



HM Treasury

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4 March 2019

## DAO 02/18

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## Accounts Directions 2018-19

Dear Accounting Officer

This letter gives most departments and pension schemes, agencies and trading funds the Treasury's statutory directions for the format and content of their resource accounts (as part of annual report and accounts), other accounts and trust statements for 2018-19. The accounts directions are annexed and the organisations to which they apply are listed in appendices.

### Contact

Please address enquiries to [resource.accounts@hmtreasury.gov.uk](mailto:resource.accounts@hmtreasury.gov.uk)

### Action

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

The statutory deadline for submitting resource and other accounts to the Comptroller and Auditor General is 30 November 2019. It is best practice for departments to aim to lay resource accounts and the accounts of agencies and trading funds by 30 June 2019 and by no later than the parliamentary summer recess. The timetable for preparing resource accounts and for providing information to the Treasury for the preparation of Whole of Government Accounts is set out in the concurrent DFD letter of 19 December 2018 (MS FD (18) 06).

This DAO letter is effective immediately. The generic directions in DAO 04/17 (19 December 2017) are now spent. This letter incorporates minor amendments made up to 4 March 2019, from the original version published in December.

Richard Brown

Treasury Office of Accounts

## ANNEX A

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

1. This direction applies to those government departments and pension schemes listed in the attached appendix.
2. These departments and pension schemes shall prepare resource accounts for the year ended 31 March 2019 in compliance with the accounting principles and disclosure requirements of the edition of the Government Financial Reporting Manual issued by HM Treasury ("the FReM") which is in force for 2018-19.
3. If the Treasury has made an order for the year under section 4A(3) and (4) of the Government Resources and Accounts Act 2000, a department must detail the same information for each body designated in the Order under its name. This means that the department must also detail in its accounts the resources acquired, held or disposed of during the year by each of its designated bodies, and each such body's use of resources during the year.
4. The Treasury made the following designation order for financial year 2018-19: The Government Resources and Accounts Act 2000 (Estimates and Accounts) Order 2018 (S.I. 2018/313). The list of bodies designated in the Schedules to that Order are amended by the Government Resources and Accounts Act 2000 (Estimates and Accounts) (Amendment) Order 2018 (S.I. 2018/1335). The amendments designate additional bodies, change the names of some designated bodies and remove some bodies from being designated.
5. The accounts of Government departments, with the details outlined above (for itself and its designated bodies) shall be prepared so as to:
  - (a) give a true and fair view of the state of affairs at 31 March 2019 and of the net resource outturn, the application of resources, changes in taxpayers' equity and cash flows for the financial year then ended;
  - (b) provide disclosure of any material expenditure or income that has not been applied to the purposes intended by Parliament or material transactions that have not conformed to the authorities which govern them.
6. The accounts for pension schemes shall be prepared so as to:
  - (a) give a true and fair view of the state of affairs at 31 March 2019 and of the net resource outturn, changes in taxpayers' equity and cash flows for the financial year then ended;
  - (b) provide disclosure of any material expenditure or income that has not been applied to the purposes intended by Parliament or material transactions that have not conformed to the authorities which govern them; and
  - (c) demonstrate that the contributions payable to the Scheme during the year have been paid in accordance with the Scheme rules and the recommendations of the Actuary.
7. Compliance with the requirements of the FReM will, in all but exceptional circumstances, be necessary for the accounts to give a true and fair view. If, in these exceptional circumstances, compliance with the requirements of the FReM is inconsistent with the requirement to give a true and fair view, the requirements of the FReM should be departed from only to the extent necessary to give a true and fair view. In such cases, informed and unbiased judgement should be used to devise an appropriate alternative treatment which should be consistent with both the economic characteristics of the circumstances concerned and the spirit of the FReM. Any material departure from the FReM should be discussed in the first instance with HM Treasury.



Vicky Rock

Interim Director, Government Financial Reporting

Her Majesty's Treasury

4 March 2019

Appendix to Annex A

APPLICATION OF THE ACCOUNTS DIRECTION

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

No	Name
	<b><i>Government Departments</i></b>
1	Cabinet Office
2	Charity Commission
3	Competition and Markets Authority
4	Crown Estate Office
5	Crown Prosecution Service
6	Ministry of Housing, Communities and Local Government
7	Department for Digital, Culture, Media and Sport
8	Department for Education
9	Department for Environment, Food and Rural Affairs
10	Department for International Development
11	Department for Transport
12	Department for Work and Pensions
13	Department of Health and Social Care
14	Export Credit Guarantee Department
15	Food Standards Agency (Westminster Funded)
16	Foreign and Commonwealth Office
17	Government Actuary's Department
18	HM Procurator General and Treasury Solicitor
19	HM Revenue and Customs
20	HM Treasury
21	Home Office
22	Ministry of Defence

23	Ministry of Justice
24	National Crime Agency
25	National Savings and Investments
26	Northern Ireland Office
27	Office of Gas and Electricity Markets
28	Office of Qualifications and Examinations Regulation
29	Office of Rail and Road
30	Office for Standards in Education, Children's Services and Skills
31	Scotland Office and Office of the Advocate General
32	Serious Fraud Office
33	The Statistics Board
34	The National Archives
35	United Kingdom Supreme Court
36	Wales Office
37	Water Services Regulation Authority
38	Department for International Trade
39	Department for Exiting the European Union
40	Department for Business, Energy and Industrial Strategy
	<b><i>Pension Schemes</i></b>
41	Armed Forces Pension Scheme (incorporating the Armed Forces Compensation Scheme)
42	Cabinet Office: Civil Superannuation
43	Department for International Development: Overseas Superannuation
44	United Kingdom Atomic Energy Authority Pension Schemes
45	Ministry of Justice: Judicial Pensions Scheme
46	National Health Service Pension Scheme
47	Teachers' Pension Scheme (England and Wales)
48	Royal Mail Statutory Pension Scheme

## Notes

1. A separate accounts direction is issued under section 5(2) of the Government Resources and Accounts Act 2000 to the Security and Intelligence Agencies

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

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

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

## ANNEX B

### ACCOUNTS DIRECTION GIVEN BY THE TREASURY IN ACCORDANCE WITH SECTION 7(1) and 7(2) OF THE GOVERNMENT RESOURCES AND ACCOUNTS ACT 2000

1. This direction applies to those executive agencies listed in the attached appendix.
2. These executive agencies shall prepare accounts for the year ended 31 March 2019 in compliance with the accounting principles and disclosure requirements of the edition of the Government Financial Reporting Manual issued by HM Treasury ("the FReM") which is in force for 2018-19.
3. The accounts shall be prepared so as to:
  - (a) give a true and fair view of the state of affairs as at 31 March 2019 and of the income and expenditure (or, as appropriate, net resource outturn), changes in taxpayers' equity and cash flows of the agency for the financial year then ended; and
  - (b) provide disclosure of any material expenditure or income that has not been applied to the purposes intended by Parliament or material transactions that have not conformed to the authorities which govern them.
4. Compliance with the requirements of the FReM will, in all but exceptional circumstances, be necessary for the accounts to give a true and fair view. If, in these exceptional circumstances, compliance with the requirements of the FReM is inconsistent with the requirement to give a true and fair view, the requirements of the FReM should be departed from only to the extent necessary to give a true and fair view. In such cases, informed and unbiased judgement should be used to devise an appropriate alternative treatment which should be consistent with both the economic characteristics of the circumstances concerned and the spirit of the FReM. Any material departure from the FReM should be discussed in the first instance with HM Treasury.



Vicky Rock

Interim Director, Government Financial Reporting

Her Majesty's Treasury

4 March 2019

Appendix to Annex B

APPLICATION OF THE ACCOUNTS DIRECTION

This accounts direction applies to the following executive agencies:

No	Name	Department
1	Treasury Solicitor's Department Agency	Attorney General
2	Insolvency Service	BEIS
3	UK Space Agency	BEIS
4	Government Property Agency	CO
5	Planning Inspectorate	MHCLG
6	Animal and Plant Health Agency	DEFRA
7	Centre for the Environment, Fisheries and Aquaculture Science	DEFRA
8	Rural Payments Agency	DEFRA
9	Veterinary Medicines Directorate	DEFRA
10	Standards and Testing Agency	DFE
11	National College for Teaching and Leadership	DFE
12	Education and Skills Funding Agency	DFE
13	Public Health England	DH
14	Driver and Vehicle Licensing Agency	DfT
15	Maritime and Coastguard Agency	DfT
16	Vehicle Certification Agency	DfT
17	Wilton Park	FCO
18	Forest Research	Forestry Commission
19	Valuation Office Agency	HMRC
20	UK Debt Management Office	HMT
21	Government Internal Audit Agency	HMT
22	The National Infrastructure Commission	HMT
23	Criminal Records Bureau	HO



24	Identity and Passport Service	HO
25	National Fraud Authority	HO
26	HM Courts and Tribunals Service	MOJ
27	National Offender Management Service	MOJ
28	Office of the Public Guardian	MOJ
29	Legal Aid Agency	MOJ
30	Criminal Injuries Compensation Authority	MOJ
31	Defence Electronic and Components Agency	MOD
32	Defence Science and Technology Laboratory	MOD
33	Defence, Equipment and Support	MOD
34	Submarine Delivery Agency	MOD

ANNEX C

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

1. This direction applies to the trading funds listed in the attached appendix.
2. These trading funds shall prepare accounts for the year ended 31 March 2019 in compliance with the accounting principles and disclosure requirements of the edition of the Government Financial Reporting Manual issued by HM Treasury ("the FReM") which is in force for 2018-19.
3. The accounts shall be prepared so as:
  - (a) to give a true and fair view of the state of affairs as at 31 March 2019 and of the income and expenditure, changes in taxpayers' equity, and cash flows of the trading fund for the year then ended; and
  - (b) to provide disclosure of any material income or expenditure that has not been applied to the purposes intended by Parliament, or material transactions that have not conformed to the authorities which govern them.
4. Compliance with the requirements of the FReM will, in all but exceptional circumstances, be necessary for the accounts to give a true and fair view. If, in these exceptional circumstances, compliance with the requirements of the FReM is inconsistent with the requirement to give a true and fair view, the requirements of the FReM should be departed from only to the extent necessary to give a true and fair view. In such cases, informed and unbiased judgement should be used to devise an appropriate alternative treatment which should be consistent with both the economic characteristics of the circumstances concerned and the spirit of the FReM. Any material departure from the FReM should be discussed in the first instance with HM Treasury.



Vicky Rock

Interim Director, Government Financial Reporting

Her Majesty's Treasury

4 March 2019

Appendix to Annex C

APPLICATION OF THE ACCOUNTS DIRECTION

This accounts direction applies to the following trading funds:

No	Name
1	Companies House
2	FCO Services
3	HM Land Registry
4	Met Office
5	Medicines and Healthcare Products Regulatory Agency
6	Crown Commercial Service
7	UK Intellectual Property Office
8	Royal Mint
9	UK Hydrographic Office
10	Queen Elizabeth II Conference Centre
11	Driver and Vehicle Standards Agency

## ANNEX D

### ACCOUNTS DIRECTION GIVEN BY HM TREASURY IN ACCORDANCE WITH SECTION 2 OF THE EXCHEQUER AND AUDIT DEPARTMENTS ACT 1921

1. This direction applies to those government departments listed in appendix 2.
2. The Department shall prepare a Trust Statement (“the Statement”) for the financial year ended 31 March 2019 for the revenue and other income, as directed by the Treasury, collected by the department as an agent for others, in compliance with the accounting principles and disclosure requirements of the edition of the Government Financial Reporting Manual by HM Treasury (“FReM”) which is in force for 2018-19.
3. The Statement shall be prepared, as prescribed in appendix 1, so as to give a true and fair view of (a) the state of affairs relating to the collection and allocation of taxes, licence fees, fines and penalties and other income by the Department as agent and of the expenses incurred in the collection of those taxes, licence fees, fines and penalties insofar as they can properly be met from that revenue and other income; (b) the revenue and expenditure; and (c) the cash flows for the year then ended.
4. The Statement shall also be prepared so as to provide disclosure of any material expenditure or income that has not been applied to the purposes intended by Parliament or material transactions that have not conformed to the authorities which govern them.
5. When preparing the Statement, the Department shall comply with the guidance given in the FReM (Chapter 8). The Department shall also agree with HM Treasury the format of the Principal Accounting Officer’s Foreword to the Statement, and the supporting notes, and the accounting policies to be adopted, particularly in relation to revenue recognition. Regard shall also be given to all relevant accounting and disclosure requirements in Managing Public Money and other guidance issued by HM Treasury, and to the principles underlying International Financial Reporting Standards.
6. Compliance with the requirements of the FReM will, in all but exceptional circumstances, be necessary for the accounts to give a true and fair view. If, in these exceptional circumstances, compliance with the requirements of the FReM is inconsistent with the requirement to give a true and fair view, the requirements of the FReM should be departed from only to the extent necessary to give a true and fair view. In such cases, informed and unbiased judgement should be used to devise an appropriate alternative treatment which should be consistent with both the economic characteristics of the circumstances concerned and the spirit of the FReM. Any material departure from the FReM should be discussed in the first instance with HM Treasury.
7. The Statement shall be transmitted to the Comptroller and Auditor General for the purpose of his examination and report by a date agreed with the Comptroller and Auditor General and HM Treasury to enable compliance with the administrative deadline for laying the audited accounts before Parliament before the Summer Recess.
8. The Trust Statement, together with this direction (but with the exception of the related appendices) and the Report produced by the Comptroller and Auditor General under section 2 of the Exchequer and Audit Departments Act 1921 shall be laid before Parliament at the same time as the Department’s Resource Accounts for the year unless the Treasury have agreed that the Trust Statement may be laid at a later date.



Vicky Rock

Interim Director, Government Financial Reporting

Her Majesty's Treasury

4 March 2019

## Appendix 1 to Annex D

### Trust Statement for the year ended 31 March 2019

1. The Trust Statement shall include:
  - a Foreword by the Principal Accounting Officer;
  - a Statement of the Principal Accounting Officer's Responsibilities;
  - a Governance Statement;
  - a Statement of Revenue, Other Income and Expenditure;
  - a Statement of Financial Position;
  - a Cash Flow Statement; and
  - such notes as may be necessary to present a true and fair view.
  
2. The Notes shall include among other items:
  - the accounting policies, including the policy for revenue recognition and estimation techniques and forecasting techniques together with statements explaining any significant uncertainty surrounding estimates and forecasts;
  - a breakdown of material items within the accounts;
  - any assets, including intangible assets and contingent liabilities;
  - summaries of losses, write-offs and remissions;
  - post balance sheet events; and
  - any other notes agreed with HM Treasury and the National Audit Office.

Appendix 2 to Annex D

No	Sponsoring Department	Income stream	Responsible Entity
1	Department for Business, Energy and Industrial Strategy	EU Emissions Allowance	BEIS
		Fines and Penalties	BEIS
		CRC Allowances	BEIS
		Climate Change Agreements	BEIS
2	Competition and Markets Authority	Competition Act penalties	CMA
		Merger fees	CMA
3	Office of Gas and Electricity Markets	Fossil Fuel Levy	OFGEM
		Fines and penalties	OFGEM
4	Water Services Regulatory Authority	Fines and penalties	OFWAT
5	HM Treasury	Fines and penalties	HMT
6	HM Revenue and Customs	Tax and National Insurance revenues	HMRC
		Fines and penalties	HMRC
		Student loan repayments	HMRC
		Proceeds, less duty, on sale of seized goods	HMRC
		Customs duties relating to Single European Authorisations	HMRC
		Apprenticeship Levy	HMRC
7	Serious Fraud Office	Deferred Prosecution Agreements	SFO
8	Home Office	The consular element of Passport fees	HO
		All the revenue and other income collected by the department and payable into the Consolidated Fund (other than the Immigration Health Surcharge)	HO

## ANNEX E

### ACCOUNTS DIRECTION GIVEN BY HM TREASURY IN ACCORDANCE WITH SECTION 7(1) and 7(2) OF THE GOVERNMENT RESOURCES AND ACCOUNTS ACT 2000.

1. This direction applies to those executive agencies listed in appendix 2.
2. The agency shall prepare a Trust Statement (“the Statement”) for the financial year ended 31 March 2019 for the revenue and other income, as directed by the Treasury, collected by the agency as an agent for others, in compliance with the accounting principles and disclosure requirements of the edition of the Government Financial Reporting Manual by HM Treasury (“FReM”) which is in force for 2018-19.
3. The Statement shall be prepared, as prescribed in appendix 1, so as to give a true and fair view of (a) the state of affairs relating to the collection and allocation of taxes, licence fees, fines and penalties and other income by the agency as agent and of the expenses incurred in the collection of those taxes, licence fees, fines and penalties insofar as they can properly be met from that revenue and other income; (b) the revenue and expenditure; and (c) the cash flows for the year then ended.
4. The Statement shall also be prepared so as to provide disclosure of any material expenditure or income that has not been applied to the purposes intended by Parliament or material transactions that have not conformed to the authorities which govern them.
5. When preparing the Statement, the agency shall comply with the guidance given in the FReM (Chapter 8). The agency shall also agree with HM Treasury the format of the Principal Accounting Officer’s Foreword to the Statement, and the supporting notes, and the accounting policies to be adopted, particularly in relation to revenue recognition. Regard shall also be given to all relevant accounting and disclosure requirements in Managing Public Money and other guidance issued by HM Treasury, and to the principles underlying International Financial Reporting Standards.
6. Compliance with the requirements of the FReM will, in all but exceptional circumstances, be necessary for the accounts to give a true and fair view. If, in these exceptional circumstances, compliance with the requirements of the FReM is inconsistent with the requirement to give a true and fair view, the requirements of the FReM should be departed from only to the extent necessary to give a true and fair view. In such cases, informed and unbiased judgement should be used to devise an appropriate alternative treatment which should be consistent with both the economic characteristics of the circumstances concerned and the spirit of the FReM. Any material departure from the FReM should be discussed in the first instance with HM Treasury.
7. The Statement shall be transmitted to the Comptroller and Auditor General for the purpose of his examination and report by a date agreed with the Comptroller and Auditor General and HM Treasury to enable compliance with the administrative deadline for laying the audited accounts before Parliament before the Summer Recess.
8. The Trust Statement, together with this direction (but with the exception of the related appendices) and the Report produced by the Comptroller and Auditor General, under section 7(3) of the Government Resources and Accounts Act 2000 shall be laid before Parliament at the same time as the Department’s Resource Accounts for the year unless the Treasury have agreed that the Trust Statement may be laid at a later date.





Vicky Rock

Interim Director, Government Financial Reporting

Her Majesty's Treasury

4 March 2019

Trust Statement for the year ended 31 March 2019

1. The Trust Statement shall include:
  - a Foreword by the Principal Accounting Officer;
  - a Statement of the Principal Accounting Officer's Responsibilities;
  - a Governance Statement;
  - a Statement of Revenue, Other Income and Expenditure;
  - a Statement of Financial Position;
  - a Cash Flow Statement; and
  - such notes as may be necessary to present a true and fair view.
  
2. The Notes shall include among other items:
  - the accounting policies, including the policy for revenue recognition and estimation techniques and forecasting techniques together with statements explaining any significant uncertainty surrounding estimates and forecasts;
  - a breakdown of material items within the accounts;
  - any assets, including intangible assets and contingent liabilities;
  - summaries of losses, write-offs and remissions;
  - post balance sheet events; and
  - any other notes agreed with HM Treasury and the National Audit Office.

Appendix 2 to Annex E

No	Sponsoring Department	Income stream	Responsible Entity
1	Ministry of Justice	Fines, penalties, costs awarded by the Courts, compensation ordered by the Courts and confiscation orders	HM Courts and Tribunals Service
2	Department for Transport	Vehicle Excise Duty (VED) and VED enforcement i.e. fines and penalties	Driver and Vehicles Licencing Agency

## ANNEX F

### ACCOUNTS DIRECTION GIVEN BY HM TREASURY IN ACCORDANCE WITH SECTION 7 (1) AND (2) OF THE GOVERNMENT RESOURCES AND ACCOUNTS ACT 2000.

1. This direction applies to those Trading Funds listed in the appendix 2.
2. The Trading Fund shall prepare a Trust Statement (“the Statement”) for the financial year ended 31 March 2019 for the revenue and other income, as directed by the Treasury, collected by the Trading Fund as an agent for others, in compliance with the accounting principles and disclosure requirements of the edition of the Government Financial Reporting Manual by HM Treasury (“FReM”) which is in force for 2018-19.
3. The Statement shall be prepared, as prescribed in appendix 1, so as to give a true and fair view of (a) the state of affairs relating to the collection and allocation of taxes, licence fees, fines and penalties and other income by the Trading Fund as agent and of the expenses incurred in the collection of those taxes, licence fees, fines and penalties insofar as they can properly be met from that revenue and other income; (b) the revenue and expenditure; and (c) the cash flows for the year then ended.
4. The Statement shall also be prepared so as to provide disclosure of any material expenditure or income that has not been applied to the purposes intended by Parliament or material transactions that have not conformed to the authorities which govern them.
5. When preparing the Statement, the Trading Fund shall comply with the guidance given in the FReM (Chapter 8). The Trading Fund shall also agree with HM Treasury the format of the Principal Accounting Officer’s Foreword to the Statement, and the supporting notes, and the accounting policies to be adopted, particularly in relation to revenue recognition. Regard shall also be given to all relevant accounting and disclosure requirements in Managing Public Money and other guidance issued by HM Treasury, and to the principles underlying International Financial Reporting Standards.
6. Compliance with the requirements of the FReM will, in all but exceptional circumstances, be necessary for the accounts to give a true and fair view. If, in these exceptional circumstances, compliance with the requirements of the FReM is inconsistent with the requirement to give a true and fair view, the requirements of the FReM should be departed from only to the extent necessary to give a true and fair view. In such cases, informed and unbiased judgement should be used to devise an appropriate alternative treatment which should be consistent with both the economic characteristics of the circumstances concerned and the spirit of the FReM. Any material departure from the FReM should be discussed in the first instance with HM Treasury.
7. The Statement shall be transmitted to the Comptroller and Auditor General for the purpose of his examination and report by a date agreed with the Comptroller and Auditor General and HM Treasury to enable compliance with the administrative deadline for laying the audited accounts before Parliament before the Summer Recess.
8. The Trust Statement, together with this direction (but with the exception of the related appendices) and the Report produced by the Comptroller and Auditor General, under section 4(6)(a) of the Government Trading Funds Act 1973 shall be laid before Parliament at the same time as the Trading Fund’s Accounts for the year unless the Treasury have agreed that the Trust Statement may be laid at a later date.



Vicky Rock

Interim Director, Government Financial Reporting

Her Majesty's Treasury

4 March 2019

Trust Statement for the year ended 31 March 2019

1. The Trust Statement shall include:

- a Foreword by the Principal Accounting Officer;
- a Statement of the Principal Accounting Officer's Responsibilities;
- a Governance Statement;
- a Statement of Revenue, Other Income and Expenditure;
- a Statement of Financial Position;
- a Cash Flow Statement; and
- such notes as may be necessary to present a true and fair view.

2. The Notes shall include among other items:

- the accounting policies, including the policy for revenue recognition and estimation techniques and forecasting techniques together with statements explaining any significant uncertainty surrounding estimates and forecasts;
- a breakdown of material items within the accounts;
- any assets, including intangible assets and contingent liabilities;
- summaries of losses, write-offs and remissions;
- post balance sheet events; and
- any other notes agreed with HM Treasury and the National Audit Office.

Appendix 2 to Annex F

No	Sponsoring Department	Income stream	Responsible Entity
1	Department for Business, Energy and Industrial Strategy	Late filing penalties	Companies House

ACCOUNTS DIRECTION GIVEN BY HM TREASURY IN ACCORDANCE WITH SECTION 2 OF THE EXCHEQUER AND AUDIT DEPARTMENTS ACT 1921.

1. This direction applies to those organisations listed in appendix 2.
2. The organisation shall prepare a Trust Statement ("the Statement") for the financial year ended 31 March 2019 for the revenue and other income, as directed by the Treasury, collected by the organisation as an agent for others, in compliance with the accounting principles and disclosure requirements of the edition of the Government Financial Reporting Manual by HM Treasury ("FReM") which is in force for 2018-19.
3. The Statement shall be prepared, as prescribed in appendix 1, so as to give a true and fair view of (a) the state of affairs relating to the collection and allocation of taxes, licence fees, fines and penalties and other income by the organisation as agent and of the expenses incurred in the collection of those taxes, licence fees, fines and penalties insofar as they can properly be met from that revenue and other income; (b) the revenue and expenditure; and (c) the cash flows for the year then ended.
4. The Statement shall also be prepared so as to provide disclosure of any material expenditure or income that has not been applied to the purposes intended by Parliament or material transactions that have not conformed to the authorities which govern them.
5. When preparing the Statement, the organisation shall comply with the guidance given in the FReM (Chapter 8). The organisation shall also agree with HM Treasury the format of the Principal Accounting Officer's Foreword to the Statement, and the supporting notes, and the accounting policies to be adopted, particularly in relation to revenue recognition. Regard shall also be given to all relevant accounting and disclosure requirements in Managing Public Money and other guidance issued by HM Treasury, and to the principles underlying International Financial Reporting Standards.
6. Compliance with the requirements of the FReM will, in all but exceptional circumstances, be necessary for the accounts to give a true and fair view. If, in these exceptional circumstances, compliance with the requirements of the FReM is inconsistent with the requirement to give a true and fair view, the requirements of the FReM should be departed from only to the extent necessary to give a true and fair view. In such cases, informed and unbiased judgement should be used to devise an appropriate alternative treatment which should be consistent with both the economic characteristics of the circumstances concerned and the spirit of the FReM. Any material departure from the FReM should be discussed in the first instance with HM Treasury.
7. The Statement shall be transmitted to the Comptroller and Auditor General for the purpose of his examination and report by a date agreed with the Comptroller and Auditor General and HM Treasury to enable compliance with the administrative deadline for laying the Trust Statement before Parliament before the Summer Recess.
8. The Statement, together with this direction (but with the exception of the related appendices) and the Report produced by the Comptroller and Auditor General under section 2 of the Exchequer and Audit Departments Act 1921 shall be laid before Parliament at the same time as when the company accounts are published unless HM Treasury has agreed the Trust Statement may be laid at a later date.





Vicky Rock  
Interim Director, Government Financial Reporting  
Her Majesty's Treasury  
4 March 2019

## Appendix 1 to Annex G

### Trust Statement for the year ended 31 March 2019

#### 3. The Trust Statement shall include:

- a Foreword by the Principal Accounting Officer;
- a Statement of the Principal Accounting Officer's Responsibilities;
- a Governance Statement;
- a Statement of Revenue, Other Income and Expenditure;
- a Statement of Financial Position;
- a Cash Flow Statement; and
- such notes as may be necessary to present a true and fair view.

#### 4. The Notes shall include among other items:

- the accounting policies, including the policy for revenue recognition and estimation techniques and forecasting techniques together with statements explaining any significant uncertainty surrounding estimates and forecasts;
- a breakdown of material items within the accounts;
- any assets, including intangible assets and contingent liabilities;
- summaries of losses, write-offs and remissions;
- post balance sheet events; and
- any other notes agreed with HM Treasury and the National Audit Office.

Appendix 2 to Annex G

No	Sponsoring Department	Income stream	Responsible Entity
1	Department for Business, Energy and Industrial Strategy	Petroleum Licences	OGA