

Export Credits Guarantee Department

Introduction

This Supplementary Estimate is required for the following purposes:

£			
Changes in budgets, non-budget voted provision and cash	Increases	Reductions	Total
i. A Resource to Capital DEL transfer is required to meet additional Capital spending requirements (Section A).		-75,000	
Total change in Resource DEL (Voted)		-75,000	-75,000
i. Changes in provisions for losses and foreign exchange rate movements, arising from the current instability in the world economy (Section B).	120,000,000		
Total change in Resource AME (Voted)	120,000,000		120,000,000
i. Capital spending requirements funded by a Resource DEL transfer (Section A).	75,000		
Total change in Capital DEL (Voted)	75,000		75,000
i. A revision to capital AME is required to reflect a change in the timing of several loans (Section D).	10,500,000		
Total change in Capital AME (Voted)	10,500,000		10,500,000
Revision to the net cash requirement reflects the changes set out above and also reflects changes to the timing of several deals which will now complete next year rather than the current year.	50,000,000		
Total change in Net cash requirement	50,000,000		50,000,000

Part I

	Voted	Non-Voted	Total
Departmental Expenditure Limit			
Resource	-75,000	-	-75,000
Capital	75,000	-	75,000
Annually Managed Expenditure			
Resource	120,000,000	-	120,000,000
Capital	10,500,000	-	10,500,000
Total Net Budget			
Resource	119,925,000	-	119,925,000
Capital	10,575,000	-	10,575,000
Non-Budget Expenditure	-		
Net cash requirement	50,000,000		

Supplementary amounts required in the year ending 31 March 2012 for expenditure by Export Credits Guarantee Department on:

Departmental Expenditure Limit:Expenditure arising from:

The running of ECGD's operational activities (operating costs of the Department).

Income arising from:

The sub-let of surplus office space and some underwriting activity.

Annually Managed Expenditure:Expenditure arising from:

Arrangements made by ECGD in connection with exports of goods and services and overseas investments and expenditure arising from the creation of and increase in provisions related to ECGD's operational activities.

Income arising from:

Arrangements made by ECGD in connection with exports of goods and services and overseas investors from the UK and income arising from the release of and decrease in provisions related to ECGD's operational activities.

Export Credits Guarantee Department will account for this Estimate.

Part II: Changes Proposed

						£'000			
Present		Net Resources Changes		Revised		Present	Net Capital Changes	Revised	
Admin	Prog	Admin	Prog	Admin	Prog	7	8	9	
1	2	3	4	5	6				
Spending in Departmental Expenditure Limits (DEL)									
Voted expenditure									
	24,100	-	-75	-	24,025	-	255	75	330
<i>Of which:</i>									
A	Export Credit Guarantees and Investments								
	24,100	-	-75	-	24,025	-	255	75	330
Total Spending in DEL									
		-75	-				75		
Spending in Annually Managed Expenditure (AME)									
Voted expenditure									
	-	-88,976	-	120,000	-	31,024	-51,887	10,500	-41,387
<i>Of which:</i>									
B	Export Credits								
	-	-85,945	-	120,000	-	34,055	-	-	-
D	GEFCO Loans and interest equalisation								
	-	-10,669	-	-	-	-10,669	-51,887	10,500	-41,387
Total Spending in AME									
		-	120,000				10,500		
Total for Estimate									
		-75	120,000				10,575		
<i>Of which:</i>									
Voted expenditure									
		-75	120,000				10,575		
Non-voted expenditure									
		-	-				-		

£'000

	Present Plans	Changes	Revised Plans
Net cash requirement	-223,764	50,000	-173,764

Part II: Revised subhead detail including additional provision**£'000**

Revised Plans								
Resources						Capital		
Gross	Administration		Gross	Programme		Gross	Income	Net
1	Income	Net	4	Income	Net	7	8	9
1	2	3	4	5	6	7	8	9
Spending in Departmental Expenditure Limits (DEL)								
Voted expenditure								
26,322	-2,297	24,025	-	-	-	330	-	330
<i>Of which:</i>								
A Export Credit Guarantees and Investments								
26,322	-2,297	24,025	-	-	-	330	-	330
Total Spending in DEL								
26,322	-2,297	24,025	-	-	-	330	-	330
Spending in Annually Managed Expenditure (AME)								
Voted expenditure								
-	-	-	139,183	-108,159	31,024	-	-41,387	-41,387
<i>Of which:</i>								
B Export Credits								
-	-	-	113,662	-79,607	34,055	-	-	-
C Fixed Rate Export Finance / Export Finance Assisstance								
-	-	-	23,207	-16,069	7,138	-	-	-
D GEFCO Loans and interest equalisation								
-	-	-	1,814	-12,483	-10,669	-	-41,387	-41,387
E Provisions								
-	-	-	500	-	500	-	-	-
Total Spending in AME								
-	-	-	139,183	-108,159	31,024	-	-41,387	-41,387
Total for Estimate								
26,322	-2,297	24,025	139,183	-108,159	31,024	330	-41,387	-41,057
<i>Of which:</i>								
Voted expenditure								
26,322	-2,297	24,025	139,183	-108,159	31,024	330	-41,387	-41,057
Non-voted expenditure								
-	-	-	-	-	-	-	-	-

Part II: Resource to cash reconciliation

£'000

	Present Plans	Changes	Revised Plans
Net Resource Requirement	-64,876	119,925	55,049
Net Capital Requirement	-51,632	10,575	-41,057
Accruals to cash adjustments	-107,256	-80,500	-187,756
<i>Of which:</i>			
<i>Adjustments to remove non-cash items:</i>			
Depreciation	-800	-	-800
New provisions and adjustments to previous provisions	-31,977	-80,500	-112,477
Departmental Unallocated Provision	-	-	-
Supported capital expenditure (revenue)	-	-	-
Prior Period Adjustments	-	-	-
Other non-cash items	-245	-	-245
<i>Adjustment for NDPBs:</i>			
Remove voted resource and capital	-	-	-
Add cash grant-in-aid	-	-	-
<i>Adjustments to reflect movements in working balances:</i>			
Increase (+) / Decrease (-) in stock	-	-	-
Increase (+) / Decrease (-) in debtors	-122,672	-	-122,672
Increase (-) / Decrease (+) in creditors	48,438	-	48,438
Use of provisions	-	-	-
Removal of non-voted budget items	-	-	-
<i>Of which:</i>			
Consolidated Fund Standing Services	-	-	-
Other adjustments	-	-	-
Net Cash Requirement	-223,764	50,000	-173,764

Part III: Note A - Forecast Operating Cost Statement & Reconciliation Table

	£'000
	Revised Plans
Gross Administration Costs	26,322
<i>Less:</i>	
Administration DEL Income	-2,297
Net Administration Costs	24,025
Gross Programme Costs	139,183
<i>Less:</i>	
Programme DEL Income	-
Programme AME Income	-108,159
Non-budget income	-
Net Programme Costs	31,024
Total Net Operating Costs	55,049
<i>Of which:</i>	
Resource DEL	24,025
Capital DEL	-
Resource AME	31,024
Capital AME	-
Non-budget	-
<i>Adjustments to include:</i>	
Departmental Unallocated Provision (resource)	-
Consolidated Fund Extra Receipts in the budget but not in the OCS	-
<i>Adjustments to remove:</i>	
Capital in the OCS	-
Non-Budget Consolidated Fund Extra Receipts in the OCS	-
Other adjustments	-
Total Resource Budget	55,049
<i>Of which:</i>	
Resource DEL	24,025
Resource AME	31,024
<i>Adjustments to remove:</i>	
Consolidated Fund Extra Receipts in the resource budget	-
Other adjustments	-
Total Resource (Estimate)	55,049

Part III: Note B - Analysis of Departmental Income

	£'000
	Revised Plans
Voted Resource DEL	-2,297
<i>Of which:</i>	
Administration	
Sale of goods and services	-2,297
<i>Of which:</i>	
Section A: Export Credit Guarantees and Investments	-2,297
Voted Resource AME	-108,159
<i>Of which:</i>	
Programme	
Sale of goods and services	-56,989
<i>Of which:</i>	
Section B: Export Credits	-56,989
Interest and dividends	-51,170
<i>Of which:</i>	
Section B: Export Credits	-22,618
Section C: Fixed Rate Export Finance / Export Finance Assistance	-16,069
Section D: GEFCO Loans and interest equalisation	-12,483
Total Voted Resource Income	-110,456
Voted Capital AME	-41,387
<i>Of which:</i>	
Programme	
loan , etc, repayments	-41,387
<i>Of which:</i>	
Section D: GEFCO Loans and interest equalisation	-41,387
Total Voted Capital Income	-41,387

Part III: Note C - Analysis of Consolidated Fund Extra Receipts

No CFER income or receipts are expected in 2011-12.

Part III: Note D - Explanation of Accounting Officer responsibilities

The Accounting Officer prepares resource accounts for each financial year.

The following individuals are responsible for the expenditure within this Estimate:

Accounting Officer	Patrick Crawford
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Patrick Crawford has personal responsibility for the proper presentation of the department's resource accounts and their transmission to the Comptroller & Auditor General, and is also responsible for the use of public money and stewardship of assets.

In discharging these responsibilities, particular regard is given to:

- observing any accounting and disclosure requirements (including any Accounts Direction) and applying suitable accounting policies on a consistent basis;
- making judgements and estimates on a reasonable basis;
- stating whether applicable accounting standards, as set out in the Financial Reporting Manual (FReM), or an organisation's version of it, have been followed, and explain any material departures in the accounts; and
- preparing the accounts on a going concern basis.

The responsibilities of an Accounting Officer, including responsibility for regularity and propriety of the public finances for which an Accounting Officer is answerable, for keeping proper records and safeguarding assets, are also set out in Chapter 3 of *Managing Public Money*.

