

SUMMARY OF MAIN CHANGES – DEPARTMENT PURPLE: ILLUSTRATIVE TRUST STATEMENT

Statement/ Note	Change	Reason
FReM Proformas	Amendments to FReM	To reflect changes due to implementation of the <i>Simplifying and Streamlining Accounts</i> project

201X–1Y Department Purple: illustrative trust statements

1. The illustrative trust statements for “Department Purple” (a fictitious departmental grouping) comprise:
 - A) Accountability Report**
 - Corporate Governance Report which, as a minimum, must include the Directors’ Report; the Statement of Accounting Officer’s Responsibilities; and the Governance Statement. (see FReM 5.3.7-8)
 - The Certificate and Report of the C&AG (see FReM 5.3.30-34)
 - B) Financial Statements**
 - a** Statement of Revenue, Other Income & Expenditure,
 - b** Statement of Financial Position;
 - c** Statement of Cash Flows;
 - d** Notes to the accounts.
2. The trust statements are for illustration only and should be followed only 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, notes to the accounts will only be required for material balances. The removal of non-material balances, with a recognition that materiality is not restricted to just monetary value, will significantly streamline and simplify the accounts ensuring that the user is only presented with and can focus on relevant and material information. There will be no diminution of audit scope or depth, only the presentation of the information will be affected.

B) Financial Statements

Statement of Revenue, Other Income and Expenditure

for the Year Ended 31 March 201Y

	Note	201X-1Y £000	201W-1X £000
Income			
Licence Fees and Taxes			
<i>List the separate sources of taxes and licence fees</i>	2.1	_____	_____
Total licence fees and taxes		_____	_____
Fines and Penalties			
<i>List the separate sources of fines and penalties</i>	2.2	_____	_____
Total fines and penalties		_____	_____
Other Income			
<i>List the separate sources of other income</i>	2.3	_____	_____
Total other income		_____	_____
Total Revenue and Other Income		_____	_____
Expenditure			
Collection costs – <i>include only where statute permits costs to be deducted</i>			
Credit losses - debts written off or otherwise impaired	3.2		
Other expenditure – <i>include only those costs permitted by statute</i>			
Total expenditure		_____	_____
Net Revenue for the Consolidated Fund		_____	_____
		<i>These totals appear as the first line in Note A of the Cash Flow Statement</i>	

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

Statement of Financial Position

as at 31 March 201Y

	Note	201X-1Y £000	201W-1X £000
Receivables falling due after more than one year		_____	_____
Current Assets			
Receivables	3		
Accrued Fees and Taxes Receivable	3		
Cash and cash equivalents			
		<i>These totals also appear in Note B to the Statement of Cash Flows</i>	
Total current assets		_____	_____
Current Liabilities			
Payables	4		
Accrued Revenue Liabilities	4		
Deferred Revenue and other income	4		
Total current liabilities		_____	_____
Net Current Assets		_____	_____
Total Assets less Current Liabilities			
Provision for liabilities	5		
Total Net Assets		_____	_____
Represented by:			
Balance on Consolidated Fund Account	6	<i>These totals also appear in Note 6</i>	
		_____	_____

Principal Accounting Officer
[Date]

Statement of Cash Flows

for the year ended 31 March 201Y

	Note	201X-1Y £000	201W-1X £000
Net cash flow from operating activities	A below	<i>These are the totals calculated from Note A below</i>	
Cash paid to the Consolidated Fund	6	<i>These totals also appear in the third row of note 6</i>	
Increase/(Decrease) in cash in this period		<i>These are the net increase/decrease in cash and should be consistent with the Statement of Financial Position. The figures also appear in Note B</i>	

Notes to the Cash Flow Statement

A: Reconciliation of Net Cash Flow to Movement in Net Funds

Net Revenue for the Consolidated Fund	<i>These totals are taken from the Net Revenue for the Consolidated Fund line in the Statement of Revenue, Other Income and Expenditure</i>
Increase/Decrease in Non-Cash Assets	<i>These totals are the movements in assets excluding cash and should be consistent with the figures in the Statement of Financial Position and Note 3</i>
Increase/Decrease in Liabilities	<i>These totals are the movements in liabilities and provisions and should be consistent with the figures in the Statement of Financial Position and Note 4</i>
Increase/Decrease in Provisions for Liabilities	
Net Cash Flow from operating activities	<i>These are taken to the 'Net Cash Flow from Operating Activities' above</i>

B: Analysis of Changes in Net Funds

Increase/(Decrease) in Cash in this Period	<i>These are the net increase/decrease in cash and should be consistent with the Statement of Financial Position. The figures appear in the final line of the first section on this page</i>
Net Funds at 1 st April (Net Cash at Bank)	<i>These totals should be the same as the figures in the Statement of Financial Position</i>
Net Funds at 31 st March (Closing Balance)	<i>These totals should be the same as the figures in the Statement of Financial Position</i>

Department Purple – Trust Statements 201X-1Y

Notes to the trust statements

1. Statement of Accounting Policies

1.1 *Basis of Accounting*

The Trust Statement is prepared in accordance with the accounts direction issued by Department of Finance and Personnel Northern Ireland (DFP) under section 11 of the Government Resources and Accounts Act (Northern Ireland) 2001. The Trust Statement is prepared in accordance with the accounting policies detailed below. These have been agreed between Department Purple and DFP and have been developed with reference to International Financial Reporting Standards and other relevant guidance. The accounting policies have been applied consistently in dealing with items considered material in relation to the accounts.

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

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

1.2 *Accounting Convention*

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

1.3 *Revenue Recognition*

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

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

1.4 *Receivables*

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

1.5 *Provisions*

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

2. Revenue and Other Income

2.1 *Licence Fees, Taxation and Similar Revenues*

[Describe the sources of revenue and income separately and provide any relevant supplementary information]
Licence fees are net of repayments for surrendered licences.

2.2 Fines and Penalties

	Source 1		Source2		Source 3	
	201X-1Y £000	201W-1X £000	201X-1Y £000	201W-1X £000	201X-1Y £000	201W-1X £000
Offences in:						
201V-1W						
201W-1X						
201X- 1Y						
Total	_____	_____	_____	_____	_____	_____

(As penalties are often levied some time after the offence, this note gives an alternative perspective on trends)

2.3 Other income

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

3. Receivables

3.1 Amounts due at 31.3.1Y

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

Receivables represents the amount due from taxpayers/licensees where invoices or other demands for payment have been issued but not paid for at 31.3.1Y, and also the amounts due from those on whom financial penalties have been imposed prior to 31.3.1Y, but not paid at that date.

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

3.2 Credit losses

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

3.3 Changes to Impairments

	201X-1Y £000	201W-1X £000
Balance as at 1 April		
Change in estimated value of impairments	_____	_____
Balance as at 31 March	_____	_____

Receivables in the Statement of Financial Position are reported after the deduction of the estimated value of impairments. This estimate is based on *[debt analysis and expert internal opinion]*.

4. Payables, Accrued Revenue Liabilities and Deferred Revenue

	Payables as at 31.3.1Y £000	Accrued Revenue Liabilities at 31.3.1Y £000	Deferred Revenue at 31.3.1Y £000	Total as at 31.3.1Y £000	Total as at 31.3.1X £000
Source A					
Source B					
Source C					
Total	_____	_____	_____	_____	_____

Payables are the amounts established as due at the Statement of Financial Position date, but where payment is made subsequently.

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

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

5. Provisions for Liabilities

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

Provision has been made, in accordance with IAS 37, for *[legal claims brought by unsuccessful applicants for licences and by those whose licences were revoked]*. No information about these claims is disclosed as disclosure might prejudice the outcome of these claims.

Include in provisions any amounts where either the amounts or timing of the liability are uncertain. In line with IAS 37, future liabilities should be discounted to present value.

6. Balance on the Consolidated Fund Account

	201X-1Y £000	201W-1X £000
Balance on Consolidated Fund Account as at 1 April	<i>Appears in the Statement of Financial Position</i>	
Net revenue for the Consolidated Fund	<i>Should be the same as the first line of Note A to the Statement of Cash Flows</i>	
Less amount paid to the Consolidated Fund	<i>Should be the same as the second line of the Statement of Cash Flows</i>	
Balance on Consolidated Fund Account as at 31 March	_____	_____
	<i>These totals appear in the Statement of Financial Position</i>	
	_____	_____