



Report to:	Finance Committee
Agenda item:	6.1
Date:	18 January 2016
Subject:	Balance Sheet Update Period 10 (as at 18th December 2015)
Author:	Financial Controller
Sponsor:	Head of Finance and Procurement
For:	Information

1 PURPOSE OF THIS REPORT

- 1.1 A balance sheet report is produced to present the British Transport Police's financial position on a periodic basis. The report presents assets, liabilities and equities held at the reported date.
- 1.2 A comparison to the final accounts position at the 31st March 2015 is included with explanations/narrative for movements to date by classification type.
- 1.3 The report provides a snapshot of assets held - non-current assets (including fixed assets) and current assets (including cash and debtors). It also provides an update on current and long-term liabilities (provisions / creditors). All of which are supported / balanced by reported reserve balances.
- 1.4 The balance sheet is included as an appendix, at the foot of this report.

2 PREPARATION BASIS AND ASSUMPTIONS

- 2.1 The balance sheet has been prepared in accordance with relevant accounting standards using a trial balance report run directly from the financial system. The report is run as at reporting period 10, 18th December 2015.
- 2.2 All existing live account codes are linked to relevant sections of the balance sheet. The balances as per the financial system are reviewed by the Financial Control team and adjusted accordingly for known accounting movements.
- 2.3 Due to continuing resourcing issues within the Financial Transaction team, a number of cashbook postings for period 10 and earlier were posted within period 11. There is still an issue with timeliness and accuracy of postings to general ledger with many still not reflected within the cashbook. A full review is being undertaken as part of period 10 close. As such, at period 10, adjustments have been made to debtors, creditors and cash to accommodate known payments and receipts. The adjustments help present a

true and fair view of period 10 position. A new resource will be working on bank reconciliations and postings up to year end.

3 NON-CURRENT ASSETS UPDATE

3.1 For Property Plant and Equipment (£53.1m) and Intangible Assets (£7.5m) the figures reported include movements in capitalisation to date, indexation applied to assets and disposals (motor vehicles).

3.2 The British Transport Police have recruited a Capital Accountant, start date 18th January 2016. The Capital Accountant will review and verify the asset register, enhance the monthly capitalisation processes by working closely with business managers and develop clear linkages between the capital programme and associated assets.

4 CURRENT ASSETS

4.1 Inventories held have increased by £0.3m from 31st March position.

4.2 Debtors have increased from the reported year-end published accounts by £16m. £14.8m of which relates to direct debit income due for collection after balance sheet date (due in period 11).

4.3 Regular reporting on AR is now in place and close monitoring will ensure numbers improve over the next accounting periods. The AR sales ledger is being reviewed thoroughly during P11.

4.4 The debtors figure reported within the balance sheet includes £2.4m accruals and £3.1m prepayments.

4.5 Cash figure reported within the balance sheet £20.6m is adjusted to deal with items not yet posted to GL and other unexpected reconciliation differences. The position at period 10 on the system has been adjusted off-system for known bank receipts and payments to provide more accurate position.

5 CURRENT AND LONG-TERM LIABILITIES

5.1 Creditor position is consistent with year-end position reported in published accounts (£29m).

5.2 The period 10 general ledger position is adjusted to reflect cash paid out in this period but posted in period 11 and other bank entries not yet reflected in GL.

5.3 The creditor position includes £9.3m accruals and £4.3m receipts in advance.

5.4 Provisions held have decreased, predominantly due to release of provision for motor vehicle damage – overall reduction of £0.4m.

5.5 Pension Liability is calculated on the balance sheet following receipt of Actuarial valuation report and posted on an annual basis.

6 RESERVES

6.1 The Income and Expenditure reserve total reflects the actual financial performance for period ended 18th December 2015.

6.2 Minor movements on the revaluation reserve due to indexation of assets.

7. SUMMARY

The overall net asset position is similar to the balance reported in the published accounts.

The balance sheet is reported on live system information at period 10. The adjustments made to the general ledger position are fully supported by bank information. Balance sheet reconciliation processes including but not limited to Debtors, Creditors, Fixed Assets and Reserves are being strengthened and detailed reporting on individual areas also being produced and shared.

Appendix B1: British Transport Police Balance Sheet as at Period 10

Statement of financial position				
As at 18/12/15	P10 2016		P14 2015	
	As at 18/12/15	£000	As at 31/03/15	£000
Non-current assets				
Property, plant and equipment	53,191		54,466	
Intangible assets	7,542		5,787	
Finance Lease assets	0		0	
Other receivables	0		0	
Other assets	0		0	
Total non-current assets:		60,734		60,253
Current assets				
Assets classified as held for sale	0		0	
Inventories	2,003		1,737	
Trade and other receivables	33,601		17,638	
Other current assets	0		0	
Cash and cash equivalents	20,613		28,441	
Total current assets		56,217		47,815
Total assets		116,951		108,068
Current liabilities				
Trade and other payables	(28,898)		(29,037)	
Provisions for liabilities and charges	(940)		(1,299)	
Other payables	0		0	
Finance lease liability	0		0	
Total current liabilities		(29,839)		(30,336)
Non-current assets plus net current assets		87,112		77,732
Non-current liabilities				
Provisions for liabilities and charges	0		0	
Pension liabilities	(630,250)		(630,250)	
Other payables	(817)		(817)	
Finance lease liability	0		0	
Total non-current liabilities		(631,067)		(631,067)
Assets less liabilities		(543,956)		(553,334)
Taxpayers' equity				
Income and expenditure reserve	84,140		74,727	
Revaluation reserve	2,155		2,189	
Pension reserve	(630,250)		(630,250)	
		(543,956)		(553,334)
		(543,956)		(553,334)