

DEPARTMENT YELLOW: ILLUSTRATIVE STATEMENTS

1. The illustrative resource accounts for "Department Yellow" (a fictitious departmental grouping) comprise:

A) Accountability

- Remuneration and Staff Report
- Statement of Parliamentary Supply
- Notes to the Statement of Outturn against Parliamentary Supply (SOPS)
- Parliamentary Accountability Disclosures

B) Financial Statements

- Consolidated Statement of Comprehensive Net Expenditure (CSocNE)
- Consolidated Statement of Financial Position (CSocFP)
- Consolidated Statement of Cash Flows (CSocCF)
- Consolidated Statement of Changes in Taxpayers' Equity (CSocTE)
- Notes to the accounts

2. The resource accounts are for illustration only and should only be followed as the circumstances of an individual department 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 and the requirements of IAS 1, 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 prior year version

Statement/ note	Changes	Reason
SoCNE, SoFP, Note 3, Note 20	Illustrative notes added for IFRS 17 disclosures.	IFRS 17 is being implemented in the FReM from 2025-26.
19	IFRS 16 transition guidance removed.	Entities should have fully transitioned to IFRS 16 in prior years. Transition guidance therefore no longer required.
19.1	Right of use asset note updated.	Improved the note to include more categories of transactions between opening and closing balance.

A) Accountability

Remuneration and Staff Report

1. Remuneration Report

Entities should prepare the remuneration report as specified in the FReM and disclosures promulgated in PES papers and Employers Pension Notes.

2. Staff Report

- 1)** *Staff numbers and related costs (and relevant disclosures) have been relocated to the Remuneration and Staff Report.*
- 2)** *Entities should provide an analysis of staff costs and numbers distinguishing between:*
 - *Staff with a permanent (UK) employment contract with the entity;*
 - *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.*
 - *Ministers; and*
 - *Special advisers*
- 3)** *Departments 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). Departments 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 (202W-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 Number	202W-2X Number
Activity	Permanently employed staff	Others	Ministers	Special advisers	Total	Total
<i>[List separately]</i>						
Staff engaged on capital projects	<i>Other columns can be added where appropriate – e.g., Armed Forces personnel in MOD.</i>					
Total						
Of which:						
Core department						
Agencies						
Other designated bodies						
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	Core Dept. & Agencies			Departmental Group		Total number of exit packages by cost band
	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band	Number of compulsory redundancies	Number of other departures agreed	
<£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 cost /£000						

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 department has agreed early retirements, the additional costs are met by the department 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.

Departments 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. Other schemes are most likely to apply in other designated bodies not listed in Schedule I to the Superannuation Act 1972 and may apply different statutory compensation term

3. Statement of Outturn against Parliamentary Supply (SOPS)

In order to ensure consistency and clarity in SOPS disclosures, mandatory standardised text has been developed to explain the role of the SOPS.

The following text must be included as part of the SOPS disclosures:

In addition to the primary statements prepared under IFRS, the Government Financial Reporting Manual (FReM) requires [the entity] to prepare a Statement of Outturn against Parliamentary Supply (SOPS) and supporting notes.

The SOPS and related notes are subject to audit, as detailed in the Certificate and Report of the Comptroller and Auditor General to the House of Commons.

The SOPS is a key accountability statement that shows, in detail, how an entity has spent against their Supply Estimate. Supply is the monetary provision (for resource and capital purposes) and cash (drawn primarily from the Consolidated fund), that Parliament gives statutory authority for entities to utilise. The Estimate details supply and is voted on by Parliament at the start of the financial year.

Should an entity exceed the limits set by their Supply Estimate, called control limits, their accounts will receive a qualified opinion.

The format of the SOPS mirrors the Supply Estimates, published on gov.uk, to enable comparability between what Parliament approves and the final outturn.

The SOPS contain a summary table, detailing performance against the control limits that Parliament have voted on, cash spent (budgets are compiled on an accruals basis and so outturn won't exactly tie to cash spent) and administration.

The supporting notes detail the following: Outturn by Estimate line, providing a more detailed breakdown (note 1); a reconciliation of outturn to net operating expenditure in the SOCNE, to tie the SOPS to the financial statements (note 2); a reconciliation of outturn to net cash requirement (note 3); and, an analysis of income payable to the Consolidated Fund (note 4).

Preparers must either explain the budgeting framework here, for example through a flow of funds diagram, or link to where this has been provided in the performance report (as noted in the FReM, 5.4.5 a)). Example text is as follows:

The SOPS and Estimates are compiled against the budgeting framework, which is similar to, but different to, IFRS. An understanding of the budgeting framework and an explanation of key terms is provided on page XX, in the financial review section of the performance report. Further information on the Public Spending Framework and the reasons why budgeting rules are different to IFRS can also be found in chapter 1 of the Consolidated Budgeting Guidance, available on gov.uk.

In addition, preparers should reference users to the discussion of financial performance in the Performance Report, where this requirement has been complied with. Where this requirement has not been complied with, commentary on outturn against estimate variances must instead be provided in the SOPS. Example text is as follows:

The SOPS provides a detailed view of financial performance, in a form that is voted on and recognised by Parliament. The financial review, in the Performance Report, provides a summarised discussion of outturn against estimate and functions as an introduction to the SOPS disclosures.

Where the department has an Excess Vote for one of the reasons given in the 'Supply Estimates Manual', 'Managing Public Money' or 'Managing Public Money Northern Ireland' (as appropriate) the department should insert this note and provide an understanding of why the Excess was incurred and how this has affected performance, if not already provided elsewhere:

The Department has incurred an Excess of [insert amount] because [insert reason]. The Department will seek parliamentary approval by way of an Excess Vote in the next Supply and Appropriation Act [Budget Act in Northern Ireland].

Preparers, when compiling the SOPS should still bear in mind the guidance in 6.6.9 a) that preparers may find it useful to provide further context and explanation over and above the minimum requirements detailed in 6.6 and throughout these illustrative statements; for example, by adding further explanatory text and indicating where information reconciles to other parts of the financial statements.

Summary tables – mirrors part 1 of the Estimates

Summary table, 20XX – XX, all figures presented in £000's

Type of spend	SoPS note	Outturn			Estimate			Outturn vs Estimate, saving/(excess)		Prior Year Outturn Total, 20XX - XX
		Voted	Non-Voted	Total	Voted	Non-Voted	Total	Voted	Total	
Departmental Expenditure Limit										
Resource	1.1	18	6	24	18	8	26	-	2	1
Capital	1.2	9	3	12	9	3	12	-	-	1
Total		27	9	36	27	11	38	-	2	2
Annually Managed Expenditure										
Resource	1.1	18	6	24	18	5	23	-	(1)	1
Capital	1.2	9	3	12	9	3	12	-	-	1
Total		27	9	36	27	8	35	-	(1)	2
Total Budget										
Resource	1.1	36	12	48	36	13	49	-	1	2
Capital	1.2	18	6	24	18	6	24	-	-	2
Total Budget Expenditure		54	18	72	54	19	73	-	1	4
Non-Budget Expenditure	1.1			-			-	-	-	1
Total Budget and Non budget		54	18	72	54	19	73	-	1	5

Text to include: Figures in the areas outlined in thick line cover the voted control limits voted by Parliament. Refer to the Supply Estimates guidance manual, available on gov.uk, for detail on the control limits voted by Parliament.

Net cash requirement 20XX – XX, all figures presented in £000's

Item	SoPS note	Outturn	Estimate	Outturn vs Estimate, saving/(excess)	Prior Year Outturn Total, 20XX - XX
Net Cash requirement	3	64	68	4	60

Administration costs 20XX – XX, all figures presented in £000's

Type of spend	SoPS note	Outturn	Estimate	Outturn vs Estimate, saving/(excess)	Prior Year Outturn Total, 20XX - XX
Administration costs	1.1	24	25	1	20

Text to include: *Although not a separate voted limit, any breach of the administration budget will also result in an excess vote.*

Where the department has a reportable Prior Period Adjustment, the department should insert the following text: *The Department has Prior Period Adjustments (PPAs) resulting from [insert reason]. It is proper for the department to seek parliamentary authority for the provision that should have been sought previously. In 20XX-XX, the following such PPAs have been made, which have been included within voted Supply in the Estimate.*

PPA Description	Resource/ Capital	DEL/AME	Amount/ £000

Guidance on PPAs and what they are is included in the Consolidated budgeting guidance.

Preparers should note 6.6.8 c) in the FReM and include any commentary as relevant.

Notes to the Statement of Outturn against Parliamentary Supply, 20XX – XX (£000's)

SOPS1. Outturn detail, by Estimate Line

SOPS1.1 Analysis of resource outturn by Estimate line

Type of spend (Resource)	Resource outturn							Estimate			Outturn vs Estimate, saving/ (excess)	Prior Year Outturn Total, 20XX - XX	
	Administration			Programme			Total	Total	Virements	Total inc. virements			
	Gross	Income	Net	Gross	Income	Net							
Spending in Departmental Expenditure Limits (DEL)													
Voted expenditure													
A - Estimate line 1	2		2	3	(1)	2	4	5	1	6	2	6	
B - Estimate line 2	2		2	3	(1)	2	4	7	(1)	6	2	6	
C - Estimate line 3	2		2	3	(1)	2	4	6		6	2	6	
Total voted DEL	6	-	6	9	(3)	6	12	18	-	18	6	18	
Non-voted expenditure													
D - Estimate line 4	2		2	3	(1)	2	4	1	3	4	-	1	
Total non-voted DEL	2	-	2	3	(1)	2	4	1	3	4	-	1	
Total spending in DEL	8	-	8	12	(4)	8	16	19	3	22	6	19	
Spending in Annually Managed Expenditure (AME)													
Voted expenditure													
A - Estimate line 1	2		2	3	(1)	2	4	5	1	6	2	6	
B - Estimate line 2	2		2	3	(1)	2	4	7	(1)	6	2	6	
C - Estimate line 3	2		2	3	(1)	2	4	6		6	2	6	
Total voted AME	6	-	6	9	(3)	6	12	18	-	18	6	18	
Non-voted expenditure													
E - Estimate line 4	2		2	3	(1)	2	4	7	(3)	4	-	1	
Total non-voted AME	2	-	2	3	(1)	2	4	7	(3)	4	-	1	
Total spending in AME	8	-	8	12	(4)	8	16	25	(3)	22	6	19	
Total resource	16	-	16	24	(8)	16	32	44	-	44	12	38	

SOPS1.2 Analysis of capital outturn by Estimate line

Type of spend (Capital)	Outturn			Estimate			Outturn vs Estimate, saving/ (excess)	Prior Year Outturn Total, 20XX - XX
	Gross	Income	Net total	Total	Virements	Total inc. virements		
Spending in Departmental Expenditure Limits (DEL)								
Voted expenditure								
A - Estimate line 1	3	(1)	2	1	2	3	1	6
B - Estimate line 2	3	(1)	2	1	2	3	1	6
C - Estimate line 3	3	(1)	2	1		1	(1)	6
Total voted DEL	9	(3)	6	3	4	7	1	18
Non-voted expenditure								
D - Estimate line 4	3	(1)	2	1		1	(1)	1
Total non-voted DEL	3	(1)	2	1	-	1	(1)	1
Total spending in DEL	12	(4)	8	4	4	8	-	19
Spending in Annually Managed Expenditure (AME)								
Voted expenditure								
A - Estimate line 1	3	(1)	2	8	(4)	4	2	6
B - Estimate line 2	3	(1)	2	2		2	-	6
C - Estimate line 3	3	(1)	2	1		1	(1)	6
Total voted AME	9	(3)	6	11	(4)	7	1	18
Non-voted expenditure								
E - Estimate line 4	3	(1)	2	1		1	(1)	1
Total non-voted AME	3	(1)	2	1	-	1	(1)	1
Total spending in AME	12	(4)	8	12	(4)	8	-	19
Total capital	24	(8)	16	16	-	16	-	38

Text to include: *The total Estimate columns include virements. Virements are the reallocation of provision in the Estimates that do not require parliamentary authority (because Parliament does not vote to that level of detail and delegates to HM Treasury). Further information on virements is provided in the Supply Estimates Manual, available on gov.uk.*

The outturn vs estimate column is based on the total including virements. The estimate total before virements have been made is included so that users can tie the estimate back to the Estimates laid before Parliament.

SOPS2. Reconciliation of outturn to net operating expenditure

Item	Reference	Outturn total	Prior Year Outturn Total, 20XX - XX
Total Resource outturn	SOPS 1.1	48	38
Add: Capital grants		5	4
Other (provide details e.g. PFI adjustments, etc)		5	4
Total		10	8
Less: Income paid/payable to the Consolidated Fund		(4)	(3)
Other (provide details e.g. PFI adjustments, etc)		(3)	(2)
Total		(7)	(5)
Net Operating Expenditure in Consolidated Statement of Comprehensive Net Expenditu	SOCNE	51	41

Text to include: As noted in the introduction to the SOPS above, outturn and the Estimates are compiled against the budgeting framework, which is similar to, but different from, IFRS. Therefore, this reconciliation bridges the resource outturn to net operating expenditure, linking the SOPS to the financial statements.

Reconciling items must be explained, if not already explained elsewhere, with reference to where and why budgeting rules diverge from IFRS. For example: *Capital grants are budgeted for as CDEL but accounted for as spend on the face of the SOCNE, and therefore function as a reconciling item between Resource and Net Operating Expenditure. £Xm of capital grants were issued to X for the purposes of Y....*

If the total resource outturn in the SOPS is the same as net operating expenditure in the SoCNE, no reconciliation is required, and a written statement can instead be included stating this is the case.

Please note, the use of an 'other' row in the table above is only illustrative and preparers should provide relevant detail of other reconciling items (such as PFI, R&D, etc).

SoPS3. Reconciliation of net resource outturn to net cash requirement

Item	Reference	Outturn total	Estimate	Outturn vs Estimate, saving/ (excess)
Total Resource outturn	SOPS 1.1	48	49	1
Total Capital outturn	SOPS 1.2	24	24	-
<i>Adjustments for ALBs:</i>				
Remove voted resource and capital		(3)	(3)	-
Add cash grant-in-aid		3	4	1
<i>Adjustments to remove non-cash items:</i>				
Depreciation		(5)	(4)	1
New provisions and adjustments to previous provisions		(4)	(2)	2
Departmental Unallocated Provision		-	-	-
Supported capital expenditure (revenue)		-	-	-
Prior period adjustments		-	-	-
Other non-cash items		1	2	1
<i>Adjustments to reflect movements in working balances:</i>				
Increase/(decrease) in inventories		-	-	-
Increase/(decrease) in receivables		-	-	-
(Increase)/decrease in payables		2	(1)	(3)
Use of provisions		2	2	-
Total		(4)	(2)	2
<i>Removal of non-voted budget items:</i>				
Consolidated Fund Standing Services		(4)	(3)	1
Other adjustments		-	-	-
Total		(4)	(3)	1
Net cash requirement		64	68	4

Text to include: *As noted in the introduction to the SOPS above, outturn and the Estimates are compiled against the budgeting framework, not on a cash basis. Therefore, this reconciliation bridges the resource and capital outturn to the net cash requirement.*

Commentary explaining reconciling items may be included if preparers believe it will be of use to users. Preparers may also find it useful to indicate how the NCR ties to the cash flow in the financial statements too (although the cash flow includes funding from the Consolidated Fund (Supply) and so usually won't immediately reconcile to NCR. Please note, the rows in the table above are illustrative, additional rows may be needed or can be removed if nil balance.

SOPS4. Amounts of income to the Consolidated Fund

SOPS4.1 Analysis of income payable to the Consolidated Fund

In addition to income retained by the department, the following income is payable to the Consolidated Fund (cash receipts being shown in italics).

Item	Reference	Outturn total		Prior Year, 20XX - XX	
		Accruals	Cash basis	Accruals	Cash basis
Income outside the ambit of the Estimate		1	2	1	1
[Excess] cash surrenderable to the Consolidated Fund		1	1	1	1
Total amount payable to the Consolidated Fund		2	2	2	2

Preparers should consider adding explanatory text for this note, explaining its purpose and how it reconciles to other parts of the financial statements.

SOPS4.2 Consolidated Fund Income

Where the department collects income as an agent 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 4.1 above does not include any amounts collected by the department 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 the group financial statements) were:

Item	Outturn total	Prior Year Outturn Total, 20XX - XX
Taxes and licence fees	1	1
Fines and penalties	2	2
Other Income	1	1
Less:		
Costs of collection - where deductible	(2)	(2)
Uncollectible debts	(1)	(1)
Amount payable to the Consolidated Fund	1	1
Balance held at the start of the year	1	1
Payments into the Consolidated Fund	-	(1)
Balance held on trust at the end of the year	2	1

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

4. Parliamentary Accountability Disclosures

Departments 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.

4.1. Losses and special payments

The following sections are subject to audit

4.1.1 Losses Statement

Departments 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	
	Core Department & Agencies	Departmental Group	Core Department & Agencies	Departmental Group
Total number of losses				
Total value of losses (£000)				
Details of losses over £300,000				
Cash losses				
[List cases]				
Claims abandoned				
[List cases]				
Administrative write-offs				
[List cases]				
Fruitless payments				
[List cases]				
Store Losses				
[List cases]				

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

Departments 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.

4.1.2 Special Payments

Departments 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		202W-2X	
	Core Department & Agencies	Departmental Group	Core Department & Agencies	Departmental Group
Total number of special payments				
Total value of special payments (£000)				
Details of special payments over £300,000 [List cases]				

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

Departments 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 a department'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.

4.1.3 Other payments

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

4.2 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 departments 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*

4.3 Remote Contingent Liabilities

This section is subject to audit

In addition to contingent liabilities disclosed in the financial statements, the department also reports liabilities for which the likelihood of a transfer of economic benefit in settlement is remote but are still in scope of IAS 37. **[Insert list with explanatory narrative]**

4.4 Reconciliation of contingent liabilities included in the supply estimate to the accounts

Refer to FReM 6.7.1(g) for further guidance on this note.

Quantifiable CLs:			
Description of CL	Supply Estimate (£000)	Amount disclosed in ARA (£000)	Variance (Estimate – Amount Disclosed in ARA, £000)
Indemnity for X	1,000	500	500
Unquantifiable CLs			
Description of CL	Included in the Supply Estimate (Yes/ No)	Disclosed in the ARA (Yes/ No)	Explanation of difference
Indemnity for Y	Yes	No	

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. 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.

Consolidated Statement of Comprehensive Net Expenditure

for the Year ended 31 March 202Y

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.

Evidence obtained during the Simplifying and Streamlining Accounts project has highlighted that some users still value the disclosure of spend for administration. While this will be removed from the main statements, transparency over the split between administration and programme expenditure and income will remain through the retention of the administration control total and the retained Common Core Table providing an analysis of administration budgets. Row headings in this statement should be based on a department's material sources of income and expenditure. Where a department 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.

	Note (if material)	202X-2Y		202W-2X	
		Core Dept. & Group Agencies		Core Dept. & Group Agencies	
		£000	£000	£000	£000
Revenue from contracts with customers	4				
Insurance revenue	4/ 20				
Other operating income	4				
Total operating income					
Staff costs	3				
Purchase of goods and services	3				
Depreciation and impairment charges	3/5/6/8				
Provision expense	3/16				
Insurance service expenditure	3/ 20				

Net expenses from reinsurance contracts held	3/ 20	
Other operating expenditure	3	
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 expenditure:		
- Net gain/loss on revaluation of property, plant and equipment	5	
- Net gain/loss on revaluation of intangible assets	6	
- Actuarial gain/loss on pension scheme liabilities		
Items which may be reclassified to net operating expenditure:		
- Net gain/loss on revaluation of investments	10	
Comprehensive net expenditure for the year		

Consolidated Statement of Financial Position

as at 31 March 202Y

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

This statement presents the financial position of the department. 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		202W-2X	
		Core Dept. and Agencies	Group	Core Dept. and Agencies	Group
		£000	£000	£000	£000
Non-current assets:					
Property, plant & equipment	5				
Right-of-use assets	19.1				
Investment properties	7				
Intangible assets	6				
Trade & other receivables	14				
Financial assets	9/14				
Insurance contract assets	20				
Reinsurance contract assets	20				
Total non-current assets					
Current assets					
Assets classified as held for sale	11				
Inventories	12				
Trade & other receivables	14				
Contract Assets	14				
Other current assets	14				
Financial assets	9/14				
Cash & cash equivalents	13				
Insurance contract assets	20				
Reinsurance contract assets	20				
Total current assets					
Total assets					
Current liabilities					
Trade and other payables	15				
Contract liabilities	15				
Provisions	16				

Other liabilities	15	
Insurance contract liabilities	20	
Reinsurance contract liabilities	20	
<i>Total current liabilities</i>		
Total assets less current liabilities		
Non-current liabilities		
Provisions	16	
Other payables	15	
Other liabilities	15	
Retirement benefit obligations	18	
Insurance contract liabilities		
Reinsurance contract liabilities		
<i>Total non-current liabilities</i>		
Total assets less total liabilities		
Taxpayers' equity and other reserves:		
General Fund		
Revaluation Reserve		
Total equity		

Signed:

Date:

Accounting Officer

Consolidated 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 department during the reporting period. The statement shows how the department 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 department. Investing activities represent the extent to which cash inflows and outflows have been made for resources which are intended to contribute to the departments' future public service delivery.

In line with the implementation of the Simplifying and Streamlining Accounts project proposes cash flows arising from financing activities have been amalgamated to show only net flows. Additional lines not currently shown related to finance costs and revenues have also been included. Departments will retain the flexibility and freedom to add additional headings as necessary for their individual circumstances.

	202X-2Y		202W-2X	
	Note (if material)	Core Dept. & Agencies	Group	Core Dept. & Agencies
		£000	£000	£000
Cash flows from operating activities				
Net operating expenditure				
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	
<i>Net cash inflow/(outflow) from investing activities</i>	
Cash flows from financing activities ³	
From the Consolidated Fund (Supply) – current year ⁴	
From the Consolidated Fund (Supply) – prior year ⁵	
From the Consolidated Fund (non-Supply) ⁶	
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 ⁷	
<i>Net financing</i>	
Net increase/(decrease) in cash and cash equivalents in the period before adjustment for payments to the Consolidated Fund	

Payments of amounts due to the Consolidated Fund ⁸	
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: departmental 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. Where material these lines should be included in the Statement.*
2. *Where the purchases for asset classes 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.*

Consolidated Statement of Changes in Taxpayers' Equity

for the year ended 31 March 202Y

This statement shows the movement in the year on the different reserves held by [the Department], 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 a department, to the extent that the total is not represented by other reserves and financing items.

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 supply funded nature of departments – e.g., departments funded from Supply (or grant-in-aid) will need to adapt the format to disclose transactions with the General Fund. Departments will retain the flexibility and freedom to add additional headings as necessary to capture all transactions passing through reserves; for example, CFERs payable to the consolidated fund. This information should be provided for the core department and its agencies and for the departmental group on a consolidated basis.

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

Notes to the Departmental Resource 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 based on 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 departments to produce notes where the information is immaterial to the user. 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 the FReM.

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 department's activities;
- any differences between information in the statement of operating expenditure 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.

	Note	202X-2Y				202W-2X			
		[Reportable Segment 1]	[Reportable Segment 2]	[Reportable Segment 3]	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.

Illustrative Statements: Department Yellow

Departments should also provide reconciliations of:

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

Note 2.1 Reconciliation between Operating Segments and CSoCNE

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

Note 2.2 Reconciliation between Operating Segments and CSoFP

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

3. Expenditure

Entities should provide an analysis of operating expenditure 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 expenditure. However, entities should ensure they are able to provide a breakdown to their auditors in order to audit the Statement of Parliamentary Supply.

		202X-2Y £000		202W-2X £000
Note	Core Department & Agencies	Departmental Group	Core Department & Agencies	Departmental Group

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.

Staff Costs¹:

- Wages and Salaries
- Social Security Costs
- Other Pension Costs

Grants

Goods and services

Interest charges

- PFI and other service
- concession arrangements
- service charges

Research and Development
expenditure

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'.

Insurance service expenses

Non-cash items:

- Depreciation

- Amortisation

- Loss on disposal of
property, plant and
equipment

- Auditors'
remuneration and
expenses

- Increase/Decrease in
provisions (Provision
provided for in year less
any release)

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

Borrowing costs
(Unwinding of discount)
on provisions
Unwinding of the
discount on insurance
contract liabilities

Total

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

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. Departments 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*

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

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 (E.g., Grants, dividends), 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 department does to earn the income.

	202X-2Y £000		202W-2X £000	
	Core Department & Agencies	Departmental Group	Core Department & Agencies	Departmental Group
Income source 1				
Income source 2				
etc				
Total				

5. Property, plant and equipment

Consolidated								202X-2Y
	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 amount at 31 March 202X								
Carrying amount at 31 March 202Y								
Asset financing:								
Owned								

Illustrative Statements: Department Yellow

Leased	
PFI and other service concession arrangements	
Contracts	
Carrying amount at 31 March 202Y	
Of the total:	
Department	
Agencies	
Other designated bodies	
Carrying amount at 31 March 202Y	

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

If relevant, departments 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.

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

See FReM Chapter 10 and IAS 16 for specific details for disclosure requirements.

Illustrative Statements: Department Yellow

Consolidated	202W-2X							
	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 amount at 31 March 201W								
Carrying amount at 31 March 202X								
Asset financing:								

Owned
Leased
PFI and other service
concession
arrangements
Contracts

Carrying amount at 31
March 202X

Of the total:

Department
Agencies
Other designated
bodies

Carrying amount at 31
March 202X

6. Intangible assets

Consolidated

	Information Technology	Software Licences	Websites	Development Expenditure	Licences, Trademarks & Artistic Originals	Patents	Goodwill	Payments on Account & Assets under Construction	202X-2Y 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 amount at 31 March 202X									
Carrying amount at 31 March 202Y									
Asset financing:									
Owned									
Leased									

Illustrative Statements: Department Yellow

Consolidated									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
Contracts									
Carrying amount at 31 March 202Y									
Of the total:									
Department									
Agencies									
Other designated bodies									
Carrying amount at 31 March 202Y									

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

If relevant, departments 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 further disclosure requirements

Illustrative Statements: Department Yellow

Consolidated	Information Technology	Software Licences	Websites	Development Expenditure	Licences, Trademarks & Artistic Originals	Patents	Goodwill	Payments on Account & Assets under Construction	202W-2X 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 amount at 31 March 202W									
Carrying amount at 31 March 202X									
Asset financing:									
Owned									
Leased									
Contracts									

Illustrative Statements: Department Yellow

Consolidated	Information Technology	Software Licences	Websites	Development Expenditure	Licences, Trademarks & Artistic Originals	Patents	Goodwill	Payments on Account & Assets under Construction	202W-2X Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Carrying amount at 31 March 201X									
Of the total:									
Department									
Agencies									
Other designated bodies									
Carrying amount at 31 March 202X									

7. Investment Properties

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

8. Impairments

Where material, departments 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.

9. Financial Instruments

ONLY where the Department is exposed to material financial instrument 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 Department holds financial instruments that are complex or play a significant in the financial risk profile of the department. In such cases departments 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 Department does not face significant financial risks, then it is sufficient to make a statement to that effect – similar to that below.

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

10. Investments and loans in other public sector bodies

	Ordinary shares	Loans	Public Dividend Capital	Other investments	Total
	£000	£000	£000	£000	£000
Balance at 1 April 202W					
Additions					
Disposals					
Repayments and redemptions					
Interest capitalised					
Revaluations					
Impairments					
Balance at 31 March 202X					
Additions					
Disposals					
Repayments and redemptions					
Interest capitalised					
Revaluations					
Impairments					
Balance at 31 March 202Y					

Where applicable, the accounts should show here an analysis of investments and loans between those held by the core department, those held by agencies and those held by NDPBs.

The department's share of public sector bodies accounted for as associates' assets, liabilities, revenue and net profit or loss is shown below:

	Share of holding %	Assets £000	Liabilities £000	Revenue £000	Net profit or loss £000
Associate 1					
Associate 2					
Balance at 31 March 202Y					

11. Assets Held for Sale

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

12. Inventories

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

	202X-2Y £000		202W-2X £000	
	Core Departme nt & Agencies	Department al Group	Core Departme nt & Agencies	Department al Group
<i>[List separately]</i>				

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. See the FReM and IAS 7 for detailed disclosure requirements for cash.

	202X-2Y £000		202W-2X £000	
	Core Department & Agencies	Departmental Group	Core Department & Agencies	Departmental Group
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 receivables, financial and other assets

	202X-2Y £000		202W-2X £000	
	Core Department & Agencies	Departmental Group	Core Department & Agencies	Departmental Group
Amounts falling due within one year:				
Trade receivables				
Deposits and advances				
Other receivables				
	<i>Where material, other receivables should be analysed and any significant items disclosed separately</i>			
Prepayments				
Accrued income				
Contract assets				
Current part of PFI and other service concession arrangements				
prepayment				
Current part of NLF loan				
Amounts due from the Consolidated Fund in respect of supply				
Total				
Amounts falling due after more than one year:				
Trade receivables				
Deposits and advances				
Other receivables				
Prepayments				
Total				

15 Trade payables, financial and other liabilities

		202X-2Y £000		202W-2X £000
	Core Department & Agencies	Departmental Group	Core Department & Agencies	Departmental Group
Amounts falling due within one year				
VAT				
Other taxation and social security				
Trade payables				
Other payables				
Accruals				
Deferred income				
Contract liabilities				
Current part of lease liabilities				
Current part of capital and interest elements of PFI contracts and other service concession arrangements				
Current part of NLF loans				
Amounts issued from the Consolidated Fund for supply but not spent at year end				
Consolidated Fund extra receipts due to be paid to the Consolidated Fund received				
receivable				
Amounts falling due after more than one year:				
Other payables, accruals and deferred income				
Leases				
Capital and interest elements of PFI contracts and other service concession arrangements				
NLF loans				

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

Illustrative Statements: Department Yellow

16. Provisions for liabilities and charges

	202X-2Y		202W-2X	
	£000		£000	
	Core Department & Agencies	Departmental Group	Core Department & Agencies	Departmental Group
Balance at 1 April				
Provided in the year				
Provisions not required written back				
Provisions utilised in the year				
Changes in discount rate				
Borrowing costs (unwinding of discounts)				
Balance at 31 March				

16.1 Analysis of expected timing of discounted flows

	202X-2Y £000		202W-2X £000	
	Core Department & Agencies	Departmental Group	Core Department & Agencies	Departmental Group
Not later than one year				
Later than one year and not later than five years				
Later than five years				
Balance at 31 March				

Department should breakdown material categories of provisions for example legal, nuclear decommissioning and early departure etc.

	Provision A	Provision B	Provision C	Provision D	Other	Total
Not later than one year						
Later than one year and not later than five years						
Later than five years						
Balance at 31 March						

Departments 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.

17. Contingent liabilities

The Department has the following quantifiable contingent liabilities: [insert list with explanatory narrative]

The Department has entered into the following unquantifiable contingent liabilities. [Insert list of **unquantifiable contingent liabilities**. Departments should give an explanation as to why the liabilities are unquantifiable and, should any of them relate to an agency or other designated body, that fact should be noted.]

	1 April 202X	Increase in year	Liabilities crystallised in year	Obligation expired in year	31 March 202Y	Amount reported to Parliament by departmental Minute
	£000	£000	£000	£000	£000	£000
Guarantees (listed)						
Indemnities (listed)						
Letter of comfort (listed)						

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.

Where the department has material quantifiable guarantees, indemnities and letters of comfort these should be disclosed, including an explanation of movements where necessary.

18. Retirement benefit obligations

Departments 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.

19. 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, entities 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; entities should bear these needs in mind when determining which disclosures to make around leases.

Entities 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.

19.1 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						

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

19.2 Quantitative disclosures around lease liabilities

Maturity analysis

	202X-2Y £000		202W-2X £000	
	Core Department & Agencies	Departmental Group	Core Department & Agencies	Departmental Group
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	<i>Where other is material, Departments should split out significant categories.</i>			
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				
Total Present value of obligations				
Current portion				
Non-current portion				

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

	202X-2Y		202W-2X	
	£000	£000	£000	£000
	Core Department & Agencies	Departmental Group	Core Department & Agencies	Departmental Group
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)				

19.4 Quantitative disclosures around cash outflow for leases

	202X-2Y		202W-2X	
	£000	£000	£000	£000
	Core Department & Agencies	Departmental Group	Core Department & Agencies	Departmental Group
Total cash outflow for leases				

20 Insurance and reinsurance contracts

20.1. Reconciliations of insurance contract liabilities³

	Liability for remaining coverage (LRC)		Liability for incurred claims (LIC)	Total
	Excluding loss component	Loss component		
Opening insurance contract liabilities				
Opening insurance contract assets				
Net balance at 1 April				
Insurance revenue				
Insurance service expenses				
- Incurred claims and other directly attributable expenses				
- Changes that relate to past service adjustments – changes to the LIC.				
- Losses on onerous contracts and reversals of those losses				
- Insurance acquisition cash flows amortisation				
Insurance service expenses				
Insurance service result				
Finance expenses from insurance contracts issued				
Total amounts recognised in comprehensive income				
Other changes				
Cash flows				
Premiums received				
Claims and other directly attributable expenses paid				
Insurance acquisition cash flows				
Total cash flows				
Net balance at 31 March				
Closing insurance contract liabilities				
Closing insurance contract assets				
Net balance at 31 March				

³ IFRS 17.98-100.

20.2. Reconciliations of measurement components of insurance contract balances⁴

	Present value of future cash flows	Risk adjustment for non-financial risks	CSM	Total
Opening insurance contract liabilities				
Opening insurance contract assets				
Net balance at 1 April				
Changes that relate to current service				
- CSM recognised in profit or loss for the services provided				
- Change in the risk adjustment for non-financial risk for the risk expired				
- Experience adjustments				
	XX	XX	XX	XX
Changes that relate to future service				
- Changes in estimates that adjust the CSM				
- Changes in estimates that result in onerous contract losses or reversal of losses				
- Contracts initially recognised in the period				
	XX	XX	XX	XX
Changes that relate to past service – adjustments to the LIC				
Insurance service result	XX	XX	XX	XX
Finance (income) expenses from insurance contracts issued				
Total amounts recognised in comprehensive income	XX	XX	XX	XX
Other changes				
Cash flows				
Premiums received				
Claims and other directly attributable expenses paid				
Insurance acquisition cash flows				
Total cash flows	XX	XX	XX	XX
Net balance at 31 March	XX	XX	XX	XX

Closing insurance contract liabilities				
Closing insurance contract assets				
Net balance at 31 March	XX	XX	XX	XX

⁴ IFRS 17.99-105

20.3. Insurance contracts recognised in year

	Non- onerous contracts	Onerous contracts	Total
Estimates of the present value of future cash outflows			
- Insurance acquisition cash flows			
- Claims and other directly attributable expenses			
Total estimate of the present value of future cash outflows	X	X	X
Estimates of the present value of future cash inflows			
Risk adjustment for non-financial risk			
CSM			
Increase in insurance contract liabilities from contracts recognised in the period	XX	XX	XX

21. Commitments under PFI and other service concession arrangements

21.1 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 Department;
- 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 (202W–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	
	Core Department & Agencies	Departmental Group	Core Department & Agencies	Departmental Group
Not later than one year				
Later than one year and not later than five years				
Later than five years				

20.2 On-balance sheet (SoFP)

Departments [its agencies and NDPBs where appropriate] 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. Departments 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	
	Core Department & Agencies	Departmental Group	Core Department & Agencies	Departmental Group
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

22. Capital and Other Commitments

22.1 Capital Commitments

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

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

22.2 Other financial commitments

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

The department has entered into non-cancellable contracts (which are not leases, PFI contracts or other service concession arrangements), for *[state what service is being provided]*. The payments to which the department are committed are as follows.

	202X-2Y £000		202W-2X £000	
	Core Department & Agencies	Departmental Group	Core Department & Agencies	Departmental Group
Not later than one year				
Later than one year and not later than five years				
Later than five years				

23. Related-party transactions

The Department is the parent of its agencies and other designated bodies [named if appropriate or insert a cross reference to note 24] and sponsor of its public corporations [named if appropriate or insert a cross reference to note 24]. These bodies are regarded as related parties with which the Department has had [insert description, for example a small number of transactions or various material transactions] during the year:

In addition, the Department has had [insert description, for example a small number of transactions or various material transactions] with other government departments and other central government bodies.

No minister, board member, key manager or other related parties has undertaken any material transactions with the Department during the year.

If there have been material transactions with other related parties, these 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.

24. 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	
	Core Department & Agencies	Departmental Group	Core Department & Agencies	Departmental Group
Monetary assets such as bank balances and monies on deposit				
Listed securities				
Total				

25. Entities within the departmental boundary

The entities within the boundary during 202X-2Y comprise supply financed agencies and those entities listed in the Designation and Amendment Orders presented to Parliament. They are:

Insert list of entities analysed between:

- Supply financed agencies
- Non-departmental public bodies (executive and non-executive being listed under subheadings)
- Others

This note should also refer to where the annual reports and accounts (where appropriate) of the above bodies might be found - this could be a statement that the annual reports and accounts are published separately, a HC number, weblink or other reference.

26. Events after the reporting period date

Departments 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.

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