

Appendix 1: Information requirements of the statutory reports

The Act and Regulations set out the statutory reports that defence contractors must submit to provide transparency about their costs with respect to QDCs and QSCs.

There are 15 different types of reports that are collected via DefCARS which relate to either specific contracts (contract reports) or defence suppliers (supplier reports). Contract reports are provided by the contracting company (the named party responsible for delivering the contract) on a minimum of three occasions during the lifecycle of a QDC or QSC.

Table 1: contract reports

Report	Key information captured
Contract Notification Report (CNR)	Captured in DefCARS as part of the Contract Initiation Report (CIR) template. <ul style="list-style-type: none"> • Annual breakdown of costs and profits estimated under contract; • Annual cost profiles split by defined pricing structure; • Sub-contract details; • Payment schedule; and • Contract deliverables, metrics and milestones.
Contract Pricing Statement (CPS)	Captured in DefCARS as part of the Contract Initiation Report (CIR) template. <ul style="list-style-type: none"> • Calculation of Total Contract Price; • Calculation of the Contract Profit Rate; and • Facts, assumptions and calculations relating to each element of the Allowable Costs.
Contract Reporting Plan (CRP)	Captured in DefCARS as part of the Contract Initiation Report (CIR) template. <ul style="list-style-type: none"> • Reporting dates for all contract reports; • The defined pricing structure to be used in reporting; • Output metrics; and • Cost recovery bases.
Quarterly Contract Report [if >£50m] (QCR)	<ul style="list-style-type: none"> • Annual breakdown of costs and profits, both at time of latest agreement and by incurred and forecast costs at reporting date; • Cost breakdown by contractor's own reporting structure; • Costs profiled by calendar quarter; • Details of any material variances between estimated costs and current forecasts; • Sub-contract details; • Forecasts of any post-contract price adjustments; and • Information on contract milestones.

Report	Key information captured
Interim contract report [lower value - <£50m] (ICRL)	<p>The Interim Contract Report (ICR) is split into two templates in DefCARS to reflect the differing reporting requirements for contracts above and below £50m. For contracts below £50m, the following information is captured:</p> <ul style="list-style-type: none"> • Annual breakdown of costs and profits, both at time of latest agreement and by incurred and forecast costs at reporting date; • Cost breakdown by defined pricing structure; • Annual breakdown of recovery base volumes, both at the time of latest agreement and by incurred and forecast volumes at reporting date • Details of any material variances between estimated costs and current forecasts; • Sub-contract details; • Forecasts of any post-contract price adjustments; and • Payment schedule; metrics; and milestones.
Interim contract report [higher value - >£50m] (ICRH)	<p>The Interim Contract Report (ICR) is split into two templates in DefCARS to reflect the differing reporting requirements for contracts above and below £50m. For contracts above £50m, the following information is captured:</p> <ul style="list-style-type: none"> • Annual breakdown of costs and profits, both at time of latest agreement and by incurred and forecast costs at reporting date; • Cost breakdown by defined pricing structure; • Annual breakdown of recovery base volumes, both at the time of latest agreement and by incurred and forecast volumes at reporting date; and • Details of any material variances between estimated costs and current forecasts.
Contract completion report (CCR) [6 months after contract end]	<ul style="list-style-type: none"> • Annual breakdown of costs and profits, both at time of latest agreement and by incurred and forecast costs at reporting date; • Cost breakdown by defined pricing structure; • Annual breakdown of cost recovery rates, both at the time of latest agreement and by incurred and forecast volumes at reporting date; • Details of any material variances between estimated costs and current forecasts; • Sub-contract details; • Forecast or actual values of any post-contract price adjustments; and • Payment schedule; metrics; and milestones.

Report	Key information captured
Contract costs statement (CCS) [12 months after contract end]	<p>There is a short, structured report form to collect basic details, but the main content of the report is unstructured and is submitted by the contractor in a supporting file.</p> <ul style="list-style-type: none"> • Contractor's accounting period; • The cost allocation and apportionment methodology; • Annual profile of Allowable Costs; • Explanation between the total actual Allowable Costs and the breakdown of purchases, other direct costs and indirect costs; and • Explanation of any variance between reported information and the most recent on-demand report.
On demand contract reports	The Secretary of State can require contractors to submit a Contract Reporting Plan, Contract Pricing Statement or Contract Costs Statement.

Supplier reports are reports required by the Regulations that are provided on a supplier rather than contract level. These are provided on an annual basis where the relevant threshold has been met. The effect of the threshold is that not all suppliers with QDCs/QSCs will be required to submit supplier reports. There is an additional supplier report, the Strategic Industry Capacity Report, which is submitted outside of DefCARS.

Table 2: supplier reports

Report	Key information captured
Actual Rates Claim Report (ARCR)	<p>For these reports there is a short-structured report form to collect some basic details but the main content of the report is unstructured and is submitted by the contractor in a supporting file.</p> <ul style="list-style-type: none"> • Provides the actual and estimated cost recovery rates and cost recovery bases for the Qualifying Business Unit. • Supporting information and analysis looking at how their rates were calculated from the financial statements or budget estimates.
Estimated Rates Claim Report (ERCR)	
Estimated Rates Agreement Pricing Statement (ERAPS)	<ul style="list-style-type: none"> • Provides descriptions, facts and assumptions used in the estimated rates claim report. No numeric fields or calculations.
QBU Actual Cost Analysis Report (QBUACAR)	<p>These reports are combined into a single template in DefCARS to reduce duplication called the Qualifying Business Unit Cost Analysis Report (QBUCAR).</p> <ul style="list-style-type: none"> • Provides actual and estimated operating costs, staffing costs and revenue information in a structured format, with breakdowns of items by defined business function (e.g. manufacturing, engineering). <p>Estimate and actual cost recovery rate and cost recovery base information is provided as well as actual and estimated business unit costs applicable to defined activity types (e.g. research and development).</p>
QBU Estimated Cost Analysis Report (QBUECAR)	

Report	Key information captured
Rates Comparison Report (RCR)	<ul style="list-style-type: none"> • Details of all QDCs of the QBU which have cost recovery rates used as the basis for contract pricing. • Details of the rates used within the QBU. <p>Compares actuals and estimates for cost recovery rates and recovery base volumes.</p>
SME Report	Provides quantitative information in relation to the use of small and medium sized enterprises in the supply chain.
Strategic Industry Capacity Report (SICR)	The SICR provides a long term view of key suppliers' capacity and overheads relevant to the MOD's current and future requirements. The SICR provides information on suppliers' corporate structures broken down by QBU and revenue streams. The report also includes any planned changes to structure, a description of the suppliers' activities, people and infrastructure, forecast costs of maintaining industrial capacity and details on the supply chain. Forecasts are for a period of five years.