

# 201X–1Y Department Purple: Illustrative trust statement

1. The illustrative trust statements for “Department Purple” (a fictitious departmental grouping) comprise:

## **A) Accountability**

## **B) Financial Statements**

- Statement of Revenue, Other Income & Expenditure
- Statement of Financial Position
- Statement of Cash Flows
- Notes to the accounts

2. The trust statements are for illustration only and should only be followed as the circumstances of an individual department or other reporting entity dictate. The accounts do not show every line item which may be necessary in the circumstances of an individual department and each department should assess whether disclosures are relevant and material to its circumstances.
3. In line with the implementation of the Simplifying and Streamlining Accounts project, notes to the accounts will only be required for material balances. The removal of non-material balances, with a recognition that materiality is not restricted to just monetary value, will significantly streamline and simplify the accounts ensuring that the user is only presented with and can focus on relevant and material information. There will be no diminution of audit scope or depth, only the presentation of the information will be affected.

## B) Financial Statements

### Statement of Revenue, Other Income and Expenditure

for the Year Ended 31 March 201Y

	Note	201X-1Y £000	201W-1X £000
<b>Revenue</b>			
<b>Licence fees and taxes</b>			
<i>List the separate sources of taxes and licence fees</i>	2.1		
<b>Total licence fees and taxes</b>			
<b>Fines and penalties</b>			
<i>List the separate sources of fines and penalties</i>	2.2		
<b>Total fines and penalties</b>			
<b>Other income</b>			
<i>List the separate sources of other income</i>	2.3		
<b>Total other income</b>			
<b>Total revenue and other income</b>			
<b>Expenditure</b>			
<i>Collection costs –only where statute permits costs to be deducted</i>			
<i>Credit losses - debts written off or otherwise impaired</i>	3.2		
<i>Other expenditure –only those costs permitted by statute</i>			
<b>Total expenditure</b>			
<b>Net revenue for the Consolidated Fund</b>			

There were no recognised gains or losses accounted for outside the above Statement of Revenue, Other Income and Expenditure.

The notes at pages aa to zz form part of this statement.

## Statement of Financial Position

as at 31 March 201Y

	Note	201X-1Y £000	201W-1X £000
<b>Receivables falling due after more than one year</b>			
<b>Current assets</b>			
Receivables	3		
Accrued fees and taxes receivable	3		
Cash and cash equivalents			
<b>Total current assets</b>			
<b>Current liabilities</b>			
Payables	4		
Accrued revenue liabilities	4		
Deferred revenue and other income	4		
<b>Total current liabilities</b>			
<b>Net current assets</b>			
<b>Total assets less current liabilities</b>			
Provision for liabilities	5		
<b>Total net assets</b>			
Represented by:			
<b>Balance on Consolidated Fund Account</b>	6		

The notes at pages aa to zz form part of this statement

Principal Accounting Officer  
[Date]

# Statement of Cash Flows

for the year ended 31 March 201Y

	Note	201X-1Y £000	201W-1X £000
Net cash flow from operating activities	A below		
Cash paid to the Consolidated Fund			
Increase/(decrease) in cash in this period			
Notes to the Cash Flow Statement			
<b>A: Reconciliation of net cash flow to movement in net funds</b>			
Net revenue for the Consolidated Fund			
Increase/decrease in non-cash assets			
Increase/decrease in liabilities			
Increase/decrease in provisions for liabilities			
Net cash flow from operating activities			
<b>B: Analysis of changes in net funds</b>			
Increase/(decrease) in cash in this period			
Net funds at 1 <sup>st</sup> April (Net Cash at Bank)			
Net funds at 31 <sup>st</sup> March (Closing Balance)			

## Department Purple – Trust Statement 201X-1Y

### Notes to the Trust Statement

#### 1. Statement of Accounting Policies

##### 1.1 Basis of accounting

The Trust Statement is prepared in accordance with the accounts direction issued by HM Treasury under section 7 of the Government Resources and Accounts Act 2000 (or 2(3) of the Exchequer and Audit Departments Act 1921 if appropriate). The Trust Statement is prepared in accordance with the accounting policies detailed below. These have been agreed between Department Purple and HM Treasury and have been developed with reference to International Financial Reporting Standards and other relevant guidance. The accounting policies have been applied consistently in dealing with items considered material in relation to the accounts.

The income and associated expenditure contained in these statements are those flows of funds which Department Purple handles on behalf of the Consolidated Fund [and other entities] and where it is acting as agent rather than as principal.

The financial information contained in the statements and in the notes is rounded to the nearest £000

##### 1.2 Accounting convention

The Trust Statement has been prepared in accordance with the historical cost convention.

##### 1.3 Revenue recognition

Taxes, licence fees and penalties are measured in accordance with IAS 18. They are measured at the fair value of amounts received or receivable net of repayments. Revenue is recognised when:

- A taxable event has occurred, the revenue can be measured reliably and it is probable that the economic benefits from the taxable event will flow to the Exchequer. A taxable event occurs when a liability arises to pay a tax or licence fee. Licence fees are deemed to accrue evenly over the period for which the licence is valid. Repayments are accounted for on a similar basis;
- A penalty is validly imposed and an obligation to pay arises.

##### 1.4 Receivables

Receivables are shown net of impairments in accordance with the requirements of IAS 39.

##### 1.5 Provisions

Provisions are recognised when Department Purple has a present legal or constructive obligation as a result of a past event, it is probable that Department Purple will be required to settle that obligation and an amount has been reliably estimated.

#### 2. Revenue and other income

##### 2.1 Licence fees, taxation and similar revenues

*[Describe the sources of material revenue and income separately and provide any relevant supplementary information]*

Licence fees are net of repayments for surrendered licences.

2.2 *Fines and penalties*

	Source 1		Source 2		Source 3	
	201X-1Y	201W-1X	201X-1Y	201W-1X	201X-1Y	201W-1X
	£000	£000	£000	£000	£000	£000
Offences in:						
201V-1W						
201W-1X						
201X- 1Y						
<b>Total</b>						

*As penalties are often levied some time after the offence, this note gives an alternative perspective on trend.*

2.3 *Other income*

*[List the separate sources of other income]*

**3. Receivables**3.1 *Amounts due at 31.3.1Y*

	Receivable at 31.3.1Y £000	Accrued Revenue Receivable at 31.3.1Y £000	Total as at 31.3.1Y £000	Total as at 31.3.1X £000
Source A				
Source B				
Source C				
Total before estimated impairments				
Less estimated impairments (see note 3.3)				
<b>Total</b>				

Receivables represents the amount due from taxpayers/licensees where invoices or other demands for payment have been issued but not paid for at 31.3.0Y, and also the amounts due from those on whom financial penalties have been imposed prior to 31.3.0Y, but not paid at that date.

Accrued revenue receivable represents the amount of revenue from licences which relate to the financial year but for which invoices had not been issued. The amounts are estimated from statistical models of those activities which require a licence to be held.

## 3.2 Credit losses

	201X-1Y £000	201W-1X £000
Debts written off		
Change in the value of impairments (see 3.3 below)		
<b>Total</b>		

## 3.3 Change to impairments

	201X-1Y £000	201W-1X £000
Balance as at 1 April		
Change in estimated value of impairments		
Balance as at 31 March		
<b>Total</b>		

Receivables on the statement of financial position are reported after the deduction of the estimated value of Impairments. This estimate is based on *[insert description]*.

## 4. Payables, accrued revenue liabilities and deferred revenue

	Payable at 31.3.1Y £000	Accrued Revenue Liabilities at 31.3.1Y £000	Deferred Revenue at 31.3.1Y £000	Total as at 31.3.1Y £000	Total as at 31.3.1X £000
Source A					
Source B					
Source C					
<b>Total</b>					

Payables are the amounts established as due at the balance sheet date, but where payment is made subsequently.

Accrued revenue liabilities are amounts repayable in relation to taxes licences or penalties where the amount of repayment has not been established at the balance sheet date. The amounts are estimated using statistical models.

Deferred revenue includes taxation and licence fees paid in the current year that relate to future financial periods.

**5. Provisions for Liabilities**

	<b>201X-1Y</b>	<b>201W-1X</b>
	<b>£000</b>	<b>£000</b>
Balance as at 1 April		
Provided in the year		
Provision utilised in the year		
<b>Balance as at 31 March</b>		

*Departments should include brief details of material provisions.*

**6. Balance on the Consolidated Fund Account**

	<b>201X-1Y</b>	<b>201W-1X</b>
	<b>£000</b>	<b>£000</b>
Balance on Consolidated Fund Account as at 1 April		
Net revenue for the Consolidated Fund		
Less amount paid to the Consolidated Fund		
<b>Balance on Consolidated Fund Account as at 31 March</b>		