational results and in more extreme circumstances could, for example, damage the reputation of the Department. We seek to achieve the optimal balance between delivery of short-term operational performance and building a secure and sustainable Department for the long term. While our annual operational planning and our performance metrics focus on delivery of short-term operational results, we also now have a concise and focused risk management methodology. Our management of risk sits alongside our operational plans, identifying the areas of greatest risk, the potential impact on the Department, and the controls we have in place as protection.

Management Commentary

Operating Review

Governance Structure

Our Governance Structure has remained unchanged.

Client Services

An online client survey was conducted in August 2010, and client review interviews were undertaken to hear directly from clients their view of our strengths and weaknesses, so that we can build further on the strengths and improve on the weaknesses. Our clients tell us that there is much that is good about the service and advice they receive from us, but there are areas which we need to improve, particularly in providing regular status reports to clients on the progress of our work. Without exception, the discussions with clients have been constructive for everyone.

Public sector pensions continue to be GAD's predominant area of activity. GAD advises most of the main public service pension schemes on actuarial aspects of their operation, including accounting for pension costs. We have worked with HM Treasury on the new taxation regime for pensions and on the discount rate used to set unfunded public service pension contributions; and with both Lord Hutton and HM Treasury in connection with the Independent Public Service Pensions Commission. GAD also advised other government departments and agencies on pension issues specific to them. We have for some time advised on the pension aspects of outsourcing public sector services.

Our actuaries advised the Trustees and sponsoring employers of a number of funded pension schemes, with advice ranging from completing actuarial valuations to investment strategy and the management and communication of scheme changes. The Department continued to be very closely involved in the implementation of changes to the main public service pension schemes, notably those resulting from the adoption of the Consumer Prices Index (CPI) for the indexation of public service pensions from April 2011.

The Department gave advice on a diverse range of pension policy issues to the Department for Work and Pensions, including the five yearly review of the Contracting Out Rebate, and the proposals for a single tier pension. The Government Actuary provided his annual report to Parliament on the short-term financial implications of changes to National Insurance contributions and benefits. GAD also continued to provide regular certification of the randomness of the monthly premium bond draw (ERNIE).

We have published online newsletters, and have held two client events to conduct technical discussions of topical interest in pensions, modelling the financial implications of climate change, and the management of risk within government.

In Scotland, we moved our small operation from Glasgow to Edinburgh.

Some of our professional staff have worked on secondment at other organisations, notably at HM Treasury, the Asset Protection Agency, the Department for Work and Pensions and the Pension Protection Fund.

GAD's international business continues to thrive. Considerable volumes of work with regard to insurance supervision advice have been generated by our clients in both Cyprus and Saudi Arabia. Together with work from other established social security clients in, for example, the Channel Islands, Ghana and the Falkland Islands, overseas work continues at a very satisfactory level.

As part of the Government Actuary's strategic review, we have clarified our criteria for accepting international assignments.

GAD's People

The management of the performance of our people continues to be based on a competency-based framework. Our people have clarity about what is required of them in their individual roles, and about how their individual performance will be measured.

Around 15 members of staff were transferred to new roles, giving opportunities for personal growth through learning new aspects of being an actuary.

Regular lunchtime knowledge sharing sessions have been held as a means of spreading expert knowledge and awareness more broadly across the Department.

Employee Attitude Surveys are completed online and have shown a continuous improvement in feedback. One new Chief Actuary was appointed, following the transfer of the incumbent to a new role.

Pension benefits of GAD's Management Board members are shown in the Remuneration Report (pages 26-29). Information on staff pensions is given in note 1.1ac of the Accounts.

Data and Technology

GAD's business involves handling large amounts of data which may contain personal information about individuals. The Department continues to review its policies and procedures for the handling of sensitive data in both electronic and paper formats, in the light of evolving central government guidance, with appropriate staff training and communication as necessary. A Government Secure Intranet (GSI) facility is in place to ensure appropriate protection, where necessary, for communications with clients.

GAD has not suffered any protected personal data-related incidents during 2010-11 or in previous financial years.

Following a detailed review of the software used for the valuation of pension schemes, we decided to use the proprietary software SuperVal in the future. The implementation of the new software has been a major task during the year, requiring some bespoke functionality to be added to the standard suite of software. Virtually all of the bespoke functionality is now available for use.

Environmental Matters

GAD is committed to conducting its activities in an environmentally responsible manner and recognises the need to seek continual improvements in its operations in order to reduce the impact on the environment.

GAD aims to conduct its activities and operations to reflect best environmental practice and has implemented an environmental management system, accredited to the ISO14001 standard, to pursue sustainability, continual improvement and the prevention of pollution.

More information on GAD's sustainability performance is available on page 23 of this report.

Financial Review

GAD's accounts were qualified in 2009-10 due to breaches of the net resource (£747k excess) and cash (£67k excess) limits. This was primarily due to a one-off event relating to 2006 which resulted in a former member of staff being awarded a lifetime allowance under the Civil Service Injury Benefit Scheme (CSIBS). The costs in GAD's accounts from this event were a provision for future payments (£571k) and cash payments during the year (£187k). Note: 2009-10 accounts have been restated (refer to Note 1.af)

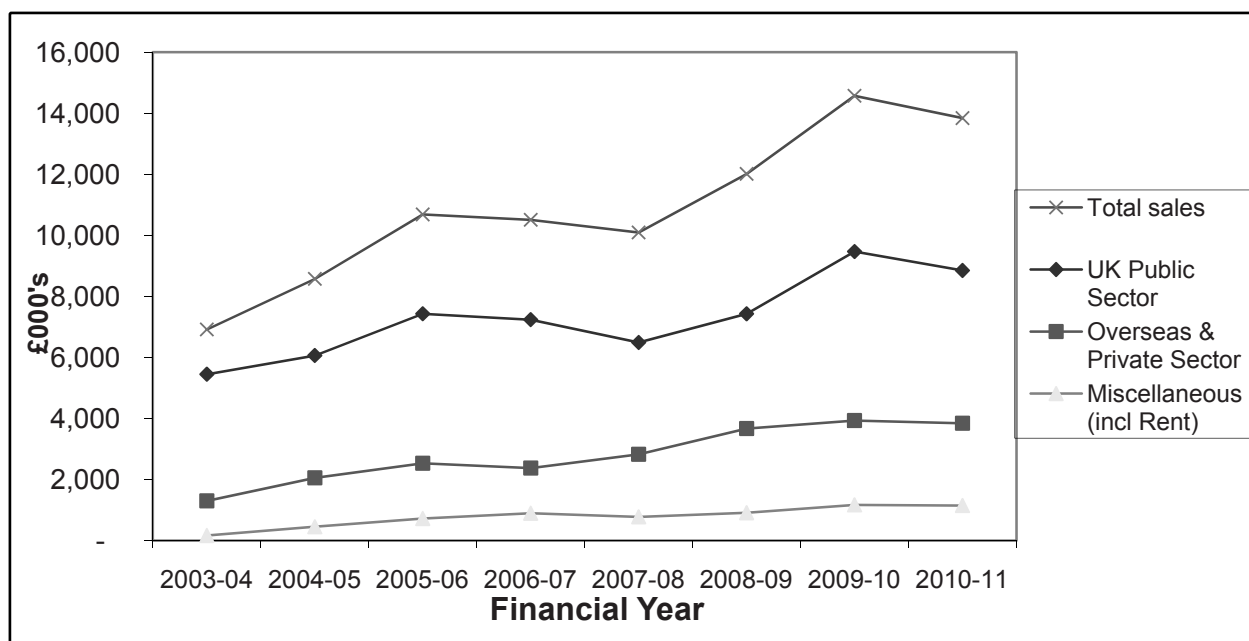
A contributing factor to the cash breach was the increased working capital required as a result of GAD's growth over recent years. The Comptroller and Auditor General's report on the breaches recommended that GAD should seek extra cash through the Estimates process to reflect the increased working capital requirement and review credit control policies to ensure debts are collected in a timely manner. Both of these actions were taken.

In February 2011, HM Treasury presented to the House of Commons its Statement of Excesses on the 2009-10 Supply Estimates. The Statement noted that the Department had incurred an Excess Vote for the year ended 31 March 2010. The Committee of Public Accounts examined the Department's breach and noted that this had occurred through unexpected payments due to an ex-employee under the CSIBS and to the misalignment of cash management with the working capital requirements of the growing business. The Committee noted that strong and effective financial management is more important than ever in the context of the current Comprehensive Spending Review, but nevertheless had no objection to Parliament providing the necessary amounts by means of an Excess Vote. This excess received legislative authority in the Appropriation Act 2011.

GAD's accounts for 2010-11 show that the department operated within both its resource and cash limits. However this was only achieved after taking a Spring Supplementary Estimate. There were two primary reasons for needing to take out a Spring Supplementary Estimate in 2011:

1. In October the Government made a policy decision to review the discount rate used to calculate future pension liabilities. As a result, GAD's clients were instructed to put work on valuations on hold whilst the review was carried out. Another substantial tranche of work to review actuarial factors resulting from a change to up-rating pension schemes using the Consumer Prices Index (CPI) instead of the Retail Prices Index (RPI) was also put on hold pending the discount rate review. This meant GAD was not able to generate sufficient income to remain within its control totals. As this loss of pension work was temporary and outside GAD's control £300k extra Resource Departmental Expenditure Limit (RDEL) was voted from the reserve but on the condition that this sum is deducted from GAD's 2011-12 control totals.
2. GAD currently has an onerous lease and is unable to fill vacant space in Finlaison House at a rent level sufficient to cover GAD's costs. At the time of agreeing the Spring Supplementary Estimate the sub-tenants occupying the second floor had just moved out and it was estimated that the total future losses would be in the region of £5m over the remaining 12 years of GAD's lease on the building. £5m was approved in the Supplementary Estimate as Annually Managed Expenditure (AME) to meet the expected need to include a provision in the accounts. Subsequently, GAD has been working closely with the OGC Property Unit and engaged agents to advertise the vacant space on the open market. In April the remaining sub-tenants on the third and fourth floors agreed a short extension to their lease which moves back the date when those floors are expected to become vacant. The latest information available makes it probable that the future loss will be slightly less than the earlier estimate and a provision of £4.8m is made in the 2010-11 accounts.

GAD generated £13.9m of income (£14.5m 2009-10) and this is the first decrease GAD has seen since 2007-08. The graph below illustrates that the loss in income was predominately sustained in the UK public sector for the reason outlined above. This is expected to be a temporary dip in income levels and GAD expects an increase in demand when pension valuation work resumes, although at this stage it is unclear when that will be. Income from overseas, private sector and miscellaneous sales, which mainly represent rent to sub-tenants, showed a marginal fall in 2010-11 after consistently showing gains since 2007-08.



Expenditure amounted to £19.2m of which £4.8m was for the setting up of the provision outlined above. Staff costs amounted to £10.4m and other running costs £4m. Details of expenditure are shown in notes 7 and 8 of the accounts.

Capital investment over the past year was £283k and covered the purchase of new pension valuation software and the normal replacement cycle of IT hardware and furniture.

As in previous years GAD borrowed money from the Contingencies Fund to meet cash flow shortfalls due to some clients failing to pay invoices to agreed timescales and an underlying mis-match between the timing of payments and receipts during the year. In 2009-10 GAD breached its cash limit and was unable to repay £67k of the loan taken out that year. The loan taken out this year was repaid in full in the last quarter. Improved debt collection procedures introduced following the breach helped to ensure GAD remained within cash limits this year.

Below are two summary tables. Table 1 is a reconciliation of resource expenditure between Estimates, Accounts and Budgets which, in GAD's case, all reflect the same figure. Table 2 includes data taken from our accounting schedules and notes contained in these Accounts.

Table 1 Reconciliation of resource expenditure between Estimates, Accounts and Budgets

	2010-11	2010-11	2009-10
	£000	£000	£000
	Budget	Outturn	Outturn ¹
Net Resource Outturn	5,674	5,333	1,353
Net Operating Cost	5,674	5,333	1,353
Resource Budget Outturn	5,674	5,333	1,353
Of which			
<i>Departmental Expenditure Limits (DEL)</i>	554	533	730
<i>Annually Managed Expenditure (AME)</i>	5,120	4,800	623

¹ 2009-10 outturn is restated to include an accrual of salary cost of £17,000 (see Note 1af).

Table 2 **Income and Expenditure on a Resource Basis for the year ended 31 March 2011**

	<u>2010-11</u>	<u>2009-10</u>
	£000	£000
Expenditure		
Staff costs	10,395	10,349
General administrative costs	4,029	4,257
Movements in work in progress	(320)	286
Non cash costs	5,099	995
Total Expenditure	19,203	15,887
Income		
Fees and charges to other Government Departments	8,708	8,819
Fees and charges to the wider public sector and others	5,162	5,715
Total Income	13,870	14,534
Net Operating Cost	5,333	1,353
Purchase of fixed assets	283	223
Non cash items	(311)	(424)
Adjustment for changes in working capital	776	(242)
Changes in creditors falling due in more than one year	98	95
Setting up provision	(4,788)	(571)
Use of Provision	92	338
Net Cash Requirement for the year	1,483	772

Payment of Suppliers

In line with Government policy, announced by the Prime Minister in November 2008, GAD's current policy is that all bills should be paid in accordance with credit terms, or where no such terms exist, within 10 days of the receipt of goods or services or the presentation of a valid invoice, whichever is the later. The calculation of payment performance for 2010-11 is based on continuous monitoring of payments since the start of the year. On this basis 97% of GAD's payments were paid within 30 days and 73% within 10 days. The equivalent 10 day target figures for 2008-09 and 2009-10 were 71.4% and 60% respectively. No interest payments were made in 2010-11 to suppliers under the Late Payment of Commercial Debts (Interest) Act 1998.

Expenditure on Consultancy and Professional Services

During 2010-11 GAD spent £169,000 (2009-10: £320,000) on consultancy and professional services. This included advice on legal issues (£158,000 - mainly on behalf of clients and recharged to them as disbursements), IT strategy and computer software consultancy (£8,500) and welfare and employment issues (£2,500).

Financial Outturn

GAD's financial outturn for 2010-11 is reported in different ways. The Accounts show a net operating cost for 2010-11 of £5,333,000, against an estimate of £5,674,000 (Note 3), budgetary expenditure of £19,203,000 on resources (Note 2) and £283,000 on capital (Note 4). The Tables in Notes 2 and 4 reconcile these figures.

Common Core Tables

The Common Core Tables on the following pages are required to be included by HM Treasury and are based on the outline guidance issued by HM Treasury.

The 2010-11 Core Table information shown in the tables below is not consistent with the information shown in the 2010-11 Accounts. As a result there is no direct link to the Statement of Comprehensive Net Expenditure found in the Accounts.

The differences in the information below and the Accounts are as a result of HM Treasury guidance on Departmental Report content leading to a divergence of treatment of a number of items in departmental budgets, Supply Estimates and the Accounts.

Table 1 is a summary of the public spending by the Department and this is supplemented by Table 2 which shows the 2010-11 control limits.

Table 3 is a summary of assets and liabilities reflected in GAD's balance sheet since 2006-07 together with projections covering the Spending Review period. Table 4 summarises expenditure and income which falls under the category administration and covers all of GAD's DEL.

Table 5 reflects average staff numbers.

Core Tables

Table 1: Public spending

	£'000								
	2006-07	2007-08	2008-09	2009-10 ⁶	2010-11	2011-12	2012-13	2013-14	2014-15
	Outturn	Outturn	Outturn	Outturn	Outturn	Plans	Plans	Plans	Plans
Resource DEL									
Section A: Administration	245	568	-473	677	533	-384	-639	-499	-366
Section B: Use of Provisions (DEL)	7	7	7	338	92	414	859	609	376
Total Resource DEL	252	575	-466	1,015	625	30	220	110	10
<i>Of which:</i>									
Pay	7,142	7,238	8,075	10,349	10,395	10,710	11,230	11,455	11,455
Net current procurement ¹	-7,343	-7,014	-8,869	-9,991	-10,161	-11,401	-12,177	-12,264	-12,264
Current grants and subsidies to the private sector and abroad	-	-	-	-	-	-	-	-	-
Current grants to local government	-	-	-	-	-	-	-	-	-
Depreciation ²	320	291	252	250	235	250	250	250	250
Other	133	60	76	407	156	471	917	669	569
Resource AME									
Section C: Losses on revaluation	50	15	19	52	95	119	107	96	87
Section D: Provisions (AME)	-13	-7	757	233	4,613	-414	-859	-609	-376
Total Resource AME	37	8	776	285	4,708	-295	-752	-513	-289
<i>Of which:</i>									
Pay	-	-	-	-	-	-	-	-	-
Net current procurement ¹	-	-	-	-	-	-	-	-	-
Current grants and subsidies to the private sector and abroad	-	-	-	-	-	-	-	-	-
Current grants to local government	-	-	-	-	-	-	-	-	-
Net public service pensions ³	-	-	-	-	-	-	-	-	-
Take up of provisions	-	-	764	571	4,705	-	-	-	-
Release of provisions	-13	-7	-7	-338	-92	-414	-859	-609	-609
Depreciation ²	50	15	19	52	95	119	107	96	96
Other	-	-	-	-	-	-	-	-	224
Total Resource Budget	289	583	310	1,300	5,333	-265	-532	-403	-279
<i>Of which:</i>									
Depreciation ²	370	306	271	302	330	369	357	346	346

Capital DEL

Section A: Administration	178	63	178	223	283	336	166	126	287
Total Capital DEL	178	63	178	223	283	336	166	126	287
<i>Of which:</i>									
Net capital procurement ⁴	178	63	178	223	283	336	166	126	287
Capital grants to the private sector and abroad	-	-	-	-	-	-	-	-	-
Capital support for local government	-	-	-	-	-	-	-	-	-
Capital support for public corporations	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Capital AME									
Total Capital AME	-	-	-	-	-	-	-	-	-
<i>Of which:</i>									
Capital grants to the private sector and abroad	-	-	-	-	-	-	-	-	-
Net lending to the private sector and abroad	-	-	-	-	-	-	-	-	-
Capital support for public corporations	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total Capital Budget	178	63	178	223	283	336	166	126	287
Total departmental spending⁵	467	646	488	1,523	5,616	71	-366	-277	8
<i>of which:</i>									
Total DEL	430	638	-288	1,238	908	366	386	236	297
Total AME	37	8	776	285	4,708	-295	-752	-513	-289

¹ Net of income from sales of goods and services² Includes impairments³ Pension schemes report under FRS 17 accounting requirements. These figures therefore include cash payments made and contributions received, as well as certain non-cash items⁴ Expenditure on tangible and intangible non-current assets net of sales⁵ Total departmental spending is the sum of the resource budget and the capital budget less depreciation. Similarly, total DEL is the sum of the resource budget DEL and capital budget DEL less depreciation in DEL, and total AME is the sum of resource budget AME and capital budget AME less depreciation in AME.⁶ 2009-10 DEL outturn is restated. Refer to Note 1. af for details of the adjustment.

Table 2: Public Spending Control

	2010-11 Outturn	2010-11 Original Budgetary Control Limits	2010-11 Final Budgetary Control Limits
Spending in Departmental Expenditure Limits £ '000			
Administration			
Gross Expenditure	14,403	12,619	15,465
Gross Income	-13,870	-12,192	-14,911
Net Resource	533	427	554
Gross Capital	283	212	284
Spending in Annually Managed Expenditure £ '000			
Gross Programme Resource	4,800	46	5,120
Total Resource Budget	5,333	473	5,674
Total Capital Budget	283	212	284
Less: Depreciation	235	346	253
Total Departmental Spending	5,381	339	5,705

Table 3: Capital Employed

	£'000								
	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
	Outturn	Outturn	Outturn	Outturn	Outturn	Plans	Plans	Plans	Plans
<i>Assets and Liabilities on the Statement of Financial Position at end of year:</i>									
Assets									
Non Current Assets	1,829	1,859	1,513	1,181	1,125	1,336	660	501	1,141
<i>of which:</i>									
Intangible	231	167	196	244	252	299	148	112	256
Tangible	1,598	1,692	1,317	937	873	1,037	512	389	885
<i>of which:</i>									
Re-Fit of Building	1,294	1,453	1,121	773	649	771	381	289	658
IT Hardware	178	130	97	88	124	147	73	55	126
Office Furniture	126	109	99	76	100	119	59	45	101
Current assets	3,768	3,050	3,791	3,950	4,808	4,000	4,000	4,000	4,000
Liabilities									
Payables (< 1 Year)	1,670	801	1,034	1,713	1,685	1,852	2,038	2,241	2,466
Payables (> 1 Year)	1,439	1,533	1,475	1,380	1,282	1,182	1,080	974	866
Provisions	-	-	764	997	5,610	5,231	4,372	3,763	3,387
Total Capital employed	2,488	2,575	2,031	1,041	(2,644)	(2,929)	(2,830)	(2,477)	(1,578)

Table 4: Administration budget

£'000

	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
	Outturn	Outturn	Outturn	Outturn	Outturn	Plans	Plans	Plans	Plans
Section A: Administration	245	568	-473	677	533	-384	-639	-499	-366
Section B: Use of Provisions (DEL)	7	7	7	338	92	414	859	609	376
Total administration budget	252	575	-466	1,015	625	30	220	110	10
<i>Of which:</i>									
Paybill	7,142	7,238	8,075	10,349	10,395	10,710	11,230	11,455	11,455
Expenditure	453	351	328	657	391	721	1,167	919	919
Income	-7,343	-7,014	-8,869	-9,991	-10,161	-11,401	-12,177	-12,264	-12,364

Table 5: Staff Numbers

	Numbers of staff employed								
	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
	Outturn	Outturn	Outturn	Outturn	Outturn	Plans	Plans	Plans	Plans
Summary									
Civil Service Full Time equivalents	100	100	107	132	132	138	140	142	144

Human Resources Review

The HR team has continued a programme of revision and reform of HR policy and procedures including the actuarial and non-actuarial study leave policies, sick absence and flexible working policies. In 2011 a new three year strategy will be promulgated for HR. GAD is working with the Next Generation HR teams to identify appropriate efficiencies in recruitment, resourcing, policy work and learning and development.

Recruitment and Turnover

The Civil Service Commissioners' Recruitment Compliance Monitoring process confirmed that recruitment which takes place within GAD is carried out on the basis of fair and open competition with selection on merit, and in accordance with the Civil Service Recruitment Code.

Staff in Post as at 31 March 2011

	Staff in Post 31/03/2010	Leavers	Joiners	Qualified	Staff in Post 31/03/2011
Actuaries	54*	-7	5	2	54
Trainee Actuaries	45*	-9	9	-2	43
Support Staff	32	-3	4	-	33
Total	131	-19	18	-	130**

* Breakdown of Qualified and Trainee staff have been restated.

** The average number of persons employed during the year was 132.

Staff recruited during 2010-11

	Male	Female
Actuaries	3	2
Trainee Actuaries	6	3
Support staff	2	2
Total	11	7

Expenditure on Temporary Staff

GAD engages a small number of communication specialists on an ad-hoc basis who are paid a daily fee for giving presentations to staff involved in transfers to new employers under the Fair Deal. Their fees in 2010-11 amounted to £16,000. There is also a panel of actuaries who are available on temporary contracts which GAD can draw on when there is high client demand. Their fees in 2010-11 amounted to £36,000.

Sick Absence

The Management Board monitors sick absence on a monthly basis against the published sick absence policy. The average sick absence per head in 2010-11 was 4.15 days.

Equal Opportunities and Diversity

GAD is fully committed to providing equal opportunity for all staff, regardless of colour, nationality, ethnic origin, religion, gender, sexual orientation, age, marital status or trade union affiliation. Our aim is that the Department should reflect a diverse, modern society at all levels and both to bring in and bring on talent. Throughout the year, the GAD management team entered into regular dialogue with the recognised trade union on matters affecting staff.

Disabled Persons

As GAD is committed to providing equal opportunities for all staff, disability is not a bar to recruitment or advancement in the Department. The Department observes good practice in the areas of employment particularly relevant to staff with disabilities and provides all necessary facilities.

Information for Staff and Communications Policy

GAD keeps all members of staff informed of changes in and affecting the Department. We operate an intranet site that is regularly updated with policy and guidance. Regular e-mails, Office Notices and updates of other general Departmental information are also used. There are a number of operating committees under the Management Board to encourage direct staff input into Departmental decision making.

Learning and Development

GAD has always recognised that people are its most important resource and that training and development are crucial to the Department's continued success. GAD sources training from external suppliers together with internal job training, coaching and mentoring. GAD also sponsors staff taking a number of different professional exams (including actuarial and accountancy disciplines) and operates a staff mentoring scheme for trainees. The training provision includes Continuing Professional Development (CPD) for our professional staff, personal development and leadership and programmes of study leading to professional qualifications at appropriate levels. GAD is committed to the principles of Investors in People (IiP) and seeks to develop staff to an appropriate level, so that they can perform as effectively as possible.

Social and Community Issues

GAD has not yet formalised its policies on social and community issues. However, staff may be granted special leave to carry out public duties, such as serving as a school governor or justice of the peace. Requests from staff for time off to undertake volunteering activities are considered on a case by case basis.

Public Sector Sustainability Reporting

Commentary on Sustainability Performance

The Department is committed to integrating sustainability across its operations to support the UK Government Sustainable Development Strategy.

Summary of Performance

1. In 2008 GAD gained ISO14001 accreditation for its Environmental Management System (EMS). The EMS allows GAD to:

- identify the impact it makes on the environment through its activities.
- record and monitor environmental data.
- set objectives and targets against (i) the key impact areas and (ii) the operational procedures to meet the targets.
- identify relevant environmental legislation, regulations or other related guidance or requirements related to the business.

2. GAD's objectives & targets are based on the Sustainable Operations on the Government Estate (SOGE) targets issued by DEFRA. These targets concentrate on Greenhouse Gas Emissions, Waste Reduction and Natural Resources (water) protection. GAD used the 2010-11 (financial year) period as the baseline year to capture a full set of data for these key areas and to introduce initiatives to help meet the DEFRA targets. The table below shows GAD's performance against key performance indicators for the last two years where available for utilities consumption & costs and waste levels.

Area	2010 – 11 Performance	2009 – 10 Performance
Carbon dioxide emissions	231.57*	248.32*
CRC- related expenditure	£950.00	-
Total energy consumption	584295 kWh	621721 kWh
Total energy expenditure	£42,449.32	£51,667.31
Total waste	21.54 tonnes	36.93 tonnes
Residual office waste	6.59 tonnes	25.04 tonnes
Total waste expenditure	£8,163.00	£10,269.00
Water consumption	1,666m ³	-
Water expenditure	£3,065.00	-

* Data taken from GAD's entry into ePIMS. GAD has a 'Green Contract' with its electricity supplier to provide 100% renewably sourced electricity.

Greenhouse Gas Emissions

3. DEFRA has advised GAD that our SOGE target must be to reduce Greenhouse Gas emissions by 34% by 2020 against 2010-11 levels. To enable GAD to meet this target it will aim to reduce Greenhouse Gas emissions in 2011-13 by 4%. The main areas of energy consumption in GAD are lighting, heating & cooling and use of office equipment. GAD is working to ensure that all operational equipment is used as energy efficiently as possible. In 2010-11 a statutory energy efficiency inspection of air conditioning system in Finlaison House was carried out which confirmed that the building meets the required standard. Additionally, GAD are considering the benefits that a voltage optimisation system could offer to help significantly reduce the electricity consumption at Finlaison House. As a Government Department, GAD is mandated to participate in the Carbon reduction Commitment Energy Efficiency Scheme although the electricity consumption for the building falls below the normal threshold of 6,000mWh.

Waste

4. GAD has a SOGE target to reduce all waste streams generated by 25% (using 2010-11 figures as the baseline) by 2015. GAD used the 2010-11 period to collect its first set of data for all identified waste streams generated to create a baseline year, and has set a target to reduce waste sent to landfill in 2011-12 by a further 6%. GAD plans to introduce mixed recycling points and remove bins at desks to help increase the amount of waste recycled.

Use of Finite Resources

5. GAD has a SOGE target to reduce water consumption per full time equivalent to between 4m³ and 6m³ by 2015. No target level for 2011-12 has been set to date as full consumption data is not currently available. GAD's use of water is limited to drinking, hygiene (toilets & showers etc) and cleaning. GAD's aim is to make better use of existing instant hot water systems and remove kettles at tea points. GAD has plans to carry out a survey all its water systems in 2011-12 and implement identified efficiency savings.

Health & Safety Reporting

The Department is committed to ensure health and safety objectives are given equal importance to other business objectives. Under the Health and Safety Commission's Revitalising Health & Safety Strategy all public bodies are required to summarise their health and safety performance and plans in their annual reports.

GAD recognises that effective management of health and safety is essential in order to deliver an efficient government service which minimises losses and liabilities.

GAD staff are mainly office based, so the main risks arise from the office environment and staff working practices. We have procedures in place to ensure a safe working environment is maintained.

During 2010-11:

- After a significant change to the working environment Display Screen Equipment (DSE) Assessments were carried out to ensure all workstations were correctly set for the individual. Any issues arising were prioritised and required actions taken;
- A new fire risk assessment of the building was carried out to confirm compliance with the Regulatory Reform (Fire Safety) Order 2005;
- A Legionella assessment of the hot & cold water systems was carried out to ensure full compliance with the COSHH Regulations and in line with the Approved Code of Practice for the control of Legionella;
- Risk Assessments were carried out on expectant mothers and new mothers returning to work and for all staff returning from long-term illness;
- No minor or reportable accidents occurred during 2010–11;
- All new starters to the department received a health & safety induction informing them of the department's health & safety arrangements and procedures and DSE Assessment of their workstation;
- Continued to discuss all aspects of H&S with Prospect, the recognised trade union at GAD, and liaised with the union representative on safety issues, helping to raise awareness of H&S and securing greater involvement from staff on health and safety matters.

Auditor

The Comptroller and Auditor General is the statutorily appointed auditor for GAD's accounts. The notional cost of audit services in 2010-11 was £55,000 (2009-10: £45,000 plus an additional notional cost of £10,000 for undertaking an audit of GAD's accounts under International Financial Reporting Standards). No fees, either actual or notional, were incurred for non-audit work (2009-10: £nil).

The Accounting Officer confirms that:

- as far as he is aware, there is no relevant audit information of which our auditors are unaware;
- he has taken all the steps that he ought to have taken to make himself aware of any relevant audit information; and
- he has taken all the steps that he ought to establish that our auditors are aware of that information.

Trevor Llanwarne
Government Actuary
Accounting Officer

DATE 11 July 2011

Remuneration Report

Remuneration Policy

The current head of the Department was appointed through an open competition run by HM Treasury and has been in the post since 1 May 2008. The appointment was made following the general rules for Senior Civil Service Appointments and was initially for a period of three years which has been extended until 30 April 2014. The appointment may only be terminated in accordance with the Civil Service Management Code. The Deputy Government Actuary and Head of Actuarial Operations was appointed through promotion routines overseen by the Civil Service Commissioners and is automatically a member of the Management Board. All other executive Board members were appointed to the Department through open recruitment competitions.

The pay of the Government Actuary is determined on an annual basis, under agreed arrangements with the Permanent Secretary of HM Treasury. The determination of the pay of the remaining Senior Staff has been formally delegated to the Government Actuary, and is subject to the annual pay negotiation arrangements for GAD staff.

During 2010-11 the Government Actuary was awarded a bonus of £17,500 relating to his performance in the year to 31 March 2010. In accepting a bonus of £17,500, the Government Actuary agreed to be subject to the cap applied across the Senior Civil Service for bonus payments. The Government Actuary then reduced the bonus for 2009-10 from £17,500 to £15,000. GAD's 2009-10 accounts have been restated to accrue this bonus of £15,000 to the correct year. Under his contract, and based on a very good year for the Department, the Government Actuary is entitled to a bonus of up to £30,000 for his performance in the year to 31 March 2011 (2009-10: £30,000-£35,000). However, he has waived this down to the level of bonuses paid to staff under GAD's normal performance pay arrangements and accordingly £800 has been accrued in the 2010-11 accounts (2009-10: £15,000).

Service Contracts

Civil Service appointments are made in accordance with the Civil Service Commissioners' Recruitment Code. The code requires appointments to be on merit on the basis of fair and open competition but also includes the circumstances when appointments may otherwise be made.

Unless otherwise stated, the officials covered by this report hold appointments which are open-ended with a one month notice period if the officials choose to leave. Early termination at the request of GAD, other than for misconduct, would result in the individual receiving compensation as set out in the Civil Service Compensation Scheme. Further information about the work of the Civil Service Commissioners can be found at www.civilservicecommissioners.gov.uk

Disclosure of salary, pension and compensation information for 2010-11

The following sections provide details of the remuneration and pension interests of the Management Board Members. These details are shown in accordance with the 2010-11 Government Financial Reporting Manual (FReM) issued by HM Treasury and are subject to audit.

Included in the table is the remuneration of the Non-Executive Directors (NEDs) the Government Actuary's Department has appointed on the Management Board and the Audit Committee. The NEDs receive no emoluments except for fees of £500 per day of service plus their travelling expenses (Note 7 contains further details).

	2010-11			2009-10		
	Salary £000's	Bonus Payments £000's	Benefits in Kind	Salary £000's	Bonus Payments £000's	Benefits in Kind
Trevor Llanwarne <i>Government Actuary</i>	190-195	0-5	-	190-195*	10-15	-
George Russell <i>Deputy Government Actuary and Head of Actuarial Operations</i>	140-145	0-5	-	140-145*	0-5	-
Eddy Battersby <i>Head of Technical</i>	145-150	0-5	-	145-150	0-5	-
Bill Rayner <i>Client Relations and Development Director</i>	135-140	0-5	-	135-140	0-5	-
Kevin Down <i>Director of Finance</i>	65-70	0-5	-	65-70	0-5	-
Simon Bancroft Rimmer <i>Director of Personnel</i>	60-65	0-5	-	60-65	0-5	-
Jan Smith <i>Non-executive Director</i>	0-5	-	-	5-10	-	-
Alex Jablonowski <i>Non-executive Director</i>	5-10	-	-	0-5	-	-
Jane May <i>Non-executive Director</i>	5-10	-	-	-	-	-

*2009-10 salary bandings differ from the published accounts due to bonus payments now being shown separately.

Salary

'Salary' includes gross salary, performance pay or bonuses, overtime, reserved rights to London weighting or London allowances, recruitment and retention allowances, private office allowances and any other allowance that is subject to UK taxation.

Benefits in Kind

Benefits in kind refer to any benefits provided by the employer and treated by HM Revenue and Customs as a taxable emolument. No payments of this kind were reported in respect of Board Members in the accounting period.

Pension Benefits

	Accrued pension at age 65 at 31/3/11 and related lump sum	Real increase in pension at pension age	CETV at 31/03/11	CETV at 31/03/10 ²	Real increase in CETV
	£'000	£'000	£'000	£'000	£'000
Trevor Llanwarne <i>Government Actuary</i>	10-15	2.5-5.0	187	119	57
George Russell <i>Deputy Government Actuary and Head of Actuarial Operations</i>	30-35	0-2.5	439	391	10
Edward Battersby ¹ <i>Head of Technical</i>	60-65 Plus lump sum of 180-185	0-5 Plus lump sum of 2.5-5.0	1,177	1,066	17
William Rayner <i>Client Relations and Development Director</i>	5-10	2.5-5.0	93	50	37
Kevin Down <i>Director of Finance</i>	15-20 Plus lump sum of 50-55	0-2.5 Plus lump sum of 0-2.5	222	198	6
Simon Bancroft-Rimmer <i>Director of Personnel</i>	15-20 Plus lump sum of 55-60	0-2.5 Plus lump sum of 0-2.5	265	240	3

1. Edward Battersby retired on 31st March 2011.
2. The actuarial factors used to calculate CETVs were changed in 2010-11. The CETVs at 31/3/10 and 31/3/11 have both been calculated using the new factors, for consistency. The CETV at 31/3/10 therefore differs from the corresponding figure in last year's report which was calculated using the previous factors.

Civil Service Pensions

Pension benefits are provided through the Civil Service pension arrangements. From 30 July 2007, civil servants may be in one of four defined benefit schemes; either a 'final salary' scheme (**classic**, **premium**, or **classic plus**); or a 'whole career' scheme (**nuvos**). These statutory arrangements are unfunded with the cost of the benefits met by monies voted by Parliament each year. Pensions payable under **classic**, **premium**, **classic plus** and **nuvos** are increased annually in line with changes in pensions increase legislation. Members joining from October 2002 may opt for either the appropriate defined benefit arrangement or a 'money purchase' stakeholder pension with an employer contribution (**partnership** pension account).

Employee contributions are set at the rate of 1.5% of pensionable earnings for **classic** and 3.5% for **premium**, **classic plus** and **nuvos**. Benefits in **classic** accrue at the rate of 1/80th of final pensionable earnings for each year of service. In addition, a lump sum equivalent to three years' initial pension is payable on retirement. For **premium**, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike **classic**, there is no automatic lump sum. **Classic plus** is essentially a hybrid with benefits in respect of service before 1 October 2002 calculated broadly as per **classic** and benefits for service from October 2002 calculated as in **premium**. In **nuvos** a member builds up a pension based on their pensionable earnings during their period of scheme membership. At the end of the scheme year (31 March) the member's earned pension account is credited with 2.3% of their pensionable earnings in that scheme year and immediately after the scheme year end the accrued

pension is uprated in line with RPI (CPI from 2011-12). In all cases members may opt to give up (commute) pension for lump sum up to the limits set by the Finance Act 2004.

The **partnership** pension account is a stakeholder pension arrangement. The employer makes a basic contribution of between 3% and 12.5% of pensionable salary (depending on the age of the member) into a stakeholder pension product chosen by the employee from a panel of three providers. The employee does not have to contribute but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.8% of pensionable salary to cover the cost of centrally-provided risk benefit cover (death in service and ill-health retirement).

The accrued pension quoted is the pension the member is entitled to receive when they reach pension age, or immediately on ceasing to be an active member of the scheme if they are already at or over pension age. Pension age is 60 for members of **classic**, **premium** and **classic plus** and 65 for members of **nuvos**.

Further details about the Civil Service Pension arrangements can be found on the website: www.civilservice-pensions.gov.uk

Cash Equivalent Transfer Value

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies. The figures include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the Civil Service pension arrangements. They also include any additional pension benefit accrued to the member as a result of their purchasing additional pension benefits at their own cost. CETVs are worked out within the guidelines and framework prescribed by the Institute and Faculty of Actuaries and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

Real increase in CETV

This reflects the increase in CETV that is funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

Trevor Llanwarne

Government Actuary

Accounting Officer

DATE 11 July 2011

Statement of Accounting Officer's Responsibilities

Under the Government Resources and Accounts Act 2000, HM Treasury has directed the Government Actuary's Department to prepare for each financial year accounts detailing the resources acquired, held or disposed of during the year and the use of resources by the Department during the year.

The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the Government Actuary's Department at the year end and of its net resource outturn, recognised gains and losses and cash flows for the financial year.

In preparing the accounts, the Accounting Officer is required to comply with the requirements of the *Government Financial Reporting Manual* and in particular to:

- observe the Accounts Direction issued by HM Treasury including 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 *Government Financial Reporting Manual* have been followed, and disclose and explain any material departures in the accounts; and
- prepare the accounts on a going concern basis.

HM Treasury has appointed the Permanent Head of the Department as Accounting Officer of the Government Actuary's Department. The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding the Government Actuary's Department's assets, are set out in the Accounting Officers' Memorandum issued by HM Treasury and published in *Managing Public Money*.

Statement on Internal Control

Scope of Responsibility

As Accounting Officer I have responsibility for maintaining a sound system of internal control that supports the achievement of the Government Actuary's Department's policies, aims and objectives, whilst safeguarding the public funds and Departmental assets for which I am personally responsible, in accordance with the responsibilities assigned to me in Managing Public Money.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Departmental policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in the Government Actuary's Department for the year ended 31 March 2011 and up to the date of approval of the accounts, and accords with Treasury guidance.

In addition, the system of internal control is also used to assist in the decision taking on strategy by enabling analysis of questions such as "with any new proposed initiative, there will be some risks related to the initiative which could cause failure of the Department. So at what level of risk will the decision to proceed or not change and what new controls/mitigations could be added to bring down this risk."

Overarching framework for managing risk

During the year the risk register was regularly reviewed and a new risk appetite statement was agreed by the Management Board. The overarching framework categorises risks into strategic (failure) risks and operational risks under functional headings of clients, processes, technical, financial, people and external. Each functional head is responsible for assessing and mitigating their relevant risks.

All is brought together under the Support Operations Committee. Strategic (failure) risks are looked at, reviewed and updated by the Management Board under the Accounting Officer at least half-yearly. Each failure risk has a mitigation and control programme which is monitored to reduce the likelihood of failure.

The risk and control framework

The Department has established the following governance arrangements:

- The Management Board met ten times to consider the plans, strategic direction and progress of the Department. The Board includes two non-Executive Directors.
- An Audit Committee, chaired by a non-Executive Director met six times and reports directly to the Accounting Officer and the Management Board. The chair provides an annual report on the work of the Audit Committee to the Accounting Officer.
- The Leadership Group consisting of the Management Board and all Chief Actuaries is responsible for setting the tone and direction of the Department. This group meets formally twice a year.
- The Support Operations Committee, chaired by the Director of Finance, deals with administrative operational issues. The Director of Finance is also responsible for Accommodation, Information Technology, Security and Information Assurance issues, reporting directly to the Accounting Officer.
- Professional and technical matters are overseen by the Technical Director who reports directly to the Accounting Officer.

- The Head of Actuarial Operations oversees the resourcing of the actuarial teams and the delivery of advice to clients, reporting directly to the Accounting Officer.
- Sales, marketing and client relations are overseen by the Client Relations and Development Director, reporting directly to the Accounting Officer.
- The Human Resources Director is responsible for people issues, reporting directly to the Accounting Officer.
- Detailed budgets for expenditure and targets for income are identified during the corporate planning process and then monitored each month through a series of financial reports presented to the Management Board.

Review of effectiveness

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors and the executive managers within the department who have responsibility for the development and maintenance of the internal control framework, and comments made by the external auditors in their management letter and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Board and the Audit Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

The annual report by the Head of Internal Audit gave a substantial assurance on GAD's Governance, Risk Management and Control. This report is supplemented by a formal system of assurance statements from all senior executive managers.

Internal Audit work during the year was more substantial than the previous year when it was limited due to Internal Audit resource constraints. Internal Audit work found minor procedural weaknesses in Finance and HR controls which have been corrected. Control issues around IT security are being addressed as part of the process of accrediting GAD's IT network. The most significant area of weakness identified by Internal Audit was an incomplete Business Continuity Plan (BCP). Since the audit was carried out GAD has finalised the BCP, issued instructions to staff and, in June 2011, tested.

Initiatives during the year

Following a number of significant changes in 2009-10 to improve GAD's governance and control framework 2010-11 has been focused on embedding those changes.

An improved risk appetite statement was agreed and the risk register was regularly reviewed. Improved weekly utilisation and income reports meant GAD was able to closely manage staff utilisation levels and helped to ensure sufficient income was being generated to avoid a breach of the administration budget. Improved debt chasing and cash management procedures helped to ensure GAD did not breach cash limits.

Trevor Llanwarne
Government Actuary,
Accounting Officer

DATE 11 July 2011

Government Actuary's Department 2010-11

THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE HOUSE OF COMMONS

I certify that I have audited the financial statements of the Government Actuary's Department for the year ended 31 March 2011 under the Government Resources and Accounts Act 2000. These comprise the Statement of Parliamentary Supply, Statement of Comprehensive Net Expenditure and the Statement of Financial Position, the Statement of Cashflows, the Statement of Changes in Taxpayers' Equity and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

Respective responsibilities of the Accounting Officer and auditor

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Accounting Officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. My responsibility is to audit, certify and report on the financial statements in accordance with the Government Resources and Accounts Act 2000. I conducted my audit in accordance with International Standards on Auditing (UK and Ireland). Those standards require me and my staff to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Department's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Department; and the overall presentation of the financial statements. In addition I read all the financial and non-financial information in the Annual Report, to identify material inconsistencies with the audited financial statements. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my certificate.

In addition, I am required to obtain evidence sufficient to give reasonable assurance that the expenditure and income reported in the financial statements have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Opinion on Regularity

In my opinion, 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.

Opinion on Financial Statements

In my opinion:

- the financial statements give a true and fair view of the state of the Department's affairs as at 31st March 2011 and of its net cash requirement, net resource outturn and net operating cost, for the year then ended; and
- the financial statements have been properly prepared in accordance with the Government Resources and Accounts Act 2000 and HM Treasury directions issued thereunder.

Opinion on other matters

In my opinion:

- the part of the Remuneration Report to be audited has been properly prepared in accordance with HM Treasury directions made under the Government Resources and Accounts Act 2000; and
- the information given in the Management Commentary within the Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I report by exception

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept; or
- the financial statements and the part of the Remuneration Report to be audited are not in agreement with the accounting records or returns; or
- I have not received all of the information and explanations I require for my audit; or
- the Statement on Internal Control does not reflect compliance with HM Treasury's guidance.

Report

I have no observations to make on these financial statements.

*Amyas C E Morse
Comptroller and Auditor General
National Audit Office
157-197 Buckingham Palace Road
Victoria, London, SW1W 9SP*

Date 14 July 2011

Government Actuary's Department: Annual Accounts as at 31 March 2011

The annual accounts for the Government Actuary's Department comprise:

- a Statement of Parliamentary Supply;
- b Statement of Comprehensive Net Expenditure
- c Statement of Financial Position
- d Statement of Cash Flows
- e Statement of Changes in Taxpayers' Equity
- f Notes to the accounts

Statement of Parliamentary Supply

Summary of Resource Outturn

		Estimate			Outturn			2010-11 £000	2009-10 £000
								Net Total outturn compared with Estimate: saving/ (excess)	Outturn
Request for Resources	Note	Gross Expenditure	A in A	Net Total	Gross Expenditure	A in A	Net Total		Net total
1	2	20,585	14,911	5,674	19,203	13,870	5,333	341	1,353*
Total Resources	2	20,585	14,911	5,674	19,203	13,870	5,333	341	1,353*
Non-operating cost in A in A		-	-	-	-	-	-	-	-

Net cash requirement

		Note	Estimate	Outturn	2010-11 £000 Net total outturn compared with estimate: saving/(excess)	2009-10 £000 Outturn
Net cash requirement		4	1,920	1,483	437	772

Summary 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	Income	2010-11 £000 Forecast Receipts	2010-11 £000 Income	2010-11 £000 Outturn Receipts
Total		5	-	-	-	-

* In line with HM Treasury policy, the removal of the cost of capital charge was not included in the Statement of Parliamentary Supply. Details are shown in 1.ac and 1.ae.

Note: Explanations of variances between Estimate and Outturn are given in Note 3 and in the Management Commentary.

Statement of Comprehensive Net Expenditure

for the year ended 31 March 2011

				2010-11 £000	Restated 2009-10 £000
	Note	Staff Costs	Other costs	Income	
Administration costs:					
Staff costs	7	10,395		10,395	10,349
Other administration costs	8		9,128	9,128	5,199
Movement in work in progress	14		(320)	(320)	286
Operating income	9			(13,870)	(14,534)
Totals		10,395	8,808	(13,870)	1,300
Net Operating Cost as at 31 March 2011				5,333	1,300

Other Comprehensive Expenditure

	Note	2010-11 £000	2009-10 £000
Net gain/(loss) on revaluation of Property Plant and Equipment	10	- *	(238)
Net gain/(loss) on revaluation of intangibles	11	- *	-
Net gain/(loss) on revaluation of available for sales financial assets		-	-
Total Comprehensive Expenditure for the year ended 31 March 2011		5,333	1,538

* In 2010-11, revaluation of assets was charged to "Other administration costs" above

Statement of Financial Position

as at 31 March

		2011 £000	Restated 2010 £000	Restated 2009 £000
Non-current assets:				
Property plant and equipment	10	873	937	1,317
Intangible asset	11	252	244	196
Total non-current assets		1,125	1,181	1,513
Current assets				
Work in Progress	14	758	438	724
Trade and other receivables	15	3,659	3,468	2,769
Cash and cash equivalents	16	394	44	322
Total current assets		4,811	3,950	3,815
Total assets		5,936	5,131	5,328
Current liabilities				
Trade and other payables	17	(1,685)	(1,710)	(1,223)
Non-current assets plus/less net current assets/liabilities		4,251	3,421	4,105
Non-current liabilities				
Provisions	18	(5,610)	(997)	(764)
Other payables	17	(1,282)	(1,380)	(1,475)
Total non-current liabilities		(6,892)	(2,377)	(2,239)
Assets less liabilities		(2,641)	1,044	1,866
Taxpayers equity:				
General fund		(2,641)	1,044	1,628
Revaluation reserve			-	238
Total taxpayers' equity		(2,641)	1,044	1,866

Trevor Llanwarne
Government Actuary,
Accounting Officer

Date 11 July 2011

Statement of Cash Flows

for the year ended 31 March 2011

	Note	2010-11 £'000	Restated 2009-10 £'000
Cash flows from operating activities			
Net operating cost		(5,333)	(1,300)
Adjustments for non-cash transactions	8	5,099	942
(Increase)/Decrease in trade and other receivables	15	(191)	(699)
(Increase)/Decrease in work in progress	14	(320)	286
Increase/(Decrease) in trade payables	17	(265)	655
Increase/(Decrease) in trade payables falling due in more than one year	17	(98)	(95)
Use of Provision	18	(92)	(338)
Net cash inflow/(outflow) from operating activities		(1,200)	(549)
Cash flows from investing activities			
Purchase of property, plant and equipment	10	(144)	(45)
Purchase of intangible assets	11	(139)	(178)
Net cash outflow from investing activities		(283)	(223)
Cash flows from financing activities			
From the Consolidated Fund (Supply) – current year		1,987	558
From the Consolidated Fund (Supply) – prior year		-	-
Advances from the Contingencies Fund		2,400	1,200
Repayments to the Contingencies Fund		(2,510)	(1,090)
Net financing		1,877	668
Net increase/(decrease) in cash and cash equivalents in the period before adjustment for receipts and payments to the Consolidated Fund			
		394	(104)
Receipts due to the Consolidated Fund which are outside of the Department's activities			1
Payments of amounts due to the Consolidated Fund		(44)	(175)
Net increase/(decrease) in cash and cash equivalents in the period after adjustment for receipts and payments to the Consolidated Fund		350	(278)
Cash and cash equivalents at the beginning of the period	16	44	322
Cash and cash equivalents at the end of the period	16	394	44

Statement of Changes in Taxpayers' Equity

for the year ended 31 March 2011

	Note	General Fund	Revaluation Reserve	Total Reserves
		£000	£000	£000
Balance at 31 March 2009		1,628	238	1,866
Changes in accounting policy – cost of capital				
Restated balance at 1 April 2009		1,628	238	1,866
Changes in taxpayers' equity for 2009-10				
Net gain/loss on revaluation of property, plant and machinery	10	-	(238)	(238)
Net gain/loss on revaluation of intangible assets	11	-	-	-
Non-cash charges – auditor's remuneration	8	55	-	55
Net operating cost for the year		(1,300)	-	(1,300)
Total recognised income and expense for 2009-10		(1,245)	(238)	(1,483)
Net Parliamentary Funding – draw down		558	-	558
Net Parliamentary Funding – deemed		147	-	147
Advances from Contingencies Fund		1,200	-	1,200
Repayments to the Contingencies Fund		(1,090)	-	(1,090)
Supply payable (receivable) adjustment		(43)	-	(43)
CFERS payable to the Consolidated Fund		(1)	-	(1)
Contingencies Fund Loan payable		(110)	-	(110)
Balance at 31 March 2010		1,044	0	1,044
Changes in taxpayers' equity for 2010-11				
Net gain/loss on revaluation of property, plant and machinery	10	-	-	-
Net gain/loss on revaluation of intangible assets	11	-	-	-
Non-cash charges – auditor's remuneration	8	55	-	55
Net operating cost for the year		(5,333)	-	(5,333)
Total recognised income and expense for 2010-11		(5,278)	-	(5,278)
Net Parliamentary Funding – draw down		1,987	-	1,987
Net Parliamentary Funding – deemed		-	-	-
Supply payable - current year		(394)	-	(394)
Advances from Contingencies Fund		2,400	-	2,400
Repayments to the Contingencies Fund		(2,400)	-	(2,400)
CFERS payable to the Consolidated Fund		-	-	-
Contingencies Fund Loan payable		-	-	-
Balance at 31 March 2011		(2,641)	0	(2,641)

Annual Report and Accounts 2010-11

Notes to the Departmental Annual Accounts

1. Statement of accounting policies

These financial statements have been prepared in accordance with the 2010-11 Government Financial Reporting Manual (FReM) issued by HM Treasury. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the Government Actuary's Department (GAD) for the purpose of giving a true and fair view has been selected. The particular policies adopted by GAD are described below. They have been applied consistently in dealing with items that are considered material to the accounts.

In addition to the primary statements prepared under the FReM, the Department is also required to prepare an additional primary statement. The Statement of Parliamentary Supply and supporting notes show outturn against Estimate in terms of the net resource requirement and the net cash requirement.

1.1 Accounting convention

These accounts have been prepared under the historical cost convention modified to account for the revaluation of property, plant and equipment and intangible assets. Revaluation is based on published indices, which are applied to the appropriate assets at each year end.

1.aa Administration expenditure

Administration costs reflect the cost of running GAD as defined under the Administration Cost Control regime.

1.ab Capital charge

HM Treasury has decided that the notional cost of capital charge should no longer be included in the Annual Accounts. In line with HM Treasury advice, Prior Period Adjustments (PPAs) arising from the removal of the cost of capital charge were not included in Spring Supplementary Estimates for 2010-11, other than as a note, on the basis that the PPA numbers could have been misleading. The impact of these accounting policy changes on Supply Outturn in respect of 2009-10 are shown in 1.ae.

1.ac Pensions

Past and present employees are covered by the provisions of the Principal Civil Service Pension Scheme (PCSPS). The defined benefit schemes are unfunded and are non-contributory except in respect of dependants' benefits. The department recognises the expected cost of these elements on a systematic and rational basis over the period during which it benefits from employees' services by payment to the PCSPS of amounts calculated on an accruing basis. Liability for payment of future benefits is a charge on the PCSPS. In respect of the defined contribution schemes, the department recognises the contributions payable for the year.

1.ad Contingent liabilities

In addition to contingent liabilities disclosed in accordance with IAS 37, the department discloses for parliamentary reporting and accountability purposes certain statutory and non-statutory contingent liabilities where the likelihood of a transfer of economic benefit is remote, but which have been reported to Parliament in accordance with the requirements of Managing Public Money and Government Accounting Northern Ireland. Where the time value of money is material, contingent liabilities which are required to be disclosed under IAS 37 are stated at discounted amounts and the amount reported to Parliament separately noted. Contingent liabilities that are not required to be disclosed by IAS 37 are stated at the amounts reported to Parliament.

1. ae The removal of the cost of capital charge has the following effect on Resource Outturn in 2009-10 and 2008-09. The Statement of Parliamentary Supply and related notes have not been restated for this effect.

	2009-10 £000
<u>Net Resource Outturn (Statement of Parliamentary Supply)</u>	<u>1,353</u>
Removal of the cost of capital charge	(53)
<u>Adjusted Net Resource Outturn</u>	<u>1,300</u>
	2008-09 £000
<u>Net Resource Outturn (Statement of Parliamentary Supply)</u>	<u>469</u>
Removal of the cost of capital charge	(80)
<u>Adjusted Net Resource Outturn</u>	<u>389</u>

As the cost of capital is a nominal expense and normally added back to the General Fund, therefore the net impact on the General Ledger is zero.

1. af Other prior period adjustment

The bonus payments payable to the Government Actuary for both 2009-10 and 2010-11 have been accrued to the correct performance year. The reason for this adjustment is to correctly reflect the cost of the bonus payment in the performance year in which the bonus was earned rather than the year in which it was paid. As a result, salary cost and trade payables (Note 7 and 17) were restated resulting in the following changes:

Statement of Comprehensive Net Expenditure

	2009-10 £000
Net Operating Cost before restatement	1,336
Accrual of salary cost	17
Removal of the cost of capital charge	(53)
Net Operating Cost after restatement	<u>1,300</u>

Statement of Financial Position

	2009-10 £000
Current Liabilities before restatement	1,693
Accrual of salary cost	17
Current Liabilities after restatement	<u>1,710</u>

1.2 Property, Plant and Equipment

Fitting out costs - Leasehold Property

The Department moved into new leasehold premises on 24 July 2003. The fit-out costs were capitalised in the financial year 2003-04 and will be amortised over an effective life of 20 years from 24 June 2004 – being the date of practical completion of the property. Subsequent fit-out costs which enhance the building will be amortised over an effective life of 10 years. Fit-out costs are valued at fair value.

Computer Equipment and Office Furniture

Computer Equipment and Office Furniture valuations are based on the Department's estimate of their current valuation, taking into account appropriate indices. The minimum level for capitalisation of fixed assets is

£1,000. Similar assets purchased in the same month will be grouped for the purpose of assessing whether they meet the capitalisation threshold. Computer equipment with values less than £1,000 are capitalised if they significantly enhance a previously capitalised asset and are easily identifiable. Office Furniture does not have a minimum level of capitalisation, provided that the small value items are similar to those of the larger purchases.

1.3 Intangible Assets

Computer software

Computer software and its associated consultancy costs having a minimum value of £1,000 are capitalised. The cost of such software is amortised over its expected useful life. Computer software valuations are based on the Department's estimate of their current valuation, taking into account appropriate indices. An item less than £1,000 may be capitalised if it significantly enhances a previously capitalised asset and is easily identifiable.

1.4 Depreciation

Depreciation is provided at rates calculated to write off the valuation of tangible and intangible fixed assets by equal instalments over their estimated useful lives. Depreciation periods adopted are as follows:

Leasehold improvements	10 – 20 years
Information Technology	3 – 4 years
Furniture & Fittings	10 years
Intangible Assets	4 – 8 years*

* Some individual software packages are depreciated on a longer or shorter life span – dictated by the expected useful life of the system. Items that have a determinable lifespan (such as software licences) will have a lifespan equal to that of the licence itself.

1.5 Foreign Currency Transactions

Transactions in foreign currencies are recorded at the rate of exchange ruling at the time of the transaction. All currency gains or losses are taken into the Statement of Comprehensive Net Expenditure. Losses are recorded under "Other Costs", while gains are recorded as part of Income.

1.6 Leases

GAD has an operating lease in respect of its Finlaison House premises and a 3-month renewable contract of its Scottish Office. GAD's commitments are disclosed in note 21. There are no finance leases.

Accommodation lease of Finlaison House

Due to the length of the contract, 20 years, the annual rent increases are effectively an attempt to account for inflation (the rent increases by ~2.47% per year), and thus in real terms are the same each year. Due to the amount of inflation one can expect in 20 years, adding up all the nominal rents and dividing by 20 would overstate costs in real terms in earlier years of the contract, and understate it in later years. Therefore recognising simply the liability incurred each year is appropriate. Cash back is, however, apportioned on a straight line basis.

1.7 Work-in-Progress

Work-in-Progress (WIP) is valued at the lower of cost (including appropriate overheads, multiplied by the number of rechargeable hours booked through the time recording system and not already charged to clients) or recoverable value. Information as to the value of work-in-progress is collected through the accounts system. Work is generally billed monthly, or in some cases on completion or at agreed break-points and therefore the work in progress total is the value of incomplete work outstanding at 31 March 2011.

1.8 Operating Income

Operating income is shown net of value added tax and comprises receipts from actuarial services provided, together with income from the sub-letting of spare accommodation in our leasehold property. Operating income does not include WIP (Note 1.7). At present WIP is shown as part of the Current Assets.

1.9 Provisions

a. Onerous Lease

The department is obligated to meet a 20 year's leasehold contract on the building it has occupied since 2003. A provision has been made for the expected departure of the current tenant (MOD) in September 2012 (third floor) and January 2013 (fourth floor) and the Human Tissue Authority (HTA) that vacated in March 2011. The provision is based on expected lease terms, length of lease, rent levels, rent reviews and rent free periods based on current market conditions for this type of rental property as advised by OGC and independent property agents. The provision is discounted at the rate of 2.2%. The onerous lease provision covers 3 floors of Finlaison House.

Key sources of estimation uncertainty

In addition to the factors set out above, the quantification of the provision is based on assumptions made by the Management Board on the likelihood of finding suitable tenants at appropriate times to match the coming availability of the office accommodation. The provision is estimated taking into account the prevailing market conditions and an appreciation of current property rental prices, based on advice provided both by OGC and independent property agents. Notwithstanding these assumptions, there is a degree of uncertainty as to when new tenants will be found, though GAD is actively seeking both public sector and private sector interest.

b. Provisions for Early Departure Costs

GAD is required to meet the additional 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. Future provisions are not discounted as the difference is immaterial.

c. Other provisions

Other Provisions

The only other provision relates to a claim under the Civil Service Injury Benefit Scheme (CSIBS) the precise value of which may ultimately be influenced by the separate legal action initiated by the claimant before the year-end which is currently being considered by the Employment Tribunal. The provision covers GAD's liability under both the CSIBS and from the Employment Tribunal.

A former GAD employee has been awarded an initial interim award through the CSIBS. Upon taking early (medical) retirement the interim award was converted to a final award. The applicant has twelve months to appeal against the value of the final award. The provision has been made against a considerable degree of ongoing uncertainty over both the Employment Tribunal and any appeal against the final award. The final award funded by the provision is discounted at the pensions discount rate of 2.9%.

Key sources of estimation uncertainty

The claim under the CBIBS is subject to several uncertainties, including the outcome of the Employment Tribunal, the results of which are unlikely to occur before August 2011. As at 31 March 2011, there were also other factors in this case, including consideration of claims for payment of salary arrears (holiday pay), salary increases and non-consolidated bonuses. The outcome of these considerations may also impact on the award made by the Department for Work and Pensions (DWP).

In estimating the value of the provision, management has also taken into account the legal advice provided by TSOL on progress of the case, as well as considering the options that are available for resolving the outcome. As indicated above, the award made by the DWP is also subject to appeal by the former GAD employee and may occur up to December 2011.

1.10 Value Added Tax

Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of non-current assets.

1.11 New standards, amendments and interpretations to existing standards that have been adopted by GAD

The following sections of the FReM have been amended and are mandatory for GAD's accounting period beginning 1 April 2010 or later periods, which GAD has adopted them:

Chapter 8, 'Impairment of Assets'. IAS 36 required impairments of revalued assets to be taken to the revaluation reserve in line with the IAS that required the revaluation. FReM requires such impairment losses to be taken to the Operating Cost Statement, where the impairment is caused by a clear consumption of economic benefit. The amendment will not result in a material impact on GAD's Annual Accounts.

During 2010-11, an impairment review has been conducted and no impairment has been found.

Chapter 11, Income and Expenditure. The FReM has removed the requirement to record a notional cost of capital for accounting periods beginning 1 April 2010. Actual costs may be charged by the HMT as they determine to be appropriate. The amendment will not result in a material impact on GAD's Annual Accounts.

IFRS 8 Segmental Reporting: under the definitions of IFRS 8, GAD is an entity with a single reportable segment. GAD's financial planning and internal reporting is based on GAD being one single entity. The function of "chief operating decision maker", as defined by IFRS 8 is exercised by GAD's Management Board. Financial information that is required by the Management Board to make decisions about planning, resource allocation and fee-setting as well as monitoring of performance is reported on a GAD-wide basis. Accordingly, GAD complies with the entity-wide reporting requirements of IFRS 8, specifically income information about products and services, geographical areas and major customers (note 9). There are no non-current assets that need to be reported on a geographical basis.

No other standards or amendments published but not in force are expected to have any impact on GAD's Annual Accounts.

2. Analysis of net resource outturn

	£000						2010-11	2009-10	
	Outturn			Estimate			Net Total outturn compared with Estimate: saving/ (excess)	£000	
	Admin	Other current	Grants	Gross resource expenditure	A in A	Net total	Net Total	Prior- year outturn	
Request for Resources 1: Providing an actuarial consultancy service	14,403	4,800	-	19,203	13,870	5,333	5,674	341	1,353*
Resource Outturn	14,403	4,800	-	19,203	13,870	5,333	5,674	341	1,353*

* This note supports the Statement of Parliamentary Supply and as such the outturn figures have not been adjusted for the removal of cost of capital charge. Details can be found on Note 1.ab.

3. Reconciliation of outturn to net operating cost and against Administration Budget

3.1 Reconciliation of net resource outturn to net operating cost

	Note	Outturn	Supply Estimate	2010-11 £000 Outturn compared with Estimate	2009-10 £000 Restated Outturn
Net Resource Outturn	4	5,333	5,674	341	1,300
Net Operating Cost		5,333	5,674	341	1,300

3.2 Outturn against final Administration Budget

	Budget	2010-11 £000 Outturn	2009-10 £000 Restated Outturn
Gross Administration Budget	15,465	14,403	15,834
Income allowable against the Administration Budget	(14,911)	(13,870)	(14,534)
Net outturn against final Administration Budget	554	533	1,300

4. Reconciliation of net resource outturn to net cash requirement

	Note	Estimate £000	Outturn £000	Net total outturn compared with Estimate: saving/(excess) £000
Resource Outturn	2	5,674	5,333	341
Capital				
Acquisition of property, plant and equipment	10, 11	284	283	1
Non operating in A in A				
Proceeds of asset disposals		-	-	-
Accruals adjustments				
Non cash items	8	(5,439)	(5,099)	(340)
Changes in working capital other than cash		1,200	776	424
Changes in payables falling due after more than one year	17	100	98	2
Use of provision	18	101	92	9
Net cash requirement		1,920	1,483	437

5. Analysis of income payable to the Consolidated Fund

As at 31st March 2011, no income is payable to the Consolidated Fund.

6. Reconciliation of income recorded within the Statement of Comprehensive Net Expenditure to operating income payable to the Consolidated Fund

	Note	2010-11 £000	2009-10 £000
Operating income	9	13,870	14,534
Gross income		13,870	14,534
Income authorised to be appropriated in aid		(13,870)	(14,534)
Operating income payable to the Consolidated Fund		-	-

7. Staff numbers and related costs

Staff costs comprise:

	Total	Permanently employed staff	2010-11	2009-10 **
			Others *	Total
			£000	£000
Wages and salaries	8,010	7,992	18	7,920
Social security costs	770	769	1	745
Other pension costs	1,666	1,666	-	1,722
Sub Total	10,446	10,427	19	10,387
Less recoveries in respect of outward secondments	(51)	(51)	-	(38)
Total net costs	10,395	10,376	19	10,349

Of the total, £nil has been charged in capital

The Principal Civil Service Pension Scheme (PCSPS) is an unfunded multi-employer defined benefit scheme but GAD is unable to identify its share of the underlying assets and liabilities. The Scheme Actuary (Hewitt Bacon Woodrow) valued the scheme as at 31 March 2007. Details can be found in the Annual Accounts of the Cabinet Office: Civil Superannuation www.civilservice-pensions.gov.uk.

For 2010-11, employers' contributions of £1,666,000 were payable to the PCSPS (2009-10: £1,722,000) at one of four rates in the range 16.7 to 24.3 per cent (2009-10: 16.7 to 23.4 per cent) of pensionable pay, based on salary bands. The Scheme Actuary reviews employer contributions every four years following a full scheme valuation. The contribution rates are set to meet the cost of the benefits accruing during 2010-11 to be paid when the member retires, and not the benefits paid during this period to existing pensioners.

* All non-executive directors.

** 2009-10 figures restated to accrue the bonus payment to the Government Actuary – refer to Note 1.af for details

Average number of persons employed

Total	2010-11	2009-10
	£000	£000
	Permanent staff	Total
132	132	132

7.1 Reporting of Civil Service other compensation schemes - exit packages

There was no exit package awarded to any staff in GAD during 2010-11.

8. Other Administration Costs

	Note	2010-11 £000	2009-10 £000
Operating lease: Rent of building		1,556	1,511
Office equipment		8	9
Rates and building service costs		708	680
Recruitment		142	342
Computer running costs		437	281
Training		272	248
Consultancy		169	320
Travel, subsistence and hospitality		89	133
Agency and other temporary staff costs		348	432
Subscriptions		104	83
Stationery and publications		39	46
Telecommunications		68	59
Photocopying		16	12
Internal Audit Fees		29	12
Other costs		44	89
Non cash items:			
Provision for accommodation lease	18	4,788	-
Provision for injury benefits	18	(83)	571
Depreciation and amortisation of fixed assets	10,11	235	250
Loss on revaluation of fixed assets	10,11	95	52
Loss on Disposal of Fixed Assets	10,11	9	14
Auditors' remuneration		55	55
		9,128	5,199

9. Income

Operating Income comprises:

		2010-11 £000	2009-10 £000
	RfR1	Total	Total
Government Departments	8,708	8,708	8,819
<i>Of which receipts from:</i>			
<i>Sub Tenants</i>	1,149	1,149	1,169
<i>National Insurance Fund</i>	705	705	745
Wider public sector and overseas	5,162	5,162	5,715
	13,870	13,870	14,534
Income by geographical locations -			
Within the UK	11,378	11,378	12,192
Attributed to all foreign countries *	2,492	2,492	2,342
	13,870	13,870	14,534
Income by types of work carried out –			
UK policy advice	2,384	2,384	2,662
Staff transfers	1,912	1,912	1,933
UK public service pensions	4,405	4,405	5,211
Other actuarial work	3,966	3,966	3,490
Rent and miscellaneous	1,203	1,203	1,238
	13,870	13,870	14,534

* Income from one particular client for 2010-11 was £1,487,000 (10.7% of total income).

10. Property, plant and equipment

Current year	Leasehold improvements	Information Technology	Furniture & Fittings	Total
	£000	£000	£000	£000
Cost or valuation				
At 1 April 2010	1,168	202	184	1,554
Additions	-	93	51	144
Disposals	-	-	(35)	(35)
Revaluations	(105)	(19)	1	(123)
At 31 March 2011	1,063	276	201	1,540
Depreciation				
At 1 April 2010	395	114	108	617
Charged in year	60	45	19	124
Disposals	-	-	(26)	(26)
Revaluations	(41)	(7)	-	(48)
At 31 March 2011	414	152	101	667
Net book value at 31 March 2011	649	124	100	873
Net book value at 31 March 2010	773	88	76	937

All assets are owned by GAD.

Prior year	Leasehold improvements	Information Technology	Furniture & Fittings	Total
	£000	£000	£000	£000
Cost or valuation				
At 1 April 2009	1,572	170	228	1,970
Additions	-	33	12	45
Disposals	-	-	(56)	(56)
Revaluations	(404)	(1)	-	(405)
At 31 March 2010	1,168	202	184	1,554
Depreciation				
At 1 April 2009	451	72	130	653
Charged in year	60	43	19	122
Disposals	-	-	(41)	(41)
Revaluations	(116)	(1)	-	(117)
At 31 March 2010	395	114	108	617
Net book value at 31 March 2010	773	88	76	937
Net book value at 31 March 2009	1,121	98	98	1,317

All assets are owned by GAD.

11. Intangible assets

Intangible assets comprise of computer software

Current year	Total £000
Cost or valuation	
At 1 April 2010	549
Additions	139
Disposals	-
Revaluations	(48)
At 31 March 2011	640
Amortisation	
At 1 April 2010	305
Charged in year	111
Disposals	-
Revaluation	(28)
At 31 March 2011	388
Net book value at 31 March 2011	252
Net book value at 31 March 2010	244
Prior year	
Cost or valuation	
At 1 April 2009	374
Additions	178
Disposals	-
Revaluations	(3)
At 31 March 2010	549
Amortisation	
At 1 April 2009	178
Charged in year	128
Disposals	-
Revaluation	(1)
At 31 March 2010	305
Net book value at 31 March 2010	244
Net book value at 31 March 2009	196

12. Financial Instruments

As the cash requirements of the Department are met through the Estimates process, financial instruments play a more limited role in creating and managing risk than would apply to a non-public sector body of a similar size.

All the financial assets and liabilities of GAD are held at fair value.

12.1. Credit Risk

The maximum credit risk the department is exposed to at 31st March 2011 was £3,173,000 (total trade receivables value and accrued income). Third party deposits held from clients at 31st March 2011 was £10,000, which will normally be offset against the invoices billed to them. There was no specific bad or doubtful debt identified at year end. The Department managed credit risk by regularly monitoring outstanding debts and communicating with clients with overdue debts.

An aged debtor analysis of overdue debts as at the end of 31 March 2011 is as follows:

	31/03/2011
	£'000
Under 30 days	2,229
Over 1 month and under-6 months	939
Over 7 months and under-12 months	0
Over 12 months	5

12.2. Liquidity Risk

Apart from a small Parliamentary vote, GAD met its payments mainly with its cash receipts from invoices issued. GAD is required to hand in cash in the bank account at the year end to the Treasury Exchequer but is allowed to call on the Contingencies Fund to meet any cash shortfalls, normally at the start of the financial year.

The Department managed liquidity risk by regularly monitoring cash flows and reducing outstanding debts.

Total amount owing analysed by when they fall due:

	1 year	2-5 years	over 5 years	Total
	£'000	£'000	£'000	£'000
Creditors	1,351	-	-	1,351
Total	1,351	-	-	1,351

12.3. Market Risk

GAD is exposed to foreign currency risk from overseas customers, which amounted to £45,514 of receivables value as at 31st March 2011. The Department managed market risk by normally invoicing in Sterling except where prevented from doing so by contractual terms.

As the amount of foreign currency debt is not considered to be material in terms of the total value of turnover, GAD does not employ any sensitivity analysis.

13. Impairments

GAD did not incur any impairment costs in 2010-11.

14. Work in Progress

	2010-11 £000	2009-10 £000	2008-09 £000
Value of time worked but not billed	758	438	724
	758	438	724

15. Trade receivables and other current assets

	2010-11 £000	2009-10 £000	2008-09 £000
Amounts falling due within one year:			
Trade receivables	1,912	1,841	1,251
Accrued income	1,261	1,394	1,258
Deposits and advances	41	32	43
Other receivables *	138	1	0
Prepayments	307	200	217
Amounts due from the Consolidated Fund in respect of supply	-	-	-
	3,659	3,468	2,769

Note:

GAD considered the requirements of IAS 21 (effects of changes in foreign exchange rates) and opted for non-adjustment, as the value of receivables in foreign currency is not considered material in terms of total receivables value (£45,514 as at 31st March 2011).

* Includes overpayment to be recovered, refer to Note 22

There were no debtors falling due in more than one year.

15.1 Intra-Government Balances

	2010-11 £000	2009-10 £000	2008-09 £000
Amounts falling due within one year			
Balances with other central government bodies	1,553	1,880	1,248
Balances with local authorities	7	-	7
Balances with NHS trusts	67	69	48
Balances with public corporations and trading funds	2	4	-
	1,629	1,953	1,303
Subtotal: intra-government balances	1,629	1,953	1,303
Balances with bodies external to government	2,030	1,515	1,466
	3,659	3,468	2,769
Total trade receivables at 31 March	3,659	3,468	2,769

16 Cash and cash equivalents

	2010-11 £000	2009-10 £000	2008-09 £000
Balance at 1 April	44	322	156
Net change in cash and cash equivalent balances	350	(278)	166
Balance at 31 March	394	44	322
The following balances at 31 March were held at:			
Government Banking Service (GBS)	394	44	322
Commercial banks and cash in hand	-	-	-
Short term investments	-	-	-
Balance at 31 March	394	44	322

The Government Banking Service (GBS) consists of Citi Bank and Royal Bank of Scotland Group. Under 2009-10 FReM, (paragraph 5.4.46), where GBS is using Citi and Royal Bank of Scotland Group to provide the banking services, funds held in these accounts should not be classed as commercial bank balances.

During the year, the Department held a commercial bank account for third party deposit (Note 23).

Reconciliation of Net Cash Requirement to increase/(decrease) in cash

	2010-11 £000	2009-10 £000	2008-09 £000
Net cash requirement	(1,483)	(772)	43
From the Consolidated Fund (Supply) – current year	1,987	558	128
From the Consolidated Fund – prior year	-	-	-
From the Contingencies Fund Loan	2,400	1,200	-
Payments to the Contingencies Fund Loan - prior year	(2,510)	(1,090)	-
Amounts due to the Consolidated Fund received and not paid over	-	-	-
Payments of amounts to the Consolidated Fund	(44)	(174)	(5)
Increase/(decrease) in cash	350	(278)	166

17. Trade payables and other current liabilities

	2010-11 £000	2009-10 £000	2008-09 £000
Amounts falling due within one year			
VAT	707	645	394
Other taxation and social security	-	413	-
Trade payables	-	43	4
Accommodation creditor	96	94	91
Accruals and deferred income *	250	144	97
Prepayment	-	-	126
Employee benefits (annual leave carried forward)	238	217	189
Contingencies Fund Loan	-	110	-
Consolidated Fund extra receipts due to be paid to the Consolidated Fund received	-	1	-
receivable	-	-	-
Consolidated Fund Creditor for cash unspent at year end	394	43	322
	1,685	1,710	1,223
Amounts falling due after more than one year:			
Other payables, accruals and deferred income	1,282	1,380	1,475
Total	2,967	3,090	2,698

* 2009-10 figures restated to accrue the bonus payment to the Government Actuary – refer to Note 1.af for details

17.1 Intra-Government Balances

	Amounts falling due within one year			Amounts falling due after one year		
	2010-11 £000	2009-10 £000	2008-09 £000	2010-11 £000	2009-10 £000	2008-09 £000
Balances with other central government bodies	1,512	1,130	842	-	-	-
Balances with local authorities	-	-	-	-	-	-
Balances with NHS trusts	-	-	-	-	-	-
Balances with public corporations and trading funds	-	-	-	-	-	-
Subtotal: intra-government balances	1,512	1,130	842	-	-	-
Balances with bodies external to government	173	580	381	1,282	1,380	1,475
Total trade payables at 31 March	1,685	1,710	1,223	1,282	1,380	1,475

18. Provisions for liabilities and charges

	Onerous Lease £000	Early departure costs £000	Other £000	Total £000
Balance at 1 April 2010	-	426	571	997
Provided in the year	4,788	-	-	4,788
Provisions not required written back	-	-	(109)*	(109)
Provisions utilised in the year	-	(68)	(24)	(92)
Unwinding of discount	-	-	26	26
Balance at 31 March 2011	4,788	358	464	5,610

	Onerous Lease £000	Early departure costs £000	Other £000	Total £000
Balance at 1 April 2009	-	764	-	764
Provided in the year	-	-	571	571
Provisions not required written back	-	-	-	-
Provisions utilised in the year	-	(338)	-	(338)
Balance at 31 March 2010	-	426	571	997

Analysis of expected timing of discounted flows

	Onerous Lease £000	Early departure costs £000	Other £000	Total £000
Falling due in the next year (to 31 st March 2012)	327	75	26	428
Between 2012 and 2017	2,605	283	115	3,003
Between 2017 and 2022	1,490	-	92	1,582
Thereafter	366	-	231	597
Balance at 31 March 2011	4,788	358	464	5,610

* The amount written back is primarily because of a change to the discount rate

18.1 Onerous Lease

The department is obligated to meet a 20 year's leasehold contract on the building it has occupied since 2003. A provision has been made for the expected departure of the current tenant (MOD) in September 2012 (third floor) and January 2013 (fourth floor) and the Human Tissue Authority (HTA) that vacated in March 2011. The provision is based on expected lease terms, length of lease, rent levels, rent reviews and rent free periods based on current market conditions for this type of rental property as advised by OGC and independent property agents. The provision is discounted at the rate of 2.2%. The onerous lease provision covers 3 floors of Finlaison House.

18.2 Early departure costs

The department meets the additional costs of benefits beyond the normal PCSPS benefits in respect of employees who retire early by paying the required amounts annually to the PCSPS over the period between early departure and normal retirement date. The department provides for this in full when the early retirement programme becomes binding by establishing a provision for the estimated payments.

18.3 Other

The only other provision relates to a claim under the Civil Service Injury Benefit Scheme (CSIBS) the precise value of which may ultimately be influenced by the separate legal action initiated by the claimant before the year-end which is currently being considered by the Employment Tribunal. The provision covers GAD's liability under both the CSIBS and from the Employment Tribunal (see Note 1.9c for further details).

19. Commitments under leases**19.1 Operating leases**

Total future minimum lease payments under operating leases are given in the table below, analysed according to the period in which when the payments fall due (as at 31st March).

	2010-11 £000	2009-10 £000
Obligations under operating leases comprise:		
<hr/>		
Buildings (rent of office building *)		
Not later than one year	1,567	1,529
Later than one year and not later than five years	6,671	6,509
Later than five year	13,889	15,619
<hr/>		
Scottish Office lease		
Not later than one year	10	3
Later than one year and not later than five years	-	-
<hr/>		
Other (Office equipment **)		
Not later than one year	10	10
Later than one year and not later than five years	3	13
Later than five year	-	-
<hr/>		
	22,150	23,683
<hr/>		
Subtenants lease ***		
Not later than one year	515	637
Later than one year and not later than five years	-	-
<hr/>		

* Lease of the building is transferable.

** Office equipment comprises photocopiers, water coolers and franking machines.

*** Subtenant lease comprises rental income from subletting to MoD (Dec 2010 to March 2012) only.

No assets are held under finance leases.

20. Contingent liabilities disclosed under IAS 37

As at 31 March 2011, the department did not have any contingent liabilities or contingent assets.

21. Losses and special payments

No losses or special payments were incurred.

22. Related-parties transactions

GAD has had a significant number of transactions with government departments and other central government bodies. Major government clients using the Department's services included the Department of Health, Department for Work and Pensions, the Cabinet Office, the Ministry of Defence, the Home Office, HM Treasury, Department for Communities and Local Government and HM Revenue & Customs.

A summary of Operating Income from government and non-government bodies is shown at Note 9. Note that receipts from other government departments include rent and facilities management charges received from the the Ministry of Defence (from October 2008) as sub-tenants of the property of Finlaison House. In 2010-11 April to March the total net income from these sub-tenants was some £1,149,000.

In 2010-11 the Government Actuary was accidentally overpaid in error the sum of £2,500. The Government Actuary has agreed to repay this sum during 2011-12. The accounts receivables (Note 15) include this debtor balance.

None of the Management Board Members, key managerial staff or other related parties has undertaken any material transactions with GAD during the year.

23. Third-party assets

The Department has a custodial role to ensure the safekeeping of client monies in a small number of cases where GAD has requested a deposit prior to undertaking work. As at 31 March 2011, these amounted in total to £10,000 (31 March 2010: £8,000).

These are not departmental assets and are not included in the accounts. The assets held at the reporting period date to which it was practical to ascribe monetary values comprised monetary assets, such as bank balances and monies on deposit, and listed securities.

24. Entities within the Departmental boundary

No entities, other than GAD itself, fall within the Departmental Boundary.

25. Post Statement of Financial Position Events

No event was recorded after the Statement of Financial Position Date which affects the true and fair view of the accounts.

The Accounts were authorised for issue on 14 July 2011.



information & publishing solutions

Published by TSO (The Stationery Office) and available from:

Online

www.tsoshop.co.uk

Mail, Telephone, Fax & E-mail

TSO

PO Box 29, Norwich, NR3 1GN

Telephone orders/General enquiries: 0870 600 5522

Order through the Parliamentary Hotline Lo-Call 0845 7 023474

Fax orders: 0870 600 5533

E-mail: customer.services@tso.co.uk

Textphone: 0870 240 3701

The Parliamentary Bookshop

12 Bridge Street, Parliament Square

London SW1A 2JX

Telephone orders/General enquiries: 020 7219 3890

Fax orders: 020 7219 3866

Email: bookshop@parliament.uk

Internet: <http://www.bookshop.parliament.uk>

TSO@Blackwell and other Accredited Agents

Customers can also order publications from:

TSO Ireland

16 Arthur Street, Belfast BT1 4GD

Tel 028 9023 8451 Fax 028 9023 5401

ISBN 978-0-10-297471-3

