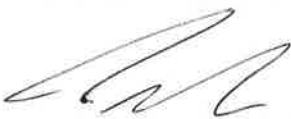


HERITAGE LOTTERY FUND

LOTTERY ACCOUNTS DIRECTION GIVEN BY THE SECRETARY OF STATE FOR CULTURE, MEDIA & SPORT, WITH THE APPROVAL OF THE TREASURY, IN ACCORDANCE WITH SECTION 35(3) OF THE NATIONAL LOTTERY ETC ACT 1993

1. The National Heritage Memorial Fund shall prepare accounts for the financial year ended 31 March 2015 and subsequent financial years 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 the financial year for which the accounts are being prepared as well as any other guidance which Treasury may issue from time to time in respect of accounts which are required to give a true and fair view.
2. The accounts shall be prepared so as to:
 - (a) Give a true and fair view of the financial position as at 31 March 2015 and subsequent financial year-ends, and of the comprehensive income and expenditure, cash flows 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.
 - (c) Follow the additional accounting and disclosure requirements set out in Annex A.
3. This Direction applies to the National Heritage Memorial Fund's Lottery distribution activities.
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. Any material departure from the FReM should be discussed with HM Treasury.

Signed by Authority of the Secretary of State for Culture, Media & Sport



Department for Culture, Media and Sport

DATE 8/12/14

Additional Accounting and Disclosure Requirements

The following paragraphs detail the additional requirements as agreed by the Treasury, the Department and the National Heritage Memorial Fund, over and above those disclosures required in the *FReM*.

1. The **Statement of Net Comprehensive Income/Expenditure** shall include as separate items, where material:
 - a. the share of Lottery proceeds attributable to the National Heritage Memorial Fund
 - b. the share of investment income of the National Lottery Distribution Fund attributable to the National Heritage Memorial Fund
 - c. interest receivable on lottery funds
 - d. repayment of grants
 - e. any other income
 - f. grant made from lottery funds
 - g. lapsed or revoked grant previously recorded as commitments from lottery funds
 - h. the total operating costs incurred in respect of National Lottery distribution activities
2. The **Statement of Financial Position** shall include:
 - a. under the heading "Current assets": shown as an investment, the balance held on behalf of the National Heritage Memorial Fund at the National Lottery Distribution Fund;
 - b. Grant falling due for payment within one year should be disclosed separately under the heading "Current Liabilities".
 - c. Grant falling due for payment after more than one year should be separately disclosed under the heading "Non current liabilities"
3. The **Cash Flow Statement** shall use the indirect method when presenting "Cash flow from Operating Activities";

4. The **Notes to the Accounts** should meet the requirements of the FReM and include:

a. A statement that the Accounts have been prepared in a form directed by the Secretary of State with the consent of Treasury in accordance with Section 35(3) of the National Lottery etc. Act 1993

b. A statement of the accounting policies. This must include a statement explaining the nature of the balances held on the National Heritage Memorial Fund's behalf in the National Lottery Distribution Fund as follows:

"Balances held in the National Lottery Distribution Fund remain under the stewardship of the Secretary of State for Culture, Media & Sport. However, the share of these balances attributable to the National Heritage Memorial Fund is as shown in the Accounts and, at the Statement of Financial Position date, has been certified by the Secretary of State for Culture, Media & Sport as being available for distribution by National Heritage Memorial Fund in respect of current and future commitments."

c. the value of grant commitments at the year- end which National Heritage Memorial Fund has made but which have not been included as liabilities in the Statement of Financial Position because they did not meet the criteria for being treated as liabilities at that date

d. Where grants exceed available resources as shown in the Statement of Financial Position, a note explaining the rationale for the over-commitment taking into account any advice received from the Department as appropriate.

e. A note reconciling the opening and closing balance of investments held at the NLDF. This should disclose proceeds received from the National Lottery, investment income, unrealised gains and losses on investment, and cash drawn down from the NLDF

f. A breakdown of the total grant liabilities (current and non current) in the SoFP to show:

- Liability brought forward
- Commitments in the year
- Decommitments
- Commitments paid
- Liability carried forward
- A breakdown of the liability for each year up to and including 5 years and over 5 years

