

Agency Pink: Illustrative Statements

1. The illustrative accounts for “Agency Pink” (a fictitious agency) comprise:

A) Accountability

- Remuneration and Staff Report
- Parliamentary Accountability Disclosures

B) Financial Statements

- Statement of Comprehensive Net Expenditure (SoCNE)
- Statement of Financial Position (SoFP)
- Statement of Cash Flows (SoCF)
- Statement of Changes in Taxpayers' Equity (SoCTE)
- Notes to the accounts

2. The agency accounts are for illustration only and should only be followed as the circumstances of an individual agency dictate. The accounts do not show every line item which may be necessary in the circumstances of an individual agency and each agency 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. However, specific notes should still be reported for those entities covered by Managing Public Money or Managing Public Money Northern Ireland, where additional disclosures are necessary to meet Parliamentary Accountability requirements. Entities should refer to the IASB Materiality Practice Statement 2 for further guidance on how to apply materiality to the financial statements.

Changes made from previous version

| Statement/ note | Changes | Reason |
|--------------------|----------------------------------|---|
| 17.1 | Right of use asset note updated. | Improved the note to include more categories of transactions between opening and closing balance. |

A) Accountability

1. Remuneration Report

Entities should prepare the remuneration report as specified in the FReM.

2. Staff Report

1. *Staff numbers and costs (and relevant disclosures) has been relocated to Remuneration and Staff Report.*

2. *Entities should provide an analysis of staff numbers and costs distinguishing between:*
 - *Staff with a permanent (UK) employment contract with the entity; and*

 - *Other staff engaged on the objectives of the entity (for example, short term contract staff, agency/temporary staff, locally engaged staff overseas and inward secondments where the entity is paying the whole or the majority of their costs). Where under any one category of ‘other staff’ is significant (by number or cost), that category should be separately disclosed.*

3. *Agencies should refer to the FReM and disclosures promulgated in PES papers for details of other elements that will be required to be disclosed in the staff report. These comprise of:*
 - *Staff composition*
 - *Off payroll disclosures*
 - *Consultancy costs*
 - *Sickness absence data*
 - *Number of SCS (or equivalent) staff by band*
 - *Staff policies applied in year*
 - *Staff turnover*
 - *Staff engagement scores*
 - *Exit packages*
 - *Other employee matters*
 - *Trade Union Facility Time – if relevant (Annex A in Cabinet Office Supporting Guidance 2017-18 provides an example for disclosure https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/713318/Public_Sector_Facility_Time_publications_requirements_guidance.pdf)*

2.1 Staff Costs

The following section is subject to audit

| | | | | | 202X-2Y £000 | 202W-2X £000 |
|-------------------------------|----------------------------------|--------|-----------|---------------------|-----------------|-----------------|
| | Permanently employed staff | Others | Ministers | Special advisers | Total | Total |
| Wages and salaries | | | | | | |
| Social security costs | | | | | | |
| Other pension costs | | | | | | |
| Sub Total | | | | | | |
| Less recoveries in respect of | | | | | | |

outward
secondments

Total net costs

The following text is written in the context of membership of the Principal Civil Service Pension Scheme (PCSPS). Agencies should write the note in the context of the scheme of which they are members. The wording is illustrative only and, for application to the PCSPS, reference should be made to guidance issued by the Cabinet Office in its Employer Pension Note series for the recommended wording for the year in question.

The Principal Civil Service Pension Scheme (PCSPS) is an unfunded multi-employer defined benefit scheme in which [insert employer's name] is unable to identify its share of the underlying assets and liabilities. A full actuarial valuation was carried out as at 31 March 20[year]. Details can be found in the resource accounts of the Cabinet Office: Civil Superannuation (www.civilservice-pensions.gov.uk).

For 202X-2Y, employers' contributions of £ 0,000,000 were payable to the PCSPS (202W-2X £0,000,000) at one of four rates in the range 0.0 to 0.0 per cent (202W-2X: 0.0 to 0.0 per cent) of pensionable pay, based on salary bands. The scheme's Actuary reviews employer contributions every four years following a full scheme valuation. The salary bands and contribution rates were revised for 20[year]-[year] and will remain unchanged until 20[year]-[year]. The contribution rates reflect benefits as they are accrued, not when the costs are actually incurred, and reflect past experience of the scheme.

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employers' contributions of £00,000 (202W-2X £00,000) were paid to [an][one or more of a panel of] appointed stakeholder pension provider[s]. Employer contributions are age-related and range from 0.0 to 0.0 per cent (201W-2X: 0.0 to 0.0 per cent) of pensionable pay. Employers also match employee contributions up to x per cent of pensionable pay. In addition, employer contributions of £0,000 (0.0 per cent; 202W-2X: £0,000, 0.0 per cent) of pensionable pay, were payable to the PCSPS to cover the cost of the future provision of lump sum benefits on death in service and ill health retirement of these employees. Contributions due to the partnership pension providers at the reporting period date were £[x]. Contributions prepaid at that date were £[y].

[Number] persons (202W-2X: [number] persons) retired early on ill-health grounds; the total additional accrued pension liabilities in the year amounted to £0,000 (202W-2X: £ 0,000).

2.2 Average number of persons employed

The following section is subject to audit

The average number of whole-time equivalent persons employed during the year was as follows.

| | | 202X-2Y | 202W-2X |
|-----------------------------------|---|---------------|--------------|
| | | £000 | £000 |
| | Permanently employed staff | Others | Total |
| | | Total | Total |
| Directly employed | | | |
| Other | | | |
| Staff engaged on capital projects | | | |
| Total | | | |

2.3 Reporting of Civil Service and other compensation schemes - exit packages

The following section is subject to audit

Comparative data to be shown (in brackets) for previous year.

| Exit package cost band | Number of compulsory redundancies | Number of other departures agreed | Total number of exit packages by cost band |
|--------------------------------------|--|--|---|
| <£10,000 | | | |
| £10,000 - £25,000 | | | |
| £25,000 - £50,000 | | | |
| £50,000 - £100,000 | | | |
| £100,000-£150,000 | | | |
| £150,000-£200,000 | | | |
| Total number of exit packages | | | |
| Total resource cost /£ | | | |

Redundancy and other departure costs have been paid in accordance with the provisions of the Civil Service Compensation Scheme (CSCS), a statutory scheme made under the Superannuation Act 1972. The table above shows the total cost of exit packages agreed and accounted for in 202X-2Y (202W-2X comparative figures are also given). Exxxx exit costs were paid in 202X-2Y, the year of departure (202W-2X comparatives). Where the agency has agreed early retirements, the additional costs are met by the agency and not by the Civil Service pension scheme. Ill-health retirement costs are met by the pension scheme and are not included in the table.

[Agencies should provide additional text if any payments are not covered by the CSCS, for instance, ex-gratia payments agreed with the Treasury or scheme details where using another scheme.]

3. Parliamentary Accountability Disclosures

Agencies should refer to the FReM and disclosures promulgated in PES papers for details of other disclosures that will be required to be disclosed under the parliamentary accountability section.

3.1 Losses and special payments

The following sections are subject to audit

3.1.1 Losses Statement

Agencies should include a note on losses if the total value exceeds £300,000. Individual losses of more than £300,000 should be noted separately.

| | 202X-2Y | 202W-2X |
|--|---------|---------|
| Total number of losses | | |
| Total value of losses (£000) | | |
| Details of losses over £300,000 | | |
| Cash losses | | |
| [List cases] | | |

Comparatives need be given for category totals. The list of cases need only be provided for the current year.

Claims abandoned

[List cases]

Where the headings are not appropriate, they do not need to be disclosed.

Administrative write-offs

[List cases]

Fruitless payments

[List cases]

Store Losses

[List payments]

Agencies should provide details of individual cases over £300,000 including the name of the entity where the loss arose. Where the headings for different types of losses are not appropriate, they do not need to be disclosed.

3.1.2 Special Payments

Agencies should include a note on special payments if the total value exceeds £300,000. Individual payments of more than £300,000 should be noted separately.

| | 202X-2Y £000 | 202W-2X £000 |
|---|-----------------|-----------------|
| Total number of special payments | | |
| Total value of special payments (£000) | | |
| Details of cases over £300,000 | | |
| [List cases] | | |

Comparatives need be given for category totals. The list of cases need only be provided for the current year.

Agencies should provide details of individual cases over £300,000 including the name of the entity where the special payment arose. In the case of reporting on special payments which are severance payments, the detail to be disclosed should include the number of special severance payments made, the total amount paid out, and the maximum (highest), minimum (lowest) and median values of payments made. Where an entity's reporting of special severance payments does not include some or all of these details in circumstances in which doing so would conflict with a legal obligation arising as a result of the Data Protection Act 2018, or otherwise, this fact should also be disclosed.

3.1.3 Other payments

If agencies have made any other significant payments, including making gifts, these should be disclosed.

3.2 Fees and Charges

This section is subject to audit

Where the income and full cost of the service are material in the context of the financial statements, agencies should provide the additional fees and charges disclosures as detailed in the FReM. The analysis should include the following information for each service:

- i. the financial objective (s) and performance against the financial objective(s);*
- ii. the full cost and unit costs charged in year;*
- iii. the total income received in year;*
- iv. the nature/extent of any subsidies or overcharging*

3.3 Remote Contingent Liabilities

This section is subject to audit

In addition to contingent liabilities reported within the meaning of IAS 37, the agency also reports liabilities for which the likelihood of a transfer of economic benefit in settlement is too remote to meet the definition of contingent liability.

[Insert list with explanatory narrative]

B) Financial Statements

In line with the implementation of the Simplifying and Streamlining Accounts project, notes to the accounts will only be required for material balances.

Statement of Comprehensive Net Expenditure

for the year ended 31 March 202Y

Row headings in this statement should be based on an agency's material sources of income and expenditure. Where an agency considers that an alternative format is required to improve the understanding of the body's financial performance, they should seek the approval of the relevant authority.

This account summarises the expenditure and income generated and consumed on an accruals basis. It also includes other comprehensive income and expenditure, which include changes to the values of non-current assets and other financial instruments that cannot yet be recognised as income or expenditure.

| | Note (if material) | 202X-2Y | 202W-2X |
|---------------------------------------|--------------------|---------|---------|
| | | £000 | £000 |
| Revenue from contracts with customers | 4.1 | | |
| Other operating income | 4.2 | | |
| Total operating income | | | |
| Staff costs | 3 | | |
| Purchase of goods and services | 3 | | |
| Depreciation and impairment charges | 3/5/6 | | |
| Provision expense | | | |
| Other operating expenditure | | | |
| Total operating expenditure | | | |
| Net operating expenditure | | | |
| Finance income | | | |
| Finance expense | | | |

| |
|---|
| Net expenditure for the year |
| Other comprehensive net expenditure |
| Items which will not be reclassified to net operating costs: |
| - Net gain/loss on revaluation of property, plant and equipment |
| - Net gain/loss on revaluation of intangible assets |
| - Actuarial gain/loss on pension scheme liabilities |
| Items which may be reclassified to net operating costs: |
| - Net gain/loss on revaluation of investments |
| Comprehensive net expenditure for the year |

Statement of Financial Position

In line with the implementation of the Simplifying and Streamlining Accounts project, agencies will still be responsible for adding sub-headings to the statement as necessary.

As at 31 March 202Y

This statement presents the financial position of the agency. It comprises three main components: assets owned or controlled; liabilities owed to other bodies; and equity, the remaining value of the entity.

| | Note (if material) | 202X-2Y £000 | 202W-2X £000 |
|------------------------------------|--------------------|-----------------|-----------------|
| Non-current assets: | | | |
| Property, plant & equipment | x | | |
| Right-of-use assets | | | |
| Investment properties | | | |
| Intangible assets | | | |
| Trade and other receivables | | | |
| Financial assets | | | |
| Total non-current assets | | | |
| Current assets | | | |
| Assets classified as held for sale | | | |
| Inventories | | | |
| Trade & other receivables | | | |
| Other current assets | | | |
| Financial assets | | | |
| Cash & cash equivalents | | | |
| Total current assets | | | |
| Total assets | | | |

| | |
|--|--|
| Current liabilities | |
| Trade and other payables | |
| Provisions | |
| Other liabilities | |
| Retirement benefit obligations | |
| Total current liabilities | |
| Total assets less current liabilities | |
| Non-current liabilities | |
| Provisions | |
| Other payables | |
| Financial liabilities | |
| Total non-current liabilities | |
| Total assets less total liabilities | |
| Taxpayers' equity and other reserves: | |
| General Fund | |
| Revaluation Reserve | |
| Total equity | |

(Signed) (Accounting Officer)
 [date]

Statement of Cash Flows

for the year ended 31 March 202Y

The Statement of Cash Flows shows the changes in cash and cash equivalents of the Agency during the reporting period. The statement shows how the Agency generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of service costs and the extent to which these operations are funded by way of income from the recipients of services provided by the Agency. Investing activities represent the extent to which cash inflows and outflows have been made for resources which are intended to contribute to the Agency's future public service delivery.

In line with the implementation of the Simplifying and Streamlining Accounts project, agencies will still be responsible for adding sub-headings to the statement as necessary.

| | | 202X-2Y | 202W-2X |
|---|-----------------------|---------|---------|
| | Note (if material) | £000 | £000 |
| Cash flows from operating activities | | | |
| Net operating expenditure | SoCNE | | |
| Adjustments for non-cash transactions | | | |
| (Increase)/Decrease in trade and other receivables ¹ | | | |
| (Increase)/Decrease in inventories | | | |
| Increase/(Decrease) in trade and other payables ¹ | | | |
| Use of provisions | | | |
| Net cash inflow/(outflow) from operating activities | | | |
| Cash flows from investing activities | | | |
| Purchase of non-financial assets ² | | | |
| Proceeds from disposal of non-financial assets | | | |
| Purchase of financial assets ² | | | |
| Proceeds from disposal of financial assets | | | |
| Net cash inflow/outflow from investing activities | | | |
| Cash flows from financing activities³ | | | |

| | |
|--|--|
| From the Consolidated Fund (Supply) – current year ³ | |
| From the Consolidated Fund (Supply) – prior year ⁴ | |
| From the Consolidated Fund (non-Supply) ⁵ | |
| Net financing from the National Insurance Fund | |
| Net financing from the Contingencies Fund and National Loans Fund | |
| Capital element of payments in respect of leases and on-balance sheet (SoFP) PFI contracts ⁶ | |
| Net financing | |
| Net increase/(decrease) in cash and cash equivalents in the period before adjustment for receipts and payments to the Consolidated Fund | |
| Payments of amounts due to the Consolidated Fund ⁷ | |
| Net increase/(decrease) in cash and cash equivalents in the period after adjustment for receipts and payments to the Consolidated Fund | |
| Cash and cash equivalents at the beginning of the period | |
| Cash and cash equivalents at the end of the period | |

1. *Less movements in receivables relating to items not passing through the Statement of Comprehensive Net Expenditure. Movements include: agency's balances with the Consolidated Fund; and payables linked to financing – NLF loans (principal and interest), capital debtors, leases and PFI and other service concession arrangements*
2. *Where the purchases for asset purchases are material (e.g. PPE, intangibles or share purchases) these should be disclosed separately*
3. *A reconciliation of liabilities from financing activities will need to be included as per IAS 7 – See Note 13*
4. *This is the amount received from the Consolidated Fund in respect of the current year.*
5. *This is the amount received from the Consolidated Fund that relates to the prior year.*

6. *This is the financing associated with Consolidated Fund Standing Services and should equal the figure shown as Standing Services in the General Fund note.*
7. *Capital expenditure in respect of leases and on-balance sheet (SoFP) PFI contracts and other service concession arrangements adjusted for relevant receivables and payables.*
8. *Cash paid over to the Consolidated Fund under any category.*

Statement of Changes in Taxpayers' Equity

In line with the implementation of the Simplifying and Streamlining Accounts project proposes a change to this statement which removes unnecessary complexity and a significant amount of extraneous detail that does not assist the user, while retaining those elements that are essential to reflect the funded nature of agencies. Agencies will retain the flexibility and freedom to add additional headings as necessary for their individual circumstances.

for the year ended 31 March 202Y

This statement shows the movement in the year on the different reserves held by [the Agency], analysed into 'general fund reserves' (i.e. those reserves that reflect a contribution from the Consolidated Fund). The Revaluation Reserve reflects the change in asset values that have not been recognised as income or expenditure. The General Fund represents the total assets less liabilities of an Agency, to the extent that the total is not represented by other reserves and financing items.

| | Note (if material) | General Fund £000 | Revaluation Reserve £000 | Taxpayers' equity £000 |
|--|--------------------|----------------------|-----------------------------|---------------------------|
| Balance at 31 March 202W | | | | |
| Net parliamentary funding | | | | |
| Auditors Remuneration | 3 | | | |
| Comprehensive net expenditure for the year | SoCNE | | | |
| Revaluation gains and losses | | | | |
| Other reserves movements including transfers | | | | |
| Balance at 31 March 202X | | | | |
| Net parliamentary funding | | | | |
| Auditors Remuneration | 3 | | | |
| Comprehensive net expenditure for the year | SoCNE | | | |
| Revaluation gains and losses | | | | |
| Other reserves movements including transfers | | | | |
| Balance at 31 March 202Y | | | | |

Agencies should insert additional lines and columns as necessary to capture all transactions passing through reserves.

Notes to the Agency's Accounts

The notes to the financial statements provide additional detail to users on the accounting policies of the entity and the numbers included in the core financial statements. In line with the implementation of the Simplifying and Streamlining Accounts project notes should only be included where additional information is material - i.e. where its omission or misstatement could influence the economic decisions of users taken on the basis of the financial statements. In the public sector context materiality can be by nature and context as well as in value, and the decisions of users can be of a non-economic nature.

HM Treasury does not require agencies to produce notes where the information is immaterial to the user and the Financial Reporting Manual clearly notes that disclosures should be limited to those necessary for an understanding of the entity's circumstances or are necessary to meet Parliamentary Accountability requirements.

Significant accounting policies should be disclosed particularly in the event of a change in policy or in relation to a material item. The accounting policy for a particular item within the financial statements may be disclosed within the note for that item.

1. Statement of accounting policies

Accounting policies

The notes to the accounts must include a statement that the accounts have been prepared in accordance with International Financial Reporting Standards (IFRS) as adapted and interpreted by this Manual.

Executive agencies that are not whole departments and ALBs must also include a note that the accounts have been prepared under a direction issued by [relevant authority] under [reference to appropriate legislation].

See IAS 1 and IAS 8 for further guidance

2. Statement of Operating Expenditure by Operating Segment

Narrative to disclose:

- factors used to identify the reportable segments;
- the types of activities for which each reportable segment attracts funding;
- how reportable segments are reported to the Chief Operating Decision Maker;
- a description of each segment and how it fits into the agency's activities;
- any differences between information in the statement of operating costs by operating segment and primary financial statements;
- the basis of accounting for any transactions between reportable segments;
- changes from prior year segment identification methods; and
- reliance on major customers.

| | 202X-2Y | | | | 202W-2X | | | |
|-------------------------------|---------------------------|--------------------------|--------------------------|-------|---------------------------|---------------------------|---------------------------|-------|
| | [Reportable Segment 1] | [Reportable Segment2] | [Reportable Segment3] | Total | [Reportable Segment 1] | [Reportable Segment 2] | [Reportable Segment 3] | Total |
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 |
| Gross Expenditure | | | | | | | | |
| Income | | | | | | | | |
| Net Expenditure | | | | | | | | |
| Total assets | | | | | | | | |
| Total liabilities* | | | | | | | | |
| Net assets* | | | | | | | | |
| Other information* | | | | | | | | |

*In accordance with IFRS 8, if total liabilities, net assets or additional information is reported separately to the Chief Operating Decision Maker, disclosure should be made in the resource accounts as to the nature of this information.

Agencies should also provide reconciliations of:

- the total of the reportable segments' net expenditure to total net expenditure per the SoCNE if different;
- the total of the reportable segments' assets to the agency's assets per the SoFP if different;
- the total of the reportable segments' liabilities to the agency's liabilities per the SoFP if they are reported separately to the Chief Operating Decision Maker and are different.

Note 2.1 Reconciliation between Operating Segments and SoCNE

| | 202X-2Y | 202W-2X |
|---|---------|---------|
| | £000 | £000 |
| Total net expenditure reported for operating segments | | |
| Reconciling items: | | |
| <i>[List separately]</i> | | |
| Total net expenditure per the Statement of Comprehensive Net Expenditure | | |

Note 2.2 Reconciliation between Operating Segments and SoFP

| | 202X-2Y | 202W-2X |
|--|---------|---------|
| | £000 | £000 |
| Total assets reported for operating segments | | |
| Reconciling items: | | |
| <i>[List separately]</i> | | |
| Total assets per Statement of Financial Position | | |
| <i>If liabilities are reported:</i> | | |
| Total liabilities reported for operating segments | | |
| Reconciling items: | | |
| <i>[List separately]</i> | | |
| Total liabilities per Statement of Financial Position | | |
| Total net assets per Statement of Financial Position | | |

3. Other Expenditure

Entities should provide an analysis of operating costs as recorded in the Statement of Comprehensive Net Expenditure in separate notes to the financial statements. This should include, service charges under PFI contracts, the individual components of non-cash items, and an analysis of other significant expenditure items. A brief summary of staff costs should also be included with a reference to more detailed disclosures (per section 6.5 of the FReM) in the Accountability Report.

Under the streamlining project there is no longer a need to separately classify administration and programme costs. However entities should ensure they are able to provide a breakdown to their auditors.

| | 202X-2Y | 202W-2X |
|--|---------|---------|
| | £000 | £000 |
| Note | | |
| <i>The following expenditure items (if material) must be listed individually within this note, although not necessarily in this order. Best practice suggests that the items are presented in descending order of magnitude.</i> | | |
| Staff Costs ¹ | | |
| Wages and Salaries | | |
| Social Security Costs | | |
| Other Pension Costs | | |
| Interest charges | | |
| PFI service charges | | |
| Research and Development expenditure | | |
| Non-cash items | | |
| Depreciation | | |
| Amortisation | | |
| Loss on disposal of property, plant and equipment | | |
| Auditors' remuneration and expenses | | |
| Provision provided for in year | 15 | |
| Borrowing costs of provisions (Unwinding of discount on provisions) | 15 | |
| <i>In addition, other expenditure should be analysed, and any significant items listed individually as part of this table. You should NOT insert a shoulder heading of 'other' and then provide a separate note analysing 'other'.</i> | | |
| Total | | |

During the year the Agency purchased the following non-audit services from its auditor, [name Auditor, e.g. the National Audit Office] [list services received with details of cost]

¹ Further analysis of staff costs is located in the Staff Report [on page XX] or in the [Accountability Report]

4. Income

4.1 Revenue from Contracts with Customers

IFRS 15 introduces significantly more disclosure requirements than was required under previous accounting standards. Illustrative disclosures are included in the IFRS 15 Application Guidance². Entities should apply materiality judgements to each disclosure requirement.

All reporting entities should provide:

- *A disaggregation of revenue that depicts the nature, timing and amount of the revenue that is linked to the operating segments Note.*
- *Information about performance obligations including when an entity typically satisfies these obligations, significant payment terms, where an entity is acting as an agent, and obligations for returns, refunds and warranties.*
- *The aggregate amount of the transaction price allocated to the remaining performance obligations*
- *Assets recognised from costs to obtain or fulfil a contract with a customer*
- *Significant judgements in applying IFRS 15, in particular determining the satisfaction of performance obligations and determining and allocating the transaction price to performance obligations*

4.2 Other Operating Income

All reporting entities should provide an analysis of other operating income, together with commentary where appropriate, that enables users of the financial statements to understand the nature of the entity's operating income.

Income should be analysed by type (grants, dividends etc.); Non-cash Income should be disclosed separately where material.

Care should be taken in describing the Income so that a reader of the accounts can understand what it is that the agency does to earn the Income.

| | 202X-2Y | 202W-2X |
|----------------------|----------------|----------------|
| | £000 | £000 |
| | Total | Total |
| Income source 1 | | |
| Income source 2, etc | | |
| Total | | |

² <https://www.gov.uk/government/publications/government-financial-reporting-manual-application-guidance>

4.3 Consolidated Fund Income

The following statement should be included where separate trust statements are published for the agency:

Consolidated Fund income shown in note 4 above does not include any amounts collected by the agency where it was acting as agent of the Consolidated Fund rather than as principal. Full details of income collected as agent for the Consolidated Fund are in the agency's Trust Statements published separately from but alongside these financial statements.

Otherwise, where the agency collects income on behalf of the Consolidated Fund and doesn't prepare a Trust statement, disclosure should be made in the note in the format below:

Consolidated Fund income shown in note 4 above does not include any amounts collected by the agency where it was acting as agent for the Consolidated Fund rather than as principal. The amounts collected as agent for the Consolidated Fund (which are otherwise excluded from these financial statements) were:

| | 202X-2Y | 202W-2X |
|---|----------------|----------------|
| | £000 | £000 |
| Taxes and licence fees | | |
| Fines and penalties | | |
| Other Income | | |
| | | |
| Less: | | |
| Costs of collection – <i>where deductible</i> | | |
| Uncollectible debts | | |
| | | |
| Amount payable to the Consolidated Fund | | |
| | | |
| Balance held at the start of the year | | |
| | | |
| Payments into the Consolidated Fund | | |
| | | |
| Balance held on trust at the end of the year | | |

A description of the main income streams should be included together with any other explanations that may be necessary to provide a full understanding of the reported transactions.

5. Property, plant and equipment

| | Land | Buildings | Dwellings | Information Technology | Plant & Machinery | Furniture & Fittings | Payments on Account & Assets under Construction | Total |
|--|------|-----------|-----------|---------------------------|----------------------|-------------------------|--|-------|
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 |
| Cost or valuation | | | | | | | | |
| At 1 April 202X | | | | | | | | |
| Additions | | | | | | | | |
| Donations | | | | | | | | |
| Disposals | | | | | | | | |
| Impairments | | | | | | | | |
| Reclassifications and Transfers | | | | | | | | |
| Revaluations | | | | | | | | |
| At 31 March 202Y | | | | | | | | |
| Depreciation | | | | | | | | |
| At 1 April 202X | | | | | | | | |
| Charged in year | | | | | | | | |
| Disposals | | | | | | | | |
| Impairments | | | | | | | | |
| Reclassifications and Transfers | | | | | | | | |
| Revaluations | | | | | | | | |
| At 31 March 202Y | | | | | | | | |
| Carrying value at 31 March 202X | | | | | | | | |
| Carrying value at 31 March 202Y | | | | | | | | |
| Asset financing: | | | | | | | | |
| Owned | | | | | | | | |
| Leased | | | | | | | | |
| PFI and other service concession arrangements | | | | | | | | |
| Carrying value at 31 March 202Y | | | | | | | | |

The headings used to analyse assets and sources of financing should reflect the agency's material items.

If relevant, agencies should disclose the value and category of any donated assets during the year. Where the assets were donated by a related party, the name should be given.

Agencies should disclose the names and qualifications of the valuers of any assets, what assets they valued, and the date on which they were valued during the year. If relevant, the note should also state that property, plant and equipment are valued using indices.

See the FReM Chapter 10 and IAS 16 for additional disclosure requirements

| | Land | Buildings | Dwellings | Information Technology | Plant & Machinery | Furniture & Fittings | Payments on Account & Assets under Construction | Total |
|---|------|-----------|-----------|---------------------------|----------------------|-------------------------|--|-------|
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 |
| Cost or valuation | | | | | | | - | |
| At 1 April 202W | | | | | | | | |
| Additions | | | | | | | | |
| Donations | | | | | | | | |
| Disposals | | | | | | | | |
| Impairments | | | | | | | | |
| Reclassifications and Transfers | | | | | | | | |
| Revaluations | | | | | | | | |
| At 31 March 202X | | | | | | | | |
| Depreciation | | | | | | | | |
| At 1 April 202W | | | | | | | | |
| Charged in year | | | | | | | | |
| Disposals | | | | | | | | |
| Impairments | | | | | | | | |
| Reclassifications and Transfers | | | | | | | | |
| Revaluations | | | | | | | | |
| At 31 March 202X | | | | | | | | |
| Carrying value at 31 March 202W | | | | | | | | |
| Carrying value at 31 March 202X | | | | | | | | |
| Asset financing: | | | | | | | | |
| Owned | | | | | | | | |
| Leased | | | | | | | | |
| PFI and other service concession arrangements | | | | | | | | |
| Carrying value at 31 March 202X | | | | | | | | |

6. Intangible assets

| | | | | | | | | | 202X-2Y |
|--|---------------------------|----------------------|----------|----------------------------|--|---------|----------|--|---------|
| | Information Technology | Software Licences | Websites | Development Expenditure | Licences, Trademarks & Artistic Originals | Patents | Goodwill | Payments on Account & Assets under Construction | Total |
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 |
| Cost or valuation | | | | | | | | | |
| At 1 April 202X | | | | | | | | | |
| Additions | | | | | | | | | |
| Donations | | | | | | | | | |
| Disposals | | | | | | | | | |
| Impairments | | | | | | | | | |
| Reclassifications and Transfers | | | | | | | | | |
| Revaluations | | | | | | | | | |
| At 31 March 202Y | | | | | | | | | |
| Amortisation | | | | | | | | | |
| At 1 April 202X | | | | | | | | | |
| Charged in year | | | | | | | | | |
| Disposals | | | | | | | | | |
| Impairments | | | | | | | | | |
| Reclassifications and Transfers | | | | | | | | | |
| Revaluations | | | | | | | | | |
| At 31 March 202Y | | | | | | | | | |
| Carrying value at 31 March 202X | | | | | | | | | |
| Carrying value at 31 March 202Y | | | | | | | | | |
| Asset financing: | | | | | | | | | |
| Owned | | | | | | | | | |
| Leased | | | | | | | | | |
| Contracts | | | | | | | | | |
| Carrying value at 31 March 202Y | | | | | | | | | |

| | | | | | | | | | 202W-2X |
|--------------------------|---------------------------|----------------------|----------|----------------------------|--|---------|----------|--|---------|
| | Information Technology | Software Licences | Websites | Development Expenditure | Licences, Trademarks & Artistic Originals | Patents | Goodwill | Payments on Account & Assets under Construction | Total |
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 |
| Cost or valuation | | | | | | | | | |
| At 1 April 202W | | | | | | | | | |

Additions
 Donations
 Disposals
 Impairments
 Reclassifications
 and Transfers
 Revaluations

At 31 March 202X

Amortisation

At 1 April 202W

Charged in year
 Disposals
 Impairments
 Reclassifications
 and Transfers
 Revaluations

At 31 March 202X

**Carrying value at 31
 March 202W**

**Carrying value at 31
 March 202X**

Asset financing:

Owned
 Leased
 Contracts

**Carrying value at 31
 March 202X**

The headings and rows used to analyse assets and sources of financing should reflect the agency's material items.

If relevant, agencies should disclose the value and category of any donated assets during the year. Where the assets were donated by a related party, the name should be given.

See IAS 38 for additional disclosure requirements

7. Investment Properties

Where material, entities should disclose investment properties in line with IAS 40 as interpreted for the public sector context in the FReM.

8. Financial Instruments

As the cash requirements of Agency Pink are met through the Estimate process, financial instruments play a more limited role in creating and managing risk than would apply to a non-public sector body. The majority of financial instruments relate to contracts to buy non-financial items in line with the Agency's expected purchase and usage requirements and the Agency is therefore exposed to little credit, liquidity or market risk.

*ONLY where the Agency is exposed to risk should the appropriate IFRS 7 disclosures be made. **Material financial risk includes significant credit risk from receivables.** Disclosures should be given only where they are necessary because the Agency holds financial instruments that are complex or play a significant role in the financial risk profile of the Agency. In such cases Agencies should explain the significance of such instruments as required by IFRS 7 and disclose the carrying values following the requirements of the FReM and IAS 32 and IFRS 9 and within the IFRS 7 headings to the extent they are relevant. Where the Agency does not face significant financial risks, then it is sufficient to make a statement to that effect –similar to that above.*

9. Impairments

Where material, agencies should insert a note that reports the total impairment charge for the year (for all current and non-current asset classes) and showing any movement between the revaluation reserve and the general reserve.

10. Assets Held for Sale

Where material, entities should provide a note analysing movements in assets held for sale. See IFRS 5 for specific disclosure requirements

11. Inventories

Where material, agencies should provide a note analysing inventories by significant categories. See IAS 2 for further disclosure requirements

| | 202X-2Y | 202W-2X |
|--------------------------|---------|---------|
| | £000 | £000 |
| <i>[List separately]</i> | | |
| | | |

12. Trade receivables, financial and other assets

| | 202X-2Y | 202W-2X |
|--|----------------|----------------|
| | £000 | £000 |
| Amounts falling due within one year: | | |
| Trade receivables | | |
| Deposits and advances | | |
| Other receivables | | |
| Prepayments | | |
| Accrued income | | |
| Contract assets | | |
| Current part of PFI prepayment | | |
| Current part of NLF loan | | |
| | | |
| | | |
| Amounts falling due after more than one year: | | |
| Trade receivables | | |
| Other receivables | | |
| Deposits and advances | | |
| Prepayments and accrued Income | | |
| | | |
| | | |

Included within trade payables is £000 (202W-2X: £,000) that will be due to the Consolidated Fund once the debts are collected.

13. Cash and cash equivalents

Entities shall disclose the opening position, the net change in balances and the closing position separately for cash and cash equivalents. Where applicable, the closing position should be further analysed between balances held with the Government Banking Service (GBS) and balances held in commercial banks. Agencies should refer to the FReM and IAS 7 for further guidance on disclosures

| | 202X-2Y | 202W-2X |
|--|---------|---------|
| | £000 | £000 |
| Balance at 1 April | | |
| Net change in cash and cash equivalent balances | | |
| Balance at 31 March | | |
| The following balances at 31 March were held at: | | |
| Government Banking Service | | |
| Commercial banks and cash in hand | | |
| Short term investments | | |
| Balance at 31 March | | |

13.1 Reconciliation of liabilities arising from financing activities

Amendments to IAS 7 introduced a requirement for an entity to provide disclosures that enabled users of the financial statements to evaluate changes in liabilities arising from financing activities, including both cash and non-cash changes. The liabilities disclosure should be tailored to each entity's financing activities. IAS 7 does not mandate a template but below is a suggestion of how this requirement could be met. Narrative disclosures are also permitted, especially where there are no/minimal movements in year. Comparative information is not required in the first year of application of the amendment.

| | 202X | Cash flows | Non-Cash Changes | | | | 202Y |
|--|------|------------|------------------|-----------------|--------------------|---------------|------|
| | | | Acquisition | Forex Movements | Fair value changes | Other changes | |
| Supply | | | | | | | |
| Long term borrowings (e.g. National Loans Fund) | | | | | | | |
| Lease Liabilities | | | | | | | |
| PFI Liabilities | | | | | | | |
| Assets held to hedge long term borrowings | | | | | | | |
| Total liabilities from financing activities | | | | | | | |

| | 202W | Cash flows | Non-Cash Changes | | | | 202X |
|--|------|------------|------------------|-----------------|--------------------|---------------|------|
| | | | Acquisition | Forex Movements | Fair value changes | Other changes | |
| Supply | | | | | | | |
| Long term borrowings | | | | | | | |
| Lease Liabilities | | | | | | | |
| PFI Liabilities | | | | | | | |
| Assets held to hedge long term borrowings | | | | | | | |
| Total liabilities from financing activities | | | | | | | |

14. Trade payables, financial and other liabilities

202X-2Y
£000

202W-2X
£000

Amounts falling due within one year

VAT

Other taxation and social security

Trade payables

Other payables

Where material, other payables should be analysed and any significant items disclosed separately

Accruals

Deferred income

Contract liabilities

Current part of lease liabilities

Current part of capital and interest elements of on balance sheet PFI contracts

Current part of NLF loans

Amounts falling due after more than one year:

Other payables, accruals and deferred Income

Leases

Capital and interest elements of on-balance sheet PFI contracts

NLF loans

15. Provisions for liabilities and charges*Key provisions should be analysed. Headings might include 'legal', 'nuclear decommissioning' etc*

| | Provision 1 | Provision 2 | Total |
|---|-------------|-------------|-------|
| | £000 | £000 | £000 |
| Balance at 1 April 202X | | | |
| Provided in the year | | | |
| Provisions not required written back | | | |
| Provisions utilised in the year | | | |
| Change in discount rate | | | |
| Borrowing costs (unwinding of discount) | | | |
| Balance at 31 March 202Y | | | |

15.1. Analysis of expected timing of discounted flows

| | Provision 1 | Provision 2 | Total |
|---|-------------|-------------|-------|
| | £000 | £000 | £000 |
| Not later than one year | | | |
| Later than one year and not later than five years | | | |
| Later than five years | | | |
| Balance at 31 March 202Y | | | |

Agencies should include brief details of material provisions per IAS 37 disclosure requirements and an indication of the contents of the 'Other' column where used. For additional disclosure requirements, entities should refer to the requirements of IAS 37 which includes details of significant judgements, indications of uncertainties and sensitivity analysis.

16. Retirement benefit obligations

Agencies should provide a note analysing movements in net pension liabilities. See IAS 19 Employee Benefits for specific disclosure requirements. IAS 19 has been adapted and interpreted for the public sector context in the FReM.

17. Leases

IFRS 16 includes an overarching disclosure objective for lessees that requires lessees to disclose information that, together with the amounts in the financial statements, enables a user to understand the effect that leases have on the financial position, financial performance and cash flows of the lessee.

While there are some required quantitative disclosures, agencies will need to use judgement in determining how to meet the disclosure objective, rather than approaching disclosures as simply meeting a checklist of requirements. Inherent in the disclosure objective for IFRS 16 is the needs of the end user of financial statements; agencies should bear these needs in mind when determining which disclosures to make around leases.

On transition to IFRS 16, agencies should note they are subject to the requirements in paragraph 28 of IAS 8. This includes an overview of the change in accounting and the transitional provisions. Note also that paragraph 28(f) of IAS 8 is not required and is substituted by a requirement to disclose the weighted average lessee incremental borrowing rate applied on transition; an explanation of any difference between operating commitments disclosed under IAS 17 (discounted using the rate disclosed) and lease liabilities recognised under IFRS 16; and the use of practical expedients on transition.

Agencies should note that they should provide disclosures around leases only where material.

The illustrations below are for the quantitative disclosures in IFRS 16 for lessees.

17.1 Quantitative disclosures around right-of-use assets

| Consolidated | 202X-2Y | | | | | |
|-------------------------------------|---------|-----------|------------------------|-------------------|----------------------|-------|
| | Land | Buildings | Information Technology | Plant & Machinery | Furniture & Fittings | Total |
| | £000 | £000 | £000 | £000 | £000 | £000 |
| Cost or valuation | | | | | | |
| At 1 April 202X | | | | | | |
| Additions- new leases | | | | | | |
| Revaluations | | | | | | |
| Impairment/ impairment reversals | | | | | | |
| Disposals | | | | | | |
| Remeasurement- existing leases | | | | | | |
| Reclassifications | | | | | | |
| At 31 March 202Y | | | | | | |
| | | | | | | |
| Depreciation | | | | | | |
| At 1 April 202X | | | | | | |
| Depreciated charged in year | | | | | | |
| Impairment/ impairment reversal | | | | | | |
| Disposals | | | | | | |
| Reclassifications | | | | | | |
| At 31 March 202Y | | | | | | |
| | | | | | | |
| NBV at 31 March 202X | | | | | | |
| NBV at 31 March 202Y | | | | | | |

Agencies should also disclose total additions to right-of-use assets.

17.2 Quantitative disclosures around lease liabilities

| | 202X-2Y | 202W-2X |
|---|---------|---------|
| | £000 | £000 |
| Obligations under leases for the following periods comprise: | | |
| Buildings | | |
| Not later than one year | | |
| Later than one year and not later than five years | | |
| Later than five years | | |
| <i>Less interest element</i> | | |
| Present Value of obligations | | |
| Other | | |
| Not later than one year | | |
| Later than one year and not later than five years | | |
| Later than five years | | |
| <i>Less interest element</i> | | |
| Present Value of obligations | | |
| Current portion | | |
| Non-current portion | | |

17.3 Quantitative disclosures around elements in the Statement of Comprehensive Net Expenditure

| | £000 | £000 |
|---|---------|---------|
| | 202X-2Y | 202W-2X |
| Variable lease payments not included in lease liabilities | | |
| Sub-leasing income | | |
| Expense related to short-term leases | | |
| Expense related to low-value asset leases (excluding short-term leases) | | |

17.4 Quantitative disclosures around cash outflow for leases

| | £000 | £000 |
|-------------------------------|---------|---------|
| | 202X-2Y | 202W-2X |
| Total cash outflow for leases | | |

18. Commitments under PFI contracts**18.1 Off-balance sheet (SoFP)**

For each material PFI or other service concession contract, this note should:

- state what the contract is for and note that the property is not an asset of the Agency;
- give the estimated capital value;
- give details of any prepayments, reversionary interests, etc. and how they are accounted for; and
- disclose the total payments to which they are committed for each of the following periods.

The total amount charged in the Statement of Comprehensive Net Expenditure in respect of off-balance sheet (SoFP) PFI or other service concession transactions was £s,000 (201W-2X: £s,000). Total future minimum payments under off-balance sheet PFI and other service concession arrangements are given in the table below for each of the following periods:

| | 202X-2Y £000 | 202W-2X £000 |
|---|-----------------|-----------------|
| Not later than one year | | |
| Later than one year and not later than five years | | |
| Later than five years | | |
| | | |
| | | |

18.2 On-balance sheet (SoFP)

Agencies should ensure they disclose total commitments which consist of:

- Payments under the capital and interest elements of the contract; and
- Ongoing service elements committed – these are considered to be charges made to the statement of comprehensive net expenditure (excluding interest).

Where there are other charges in the contracts, these should be attributed to capital, interest or service elements, unless considered material to be reported separately. Agencies are reminded to refer to the disclosure requirements provided in IFRIC 12 and SIC 29 when producing PFI and other service concession arrangement disclosures.

The total amount charged in the Statement of Comprehensive Net Expenditure in respect of the service element of on-balance sheet PFI or other service concession transactions was £s,000 (202W–2X: £s,000). Total future obligations under on-balance sheet PFI and other service concession arrangements are given in the table below for each of the following periods:

| | 202X-2Y £000 | 202W-2X £000 |
|---|-----------------|-----------------|
| Capital elements due in future periods: | | |
| Due within one year | | |
| Due later than one year and not later than five years | | |
| Due later than five years | | |
| Total | | |
| Less interest element | | |
| Present value | | |
| | | |
| Service elements due in future periods: | | |
| Due within one year | | |
| Due later than one year and not later than five years | | |
| Due later than five years | | |
| Total service elements due in future periods | | |
| Total Commitments | | |

Entities should include other categories of costs associated with their PFIs as appropriate

19. Capital commitments

Where material, entities should disclose contracted capital commitments broken down by asset category.

| | 202X-2Y | 202W-2X |
|--|---------|---------|
| | £000 | £000 |
| Contracted capital commitments at 31 March 202Y not otherwise included in these financial statements | | |
| <i>[List separately e.g. PPE, intangibles, inventory etc.]</i> | | |
| Total | | |

20. Other financial commitments

Where an entity has other material financial commitments these should be disclosed along with a brief description of the nature of these commitments.

The agency has entered into non-cancellable contracts (which are not leases or PFI contracts or other service concession arrangements), for *[state what service is being provided to the agency]*. The payments to which the agency is committed are as follows *[agencies may decide that this disclosure is not necessary if the totals can be easily identified by a reader from the notes above]*:

| | 202X-2Y | 202W-2X |
|---|---------|---------|
| | £000 | £000 |
| Not later than one year | | |
| Later than one year and not later than five years | | |
| Later than five years | | |
| Total | | |

21. Contingent liabilities disclosed under IAS 37

The Agency has the following contingent liabilities *(list with explanatory narrative)*.

The Agency has entered into the following unquantifiable contingent liabilities *(list with explanatory narrative including why the contingent liability is unquantifiable)*.

Guarantees, indemnities and letters of comfort should normally be issued by departments rather than agencies or other designated bodies. Where, exceptionally, an agency or other designated body has given a guarantee, indemnity or letter of comfort and it is significant in relation to the department, details should be noted here.

22. Related-party transactions

The Agency should disclose here its parent and other bodies sponsored by its parent. These bodies are regarded as related parties with which the Agency has had various material transactions during the year.

In addition, the Agency has had [a small number of] [various material] transactions with other government departments and other central government bodies.

No board member, key manager or other related parties has undertaken any material transactions with the Agency during the year. *[If there have been material transactions, they should be disclosed.]*

If not disclosed elsewhere in the annual report and accounts, entities shall disclose the name of each of its subsidiaries, or provide a web link to where this information is available. If the entity has significant holdings in undertakings other than subsidiary undertakings, then the following must be disclosed:

- The name of the undertaking;
- If the undertaking is incorporated outside the UK, the country in which it is incorporated, or, if it is unincorporated, the address of its principal place of business;
- The identify of each class of shares in the undertaking held by the company and the proportion of the nominal value of the shares of that class represented by those shares; and
- If the entity holds more than 50% of the nominal value of the shares in the undertaking, the aggregate amount of the capital and reserves of the undertaking as at the end of its financial year and its profit or loss for that year, if material.

23. Third-party assets

These are assets for which an entity acts as custodian or trustee but in which neither the entity nor government more generally has a direct beneficial interest.

Third party assets are not public assets, and should not be recorded in the primary financial statements.

Material third party assets should be disclosed.

Where significant the note should differentiate between:

- a) Third party monies and listed securities: the minimum level of numerical disclosure required is a statement of closing balances at financial year-end. For listed securities, this will be the total market value. Optionally, when considered significant by the entity and at its discretion, further disclosures may be made, including gross inflows and outflows in the year and the number and types of securities held;
- b) Third party physical assets and unlisted securities: disclosure may be by way of narrative note. For physical assets, the note should provide information on the asset categories involved. Such disclosure should be sufficient to give users of the financial statements an understanding of the extent to which third-party physical assets and unlisted securities are held by the entity; and
- c) In the event that third party monies are found to have been in a public bank account at the end of an accounting year, commentary should be included in the note on cash at bank and in hand and in the disclosures above on the amount of third party monies held in the bank account.

The assets held at the reporting period date to which it was practical to ascribe monetary values comprised [insert as relevant, for example: monetary assets, such as bank balances and monies on deposit, and listed securities]. They are set out in the table below.

| | 202X-2Y £000 | 202W-2X £000 |
|--|-----------------|-----------------|
| Monetary assets such as bank balances and monies on deposit | | |
| Listed securities | | |
| Total | | |

24. Events after the reporting period date

The Agency should insert here, if relevant, a note that reports the non-adjusting events after the reporting period date that are of such importance that non-disclosure would affect the ability of users to make proper evaluations and decisions per IAS 10.

The Agency should disclose the date when the financial statements were authorised for issue and who gave the authorisation.

See IAS 10 for further guidance