

Operating Cost Statement for the period ended 31 March 2010

	Notes	IFRS	
		2009-2010 £000	2008-2009 £000
Administration Costs:			
Staff costs	2(a)	11,087	11,665
Other administration costs	4	5,302	5,262
Income	6(a)	(15,680)	(16,274)
Net Administration Costs		709	653
Programme Costs:			
Staff costs	5(a)	280	52
Programme costs	5(b)	57	1
Income	6(b)	(233)	(53)
Net Programme Costs		104	0
Net Operating Costs		813	653

All income and expenditure is derived from continuing operations.

The notes on pages 33 to 42 form part of these accounts

Statement of Financial Position as at 31 March 2010

Notes	IFRS			
	2009-2010 £000	2008-2009 £000	2007-2008 £000	
Non-current assets				
Property, plant and equipment	7	90	57	74
Intangible assets	7(a)	0	0	0
Other receivables > 1 year	8(a)	0	0	0
Total non-current assets		90	57	74
Current assets				
Assets classified as held for sale	8(c)	0	0	0
Trade and other receivables	8(a)	583	543	853
Cash and cash equivalents	9	776	1,290	383
Total current assets		1,359	1,833	1,236
Total assets		1,449	1,890	1,310
Current (liabilities)				
Trade and other payables	10	(1,790)	(1,797)	(1,241)
Non current assets plus/less net current assets/(liabilities)		(341)	93	69
Non-current (liabilities)				
Other payables > 1 year	10	0	0	0
Provisions for liabilities and charges	11	(1,374)	(1,551)	(1,369)
Pension Liability	3	(20,883)	(16,683)	(17,043)
Total non-current (liabilities)		(22,257)	(18,234)	(18,412)
Assets less liabilities		(22,590)	(18,141)	(18,343)
Taxpayers' equity:				
General fund	12	(22,590)	(18,132)	(18,340)
Revaluation reserve	13(a)	(8)	(9)	(3)
Donated asset reserve	13(b)	0	0	0
		(22,598)	(18,141)	(18,343)

(Signed) _____

(Date) _____ (Treasurer)

(Signed) _____

(Date) _____

STATEMENT OF CHANGES IN TAXPAYERS' EQUITY

Notes	General Fund £'000s	Revaluation Reserve £'000s	Donated Asset Reserve £'000s
Balance under UK GAAP at 31 March 2008	(18,251)	(3)	0
Changes in accounting policy	(89)	0	0
Restated balance at 31 March 2008	(18,340)	(3)	0

Changes in taxpayers' equity for 2008-09

Net operating cost for the year	OCS	(653)		
Operating income to be surrendered (interest received)	12	(42)		
Net gain/(loss) on revaluation of property, plant and equipment	13a		(6)	
Donated Assets Reserve	13b			0
Notional Items				
Cost of capital charge	12	(564)		
Auditor's remuneration	12	0		
Net asset transfers in/(out)	12	0		
Net NOMS Financing received in year	12	384		
Pension Actuarial (Loss)/Gain	12	1,083		
Income not appropriated in aid paid to Consolidated Fund		0		
Machinery Of Government Changes		0		
Balance as at 31 March 2009		(18,132)	(9)	0

Changes in taxpayers' equity for 2009-10

Net operating cost for the year	OCS	(813)		
Operating income to be surrendered (interest received)	12	(4)		
Net gain/(loss) on revaluation of property, plant and equipment	13a		1	
Donated Assets Reserve	13b			0
Notional Items				
Cost of capital charge	12	(639)		
Auditor's remuneration	12	0		
Net asset transfers in/(out)	12	0		
Net NOMS Financing received in year	12	280		
Pension Actuarial (Loss)/Gain	12	(3,282)		
Income not appropriated in aid paid to Consolidated Fund		0		
Machinery Of Government Changes		0		
Balance as at 31 March 2010		(22,590)	(8)	0

Cash Flow Statement for the period ended 31 March 2010

	Notes	2009-2010 £000	2008-2009 £000
Net cash outflow from operating activities	14(a)	(701)	569
Capital expenditure and financial investment	14(b)	(51)	(11)
Financing	14(c)	238	349
Increase / (decrease) in cash in the period		(514)	907

Notes to the Accounts**1 Statement of Accounting Policies**

These financial statements have been prepared in accordance with the 2009-10 Government Financial Reporting Manual (FRoM) issued by HM Treasury. The accounting policies contained in the FRoM apply International Financial Reporting Standards (IFRS) to the extent that it is meaningful and appropriate to the public sector. Where the FRoM permits a choice of accounting policy, the accounting policy which has been judged to be most appropriate and gives a true and fair view has been selected. The Probation Area's accounting policies have been applied consistently in dealing with items considered material in relation to the accounts.

1.1 Accounting Convention

These accounts have been prepared under the historical cost convention modified to account for the revaluation of non-current assets.

1.2 Going concern

The balance sheet at 31 March 2010 shows negative Taxpayers Equity. This reflects the inclusion of liabilities falling due in future years which are to be financed mainly by drawings from the UK Consolidated Fund. Such drawings will be from grants of Supply approved annually by Parliament, to meet Net Cash Requirement of the Ministry of Justice of which the NPS is part. Under Government Resources and Accounts Act 2000, no money may be drawn from the fund by the Ministry of Justice other than required for the service of the specified year or retained in excess of that need.

In common with government departments, the future financing of the NPS liabilities is accordingly to be met by future grants of Supply to the Ministry of Justice and the application of future income, both to be approved annually by Parliament. Such approval for amounts required for 2010-11 has already been given and there is no reason to believe that future approvals will not be forthcoming. It has accordingly been considered appropriate to adopt a going concern basis for preparation of these financial statements.

1.3 Tangible Fixed Assets

The minimum level for capitalisation of a tangible non-current asset is £5,000, inclusive of any irrecoverable VAT element, where appropriate. Tangible assets have been stated at current cost using published indices appropriate to the category of asset.

All land and building fixed assets used by Probation Area are managed and owned centrally by the Ministry of Justice and are recorded on their Balance Sheet. The cost of using those assets is included within Note 4 (a), other administration costs under "accommodation, maintenance & utilities". The charge to the Probation Area does not represent the full cost incurred by the Ministry of Justice. For Boards' recharges are calculated using national rates agreed at the start of the financial year and are based on bed space for Approved Premises and by gross internal area for the Commercial Estate. Trusts' are charged directly for these services from the centre.

1.4 Depreciation

Tangible non-current assets are depreciated at rates calculated to write them down to estimated residual value on a straight-line basis over their estimated useful lives. Assets in the course of construction are depreciated from the point at which the asset is brought into use.

Asset lives are normally in the following ranges:

Vehicles - 5 to 7 years;
Office Machinery, Fixtures and Fittings and IT Equipment - 3 to 5 years.

1.5 Donated Assets

Donated tangible non-current assets are capitalised at their current value on receipt, and this value is credited to the donated asset reserve. Subsequent revaluations are also taken to this reserve. Each year, an amount equal to the depreciation charge on the asset is released from the donated asset reserve to the Operating Cost Statement.

1.6 Stock

Stocks of stationery and other consumable stores are not considered material and are written off in the Operating Cost Statement as they are purchased.

1.7 Operating Income

Income is accounted for applying the accruals convention and is recognised in the period in which services are provided.

Operating income is income that relates directly to the operating activities of the Probation Area. For Boards' it comprises of rent receivables, income from EU sources, income from other Government Departments and miscellaneous income. For Trusts' income from the sponsoring body is also included. Fees and charges for services are recovered on a full cost basis in accordance with the Treasury's Fees and Charges guide.

The Probation Area can earn interest from various sources but under the Criminal Justice and Court Services Act 2000, it is not allowed to retain any interest received from the investment of funds received from the NOMS Agency. This interest is accounted for as Consolidated Funds Extra Receipts (CFERs) that are surrendered through the Ministry of Justice to HM Treasury.

1.8 Administration and Programme Expenditure

The Operating Cost Statement is analysed between administration and programme income and expenditure. The classification of expenditure and income administration or as programme follow the definition of administration costs set out in the FRoM by H.M. Treasury. Administration costs reflect the costs of running the Probation Area together with associated operating income. Programme costs are defined as projects which are fully or partially funded from outside the Ministry of Justice.

1.9 Capital Charge

A charge, reflecting the cost of capital utilised by the Probation Area, is included in operating costs. The charge is calculated at the real rate set by HM Treasury (currently 3.5 per cent) on the average carrying amount of all assets less liabilities except for:

- a) Provisions for Liabilities and Charges, which is charged at 2.2% to reflect the discount rate applied.
- b) Pension Liability, which is charged at 3.2%. However, the discount rate applied to its share of the pension scheme is determined by the appropriate authority.
- c) Tangible non-current assets, where the cost of capital charge is based on opening values, adjusted pro rata for in-year additions at cost; disposals as valued in the opening balance sheet (plus any subsequent capital expenditure prior to disposal) impairments at the amount of the reduction of the opening balance sheet value (plus any subsequent capital expenditure).
- d) Donated assets, where the charge is nil.

1.10 Pensions

Past and present employees are covered by the provisions of the Local Government Pension Scheme (LGPS). This is a funded defined benefit scheme meaning that retirement benefits are determined independently of the investments of the scheme and employers are obliged to make additional contributions where assets are insufficient to meet retirements benefits. Under the LGPS Regulations the pension fund is subject to an independent triennial actuarial valuation to determine each employer's contribution rate (Disclosure of Stakeholder Pensions Schemes is not included in these accounts). Where a central government entity has a share of a local government (or other) pension scheme liability on its statement of financial position, then that entity will use a discount rate determined by the appropriate authority (for example CIPFA or a qualified independent actuary) in valuing its share and not the rate advised annually by HM Treasury.

The pension fund actuary has used roll forward estimated asset value figures in producing the IAS 19 pension liability and other disclosures. Where the actual asset values at 31 March 2010 are materially different to those estimates and the impact on the Probation Area's share of the asset values are material, a disclosure within the the Local Notes reflecting the extent of the material difference has been made.

The actuarial approach to estimating the asset values at 31 March is unlikely to change in future years and as material differences could continue to appear again, local Areas' should state the difference between the estimated and actual asset values within their Local Notes. In accordance with 'IAS 19' quoted securities in 2009/10 are required to be valued at their bid price as oppose to their previous mid price. The effect of this change must be captured in the actuarial gains/losses on assets in 2009/10 rather than restating the 2008/09 asset figures.

1.11 Early Departure Costs

The Probation Area is required to meet the additional costs of benefits beyond the normal pension benefits in respect of employees who retire early. The Probation Area's policy is to provide in full for this cost when the early retirement programme has been announced and is binding on the Probation Area. Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are discounted using the real rate set by HM Treasury. A discount rate of 2.2 per cent is used.

1.12 Leases

Where substantially all risks and rewards of ownership of a leased asset are borne by the Probation Area, the asset is recorded as a tangible non-current asset and a debt is recorded to the lessor of the minimum lease payments discounted by the interest rate implicit in the lease. The interest element of the finance lease payment is charged to the Operating Cost Statement over the period of the lease at a constant rate in the relation to the balance outstanding. Other leases are regarded as operating leases and the rentals are charged to the Operating Cost Statement on a straight-line basis over the term of the lease.

1.13 Private Finance Initiative (PFI) Transactions

Where the balance of risks and rewards of ownership of the PFI property is borne by the Probation Area, the property is recognised as a fixed asset and the liability to pay for it is accounted for as a finance lease. Contract payments are apportioned between an imputed finance lease charge and a service charge.

PFI schemes will be disclosed as a note to the accounts.

1.14 Grants Receivable

Two separate policies apply to the Probation Areas. For Boards' monies received as grants (of any nominal type, classification, or attached conditions) are treated as financing rather than income and are recognised in the accounts by directly crediting the General Fund and are also reflected elsewhere in the statements for example in the Cash Flow statement. For Trusts' monies received as grant-in-aid are treated as income.

Financing of Training Consortia

Part of the funding that goes to the Probation Areas is allocated to the 10 Regional Training Consortia. This is for all the costs of the Regional Training Consortia and is split as a percentage for the 9 Lead Areas who co ordinate the Training funds and a percentage to the remaining Probation Areas.

1.15 Provisions

The Probation Area provides for legal or constructive obligations which are of uncertain timing or amount at the date of the statement of financial position on the basis of the best estimate of the expenditure required to settle the obligation. Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are discounted using the real rate set by HM Treasury. A discount rate of 2.2 per cent is used.

1.16 Value Added Tax

Two separate policies apply to the Probation Areas. For the Probation Board most of the activities are outside the scope of VAT and, in general, output tax does not apply and input tax on purchases is not recoverable. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of non-current assets. Where output tax is charged or input VAT is recoverable, the amounts are stated net of VAT.

Most of the activities of the Probation Trust are inside the scope of VAT and, in general, output tax does apply and input tax on purchases is recoverable. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of non-current assets. Where output tax is charged or input VAT is recoverable, the amounts are stated net of VAT.

2 Staff numbers and related costs

2(a) Total staff costs comprise:

	IFRS			2008-2009 £000
	2009-2010		2008-2009 £000	
	£000	£000		£000
		Permanently -		
		employed staff	Others	Total
Wages and salaries	10,296	10,039	257	10,733
Social security costs	771	771	0	813
Other pension costs	1,342	1,342	0	1,620
Sub Total	12,409	12,152	257	13,166
Less recoveries in respect of outward secondments	(1,322)	(1,322)	0	(1,501)
Total net admin costs	11,087	10,830	257	11,665
Net programme costs	280	277	3	52
Total Staff Costs	11,367	11,107	260	11,717

The Local Government Pension Scheme is a funded multi-employer defined benefit scheme. The Probation Area's share of the underlying assets and liabilities are shown below in Note 3.

1 persons (2008-09: 1 persons) retired early on ill-health grounds; the total additional accrued pension liabilities in the year amounted to £7,183 (2008-09: £3,344).

2(b) Average number of persons employed

	2009-2010			2008-2009
	Permanently -		Total	
	Total	employed staff		Others
	359	346	13	374
	359	346	13	374

3 Pension Costs

Pension benefits are provided through the Local Government Pension Scheme (LGPS). This is a statutory requirement and intended to be a fully funded scheme which provides benefits on a "final salary" basis at a normal retirement age of 65. For membership built up to 31st March 2008 benefits accrue at the rate of 1/80th of final pensionable pay for each year of membership plus an automatic lump sum of three times pension. For membership built up from 1st April 2008 benefits accrue at the rate of 1/60th of final pensionable pay for each year of membership. There is no automatic lump sum, but there is an option to exchange some pension for extra lump sum. Members pay contributions of between 5.5% and 7.5% depending on their salary. Once in receipt of a pension it is increased annually in line with the Retail Price Index. On death, pensions are payable to the surviving spouse at the rate of 1/160th of final pensionable pay for each year of membership. On death in service the scheme pays a lump sum death grant of three times pay and also provides a survivor pension equal to 1/160th of final pensionable pay times the membership that would have been built up until age 65. Medical retirement is possible in the event of serious ill-health. In t

- 3(a) A full actuarial valuation was carried out at 31 March 2007 by Mercers Limited. For 2009-10, employers' contributions of £1,739,473 were payable to the LGPS (2008-09 £1,759,042) and were 19.9% of pensionable pay. The schemes' Actuary reviews employer contributions every three years following a full scheme valuation. The contribution rates reflect benefits as they are accrued, not when the costs are actually incurred, and reflect past experience of the scheme.

Partnership accounts are excluded under IAS 19

The approximate employer's pension contributions for the three years from:

Employer's contributions for 2009-10 were 19.9% of salaries; and,
Employer's contributions for 2010-11 will be 19.9% of salaries; and
Employer's contributions for 2011-12 will be 19.9% of salaries.

- 3(b) The major assumptions used by the actuary were:

	2009-2010 %	2008-2009 %
Inflation assumption	3.3%	3.3%
Rate of increase in salaries	4.8%	4.8%
Rate of increase for pensions in payment and deferred pensions	3.3%	3.3%
Discount rate	5.6%	7.1%

Mortality Assumptions

Non-retired members (retiring in the future in normal health) PA92mc YOB Tables + 1 year - Current pensioners (retired in normal health) PA92mc YOB Tables + 1 year

- 3(c) The assets in the scheme and the expected rate of return were:

	IFRS (equivalent to UKGAAP)					
	Expected long- 2009-2010 %	Value at 2009-2010 £000	Expected long- 2008-2009 %	Value at 2008-2009 £000	Expected long- 2007-2008 %	Value at 2007-2008 £000
Equities	7.5%	33,268	7.5%	20,769	7.5%	26,715
Government Bonds	4.5%	1,009	4.0%	2,038	4.6%	1,417
Other Bonds	5.2%	1,406	6.0%	776	6.1%	1,146
Property	0.0%	0	0.0%	0	0.0%	0
Other	0.5%	360	0.5%	679	5.3%	874
Total		36,043		24,262		30,152
(Present value of scheme liabilities)		(56,926)		(40,945)		(47,195)
Surplus/ (Deficit) of the scheme		(20,883)		(16,683)		(17,043)
Net Pension Asset / (Liability)		(20,883)		(16,683)		(17,043)

- 3(d) Pension Cost

	2009-2010 £000	2008-2009 £000
Current service cost	1,017	1,590
Past service cost	4	0
Effect of Curtailment or Settlement	347	18
Total operating charge	1,368	1,608

- 3(e) Analysis of amount credited to other finance income or debited to other finance charge

	2009-2010 £000	2008-2009 £000	2007-2008 £000
Expected return on pension scheme assets	(1,598)	(2,045)	(2,158)
Interest on pension scheme liabilities	2,887	2,919	2,289
Net return	1,289	874	131

- 3(f) Changes to the present value of liabilities during the year

	2009-2010 £000	2008-2009 £000
Opening present value of liabilities	40,945	47,195
Current service cost	1,017	1,590
Interest cost	2,887	2,919
Contributions by Members	599	607
Actuarial (gains)/losses on liabilities *	13,311	(10,502)
Benefits paid	(2,184)	(882)
Past service costs	4	0
Curtailments/Settlements	347	18
Closing present value of liabilities	56,926	40,945

* Includes changes to actuarial assumptions

- 3(g) Changes to the fair value of assets during the year

	2009-2010 £000	2008-2009 £000
Opening fair value of assets	24,262	30,152
Expected return on assets	1,598	2,045
Actuarial gains/(losses) on assets	10,029	(9,419)
Contributions by the Employer	1,739	1,759
Contributions by Members	599	607
Benefits paid	(2,184)	(882)
Net increase from disposals and acquisitions	0	0

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Settlements	0	0
Closing fair value of assets	36,043	24,262
3(h) Actual return on assets	2009-2010	2008-2009
	£000	£000
Expected return on assets	1,598	2,045
Actuarial gains/(losses) on assets	10,029	(9,419)
Actual return on assets	11,627	(7,374)

3(i) History of asset values, present values of liabilities, surplus/deficit and experience gains and losses

	2009-2010	2008-2009	2007-2008	2006-2007	2005-2006
	£000	£000	£000	£000	£000
Fair value of assets	36,043	24,262	30,152	30,908	28,134
Present value of liabilities	56,926	40,945	47,195	41,695	35,578
Surplus / (Deficit)	(20,883)	(16,683)	(17,043)	(10,787)	(7,444)
Experience gains / (losses) on scheme assets:	10,029	(9,419)	(4,394)	68	4,183
Experience gains / (losses) on scheme liabilities:	13,311	(10,502)	1,320	(3,339)	(4,572)

IFRS

	2009-2010	2008-2009	2008-2009	2008-2009
	£000	£000	£000	£000
4 Other Administration Costs				
Rentals under operating leases	120		73	
Interest charges	0		0	
Finance charges/(income) - pension costs	1,289		874	
Accommodation, maintenance and utilities	1,392		1,398	
Travel, subsistence and hospitality	297		346	
Professional services	160		113	
IT services	410		387	
Communications, office supplies and services	206		284	
Other staff related	455		80	
Offender Costs	722		892	
Other expenditure	668		989	
Auditors' remuneration and expenses	31		30	
		5,750		5,466
Non-cash items				
Depreciation of tangible non-current assets	19		22	
Amortisation of intangible non-current assets	0		0	
Impairment of non-current assets	0		0	
Profit on disposal of fixed assets	0		0	
Loss on disposal of fixed assets	0		0	
Cost of capital charges	(639)		(564)	
Early retirement provision provided for in year	126		116	
Other provisions provided for in year	46		222	
		(448)		(204)
Total		5,302		5,262

5 Programme Costs

5(a) Staff Costs

	IFRS			2008-2009
	2009-2010	2009-2010	2009-2010	£000
	£000	£000	£000	£000
	Permanently -			
	Total	Employed staff	Others	Total
Wages and salaries	234	231	3	45
Social security costs	20	20	0	4
Other pension costs	26	26	0	3
Sub total	280	277	3	52
Less recoveries in respect of outward secondments	0	0	0	0
Net programme staff costs	280	277	3	52

5(b) Other Programme Costs

Current expenditure	57	1	0
Total Programme Costs	337	53	0

IFRS

6 Income

6(a) Administration Income

	2009-2010	2008-2009	2008-2009	2008-2009
	£000	£000	£000	£000
Income receivable from the Sponsoring Department	15,095		15,300	
Rent receivable from minor occupiers of Probation Estate property:				
From within the departmental boundary	0		0	
From other government bodies	0		0	
From external tenants	0		0	
		15,095		15,300
EU funding: direct contributions to Areas' activities		0		0
Income receivable: from other government bodies		270		302
Miscellaneous Income		311		630
		15,676		16,232
Operating Income to be Surrendered				
Interest received:				
From bank	4		42	
From car loans	0		0	
From other sources	0		0	

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Total operating income to be surrendered		4	42
Total Administration Income		15,680	16,274

6(b) Programme Income			
EU funding	233		53
Other programme income	0		0
Total Programme Income		233	53
Total Operating Income		15,913	16,327

IFRS

7 Property, plant and equipment

	2009-2010				
	Information Technology £000	Plant & Equipment £000	Furniture and Fittings £000	Vehicles £000	Total £000
Cost or valuation					
At 1 April 2009	35	25	16	6	82
Additions	51	0	0	0	51
Donations	0	0	0	0	0
Net Transfers In/Out	0	0	0	0	0
Disposals	0	0	0	0	0
Revaluations	0	0	0	0	0
Indexation	(2)	2	0	1	1
Impairment	0	0	0	0	0
At 31 March 2010	84	27	16	7	134
Depreciation					
At 1 April 2009	8	2	9	6	25
Charged in year	12	5	2	0	19
Net Transfers In/Out	0	0	0	0	0
Disposals	0	0	0	0	0
Revaluations	0	0	0	0	0
Indexation	(1)	0	0	1	0
Impairment	0	0	0	0	0
At 31 March 2010	19	7	11	7	44
Net Book Value at 31 March 2010	65	20	5	0	90
Net Book Value at 31 March 2009	27	23	7	0	57
Asset Financing:					
Owned	65	20	5	0	90
Finance Lease	0	0	0	0	0
Net Book Value at 31 March 2010	65	20	5	0	90

Note:

There are no donated assets.

0

	2008-2009				
	Information Technology £000	Plant & Equipment £000	Furniture and Fittings £000	Vehicles £000	Total £000
Cost or valuation					
At 1 April 2008	41	51	17	6	115
Additions	0	25	0	0	25
Donations	0	0	0	0	0
Net Transfers In/Out	0	0	0	0	0
Disposals	0	(51)	0	0	(51)
Revaluations	(5)	0	0	0	(5)
Indexation	(1)	0	(1)	0	(2)
Impairment	0	0	0	0	0
At 31 March 2009	35	25	16	6	82
Depreciation					
At 1 April 2008	1	27	7	6	41
Charged in year	7	12	3	0	22
Net Transfers In/Out	0	0	0	0	0
Disposals	0	(37)	0	0	(37)
Revaluations	0	0	0	0	0
Indexation	0	0	(1)	0	(1)
Impairment	0	0	0	0	0
At 31 March 2009	8	2	9	6	25
Net Book Value at 31 March 2009	27	23	7	0	57
Net Book Value at 31 March 2008	40	24	10	0	74
Asset Financing:					
Owned	27	23	7	0	57
Finance Lease	0	0	0	0	0
Net Book Value at 31 March 2009	27	23	7	0	57

Notes:

There are no donated assets.

IFRS

7(a) Intangible assets

	2009-2010				
	[insert type] £000	[insert type] £000	[insert type] £000	[insert type] £000	Total £000
Cost or valuation					
At 1 April 2009	0	0	0	0	0
Additions	0	0	0	0	0
Donations	0	0	0	0	0
Net Transfers In/Out	0	0	0	0	0
Disposals	0	0	0	0	0
Revaluations	0	0	0	0	0
Indexation	0	0	0	0	0
Impairment	0	0	0	0	0

At 31 March 2010	0	0	0	0	0
Amortisation					
At 1 April 2009	0	0	0	0	0
Charged in year	0	0	0	0	0
Net Transfers In/Out	0	0	0	0	0
Disposals	0	0	0	0	0
Revaluations	0	0	0	0	0
Indexation	0	0	0	0	0
Impairment	0	0	0	0	0
At 31 March 2010	0	0	0	0	0
Net Book Value at 31 March 2010	0	0	0	0	0
Net Book Value at 31 March 2009	0	0	0	0	0
Asset Financing:					
Owned	0	0	0	0	0
Finance Lease	0	0	0	0	0
Net Book Value at 31 March 2010	0	0	0	0	0

IFRS

	2008-2009				Total £000
	[insert type] £000	[insert type] £000	[insert type] £000	[insert type] £000	
Cost or valuation					
At 1 April 2008	0	0	0	0	0
Additions	0	0	0	0	0
Donations	0	0	0	0	0
Net Transfers In/Out	0	0	0	0	0
Disposals	0	0	0	0	0
Revaluations	0	0	0	0	0
Indexation	0	0	0	0	0
Impairment	0	0	0	0	0
At 31 March 2009	0	0	0	0	0
Amortisation					
At 1 April 2008	0	0	0	0	0
Charged in year	0	0	0	0	0
Net Transfers In/Out	0	0	0	0	0
Disposals	0	0	0	0	0
Revaluations	0	0	0	0	0
Indexation	0	0	0	0	0
Impairment	0	0	0	0	0
At 31 March 2009	0	0	0	0	0
Net Book Value at 31 March 2009	0	0	0	0	0
Net Book Value at 31 March 2008	0	0	0	0	0
Asset Financing:					
Owned	0	0	0	0	0
Finance Lease	0	0	0	0	0
Net Book Value at 31 March 2009	0	0	0	0	0

7(b) Impairments

8 Trade receivables and other current assets
8(a) Analysis by type

Amounts falling due within one Year:

Trade debtors	
VAT	
Deposits and advances	
Debtors due from Probation Boards	
Debtors due from Probation Trusts	
Debtors due from NOMS Agency	
Debtors due from the Ministry of Justice - HQ	
Debtors due from HM Court Service (HMCS)	
Debtors due from the Tribunal Service (TS)	
Debtors due from the Office of Public Guardianship (OPG)	
Other debtors	
Prepayments and accrued income	

Amounts falling due after more than one Year:

Trade debtors	
Deposits and advances	
Other debtors	
Prepayments and accrued Income	

Total at 31 March 2010

IFRS

31 March 2010 31 March 2009 31 March 2008

	£000	£000	£000
Trade debtors	143	121	354
VAT	94	113	47
Deposits and advances	0	0	0
Debtors due from Probation Boards	74	98	76
Debtors due from Probation Trusts	0	0	0
Debtors due from NOMS Agency	92	136	159
Debtors due from the Ministry of Justice - HQ	56	4	0
Debtors due from HM Court Service (HMCS)	0	0	0
Debtors due from the Tribunal Service (TS)	0	0	0
Debtors due from the Office of Public Guardianship (OPG)	0	0	0
Other debtors	101	40	197
Prepayments and accrued income	23	31	20
Total	583	543	853

Trade debtors	0	0	0
Deposits and advances	0	0	0
Other debtors	0	0	0
Prepayments and accrued Income	0	0	0
Total	0	0	0

8(b) Intra-Government Balances

Amounts falling due within one
Year:

2009-2010	2008-2009
£000	£000

Amounts falling due after more
than one Year:

2009-2010	2008-2009
£000	£000

2008-2009

	Early Retirement and Pension Commitments Added Years		Total
	£000	Other Provisions £000	
Balance at 1 April 2008	1,307	62	1,369
Provided in the year	116	222	338
Provisions not required written back	0	0	0
Provisions utilised in the year	(108)	(48)	(156)
Balance at 31 March 2009	1,315	236	1,551

2007-2008

	Early Retirement and Pension Commitments Added Years		Total
	£000	Other Provisions £000	
Balance at 1 April 2007	1,294	0	1,294
Provided in the year	117	62	179
Provisions not required written back	0	0	0
Provisions utilised in the year	(104)	0	(104)
Balance at 31 March 2008	1,307	62	1,369

Early Retirement and Pension Commitments

The Probation Area meets the additional costs of benefits beyond the normal Local Government Pension Scheme (LGPS) benefits in respect of employees who retire early by paying the required amounts annually to the LGPS over the period between early departure and normal retirement date. The Probation Area provides for this in full when the early retirement programme becomes binding on the Area by establishing a provision for the estimated payments discounted by the Treasury discount rate of 2.2 per cent in real terms.

Other

Other provision are partly to cover the cost of redundancy and partly to cover a retrospective VAT figure for a partial exemption calculation

12 General Fund

IFRS

	2009-2010	2008-2009	2007-2008
	£000	£000	£000
Balance at 1 April	(18,132)	(18,340)	(12,078)
Financing activities:			
Financing	0	0	0
Training Consortia financing received from NOMS in the capacity as Lead Area	0	0	0
Training Consortia financing from NOMS received by the Area	280	384	262
Training Consortia financing received from the Areas within their consortia	0	0	0
Training Consortia financing transferred from the Lead Area to the Areas within their consortia	0	0	0
Training Consortia financing received from their Lead Area	0	0	0
Training Consortia financing transferred to their Lead Area	0	0	0
Training Consortia financing received by the Area from another non-lead Area	0	0	0
Training Consortia financing transferred from the Area to another non-lead Area	0	0	0
Net transfers from Operating Activities:			
Net operating cost for the year	(813)	(653)	(401)
Operating income to be surrendered (Interest received)	(4)	(42)	(35)
Non-Cash Charges:			
Cost of capital charge	(639)	(564)	(374)
Auditors' remuneration	0	0	0
Net asset transfers in/(out)	0	0	0
Transferred from revaluation reserve	0	0	0
Actuarial gains and losses	(3,282)	1,083	(5,714)
Changes in Accounting policy		0	0
Balance at 31 March	(22,590)	(18,132)	(18,340)

13 Reserves**13(a) Revaluation Reserve**

The Revaluation Reserve reflects the unrealised element of the cumulative balance of indexation and revaluation adjustments (excluding donated assets).

IFRS

	2009-2010	2008-2009	2007-2008
	£000	£000	£000
Balance at 1 April	(9)	(3)	(2)
Arising on revaluations of PPE + Intangibles during the year (net)	1	(6)	(1)
Transferred to General Fund	0	0	0
Changes in Accounting policy	0	0	0
Balance at 31 March	(8)	(9)	(3)

IFRS (equivalent to UKGAAP)

13(b) Donated Asset Reserve

	2009-2010	2008-2009	2007-2008
	£000	£000	£000

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Balance at 1 April	0	0	0
Additions during the year	0	0	0
Revaluations	0	0	0
Release to the Operating Cost statement	0	0	0
Balance at 31 March	0	0	0

There are no donated assets

14 Notes to the Cash Flow Statement

14(a) Reconciliation of operating cost to operating cash flows

IFRS (equivalent to UKGAAP)

	2009-2010	2008-2009
	£000	£000
Net operating cost	(813)	(653)
Adjustments for non-cash transactions	(448)	(204)
(Increase)/Decrease in debtors	(40)	310
Increase/(Decrease) in creditors	(7)	556
less movements in creditors relating to items not passing through the OCS	38	(7)
Adjustments for pension funding	918	723
Use of provisions	(349)	(156)
Net cash outflow from operating activities	(701)	569

14(b) Analysis of capital expenditure and financial investment

	2009-2010	2008-2009
	£000	£000
Non-current asset additions	(51)	(25)
Plus opening balance for non-current asset accruals	0	0
Minus closing balance for non-current asset accruals	0	0
Minus proceeds of disposal of non-current assets	0	14
Net cash outflow from investing activities	(51)	(11)

14(c) Analysis of financing

	2009-2010	2008-2009
	£000	£000
Net NOMS Financing received in year (excluding Training Consortia)	0	0
Training Consortia financing received by the Lead Area from NOMS	0	0
Training Consortia financing received by the non-lead Area from NOMS	280	384
Training Consortia financing received from the area within their consortia	0	0
Training Consortia financing transferred from the Lead Area to the area within their consortia	0	0
Training Consortia financing received from their Lead Area	0	0
Training Consortia financing transferred to their Lead Area	0	0
Training Consortia financing received by the Area from another non-lead area	0	0
Training Consortia financing transferred from the Area to another non-lead area	0	0
Consolidated Fund Extra Receipts received in prior year surrendered (Interest Received)	(42)	(35)
Net financing	238	349

15 Capital Commitments

IFRS (equivalent to UKGAAP)

Capital commitments at 31 March for which no provision has been made:

	2009-2010	2008-2009
	£000	£000
Committed	0	0
Authorised but not contracted	0	0
Total	0	0

16 Commitments Under Leases

Operating Leases

Total future minimum lease payments under operating leases are given in the table below for each of the following periods:

IFRS

Obligations under operating leases comprise:

Other:	2009-2010	2008-2009
	£000	£000
Expiry within 1 year	58	36
Expiry after 1 year but not more than 5 years	58	82
Expiry thereafter	0	0
Total	116	118

Finance Leases

Total future minimum lease payments under finance leases are given in the table below for each of the following periods:

IFRS

Obligations under finance leases comprise:

Other:	2009-2010	2008-2009
	£000	£000
Expiry within 1 year	0	0
Expiry after 1 year but not more than 5 years	0	0
Expiry thereafter	0	0
Total	0	0

17 Other financial commitments

The Trust does not have any commitments which fall under this category

	2009-2010	2008-2009
	£000	£000
Expiry within 1 year	0	0
Expiry within 1 to 5 years	0	0
Expiry thereafter	0	0
Total	0	0

18 Financial Instruments

As the cash requirements of the Area are met through the Estimates process, financial instruments play a more limited role in creating risk than would apply to a non-public sector body of a similar size. The majority of financial instruments relate to contracts to buy non-financial items in line with the Area's expected purchase and usage requirements as well as cash, receivables and payables, although it is felt that the Area is exposed to little credit, liquidity or market risk.

19 Contingent Liabilities

IFRS (equivalent to UKGAAP)

Corporation Tax - In May 2010 we were notified by NOMS that all 1st Wave Trusts should have registered for Corporation Tax at their inception in April 2008. Registration for Corporation Tax has now been progressed but there is a possibility of penalties for late registration. It is anticipated that this will be covered by the indemnity that was issued by NOMS to 1st Wave Trusts to cover such unforeseen circumstances.

Employment Tribunals - At the time of this report there were three potential Employment Tribunals to be noted where it is not currently possible to estimate a liability - a) A member of staff has subsequently told us he is withdrawing his case following the completion of internal processes, b) A member of staff dismissed for poor attendance during 2009/10 has taken a case forward to an Employment Tribunal. Discussions are ongoing and the Tribunal is scheduled for Autumn 2010. c) Notification from a neighboring probation trust has been received that they are seeking to join us as second co-respondent in an Employment Tribunal where a member of their staff was working in West Mercia on a regional project.

20 Contingent Liabilities not required to be disclosed under IAS 37 but included for parliamentary reporting and accountability purposes

The Trust does not have any commitments which fall under this category

	1 April 2009 £000	Increase in Year £000	Liabilities crystallised in year £000	Obligation expired in year £000	31 March 2010 £000	Amount to be reported to Parliament by departmental Minute
Guarantees (listed)						
Indemnities (listed)						
Letter of comfort (listed)						

21 Losses and Special Payments

IFRS (equivalent to UKGAAP)

Losses Statement	2009-2010	Total Value	2008-2009	Total Value
	Number of Cases	£000	Number of Cases	£000
Cash losses	0	0	0	0
Claims abandoned	0	0	0	0
Administrative write-offs	0	0	0	0
Fruitless payments	0	0	0	0
Stores losses	0	0	0	0
Special payments	3	27	1	13
Total	3	27	1	13
Details of cases over £100,000				
Cash losses	0	0	0	0
Claims abandoned	0	0	0	0
Administrative write-offs	0	0	0	0
Fruitless payments	0	0	0	0
Stores losses	0	0	0	0
Special payments	0	0	0	0
Total	0	0	0	0

22 Related party transactions

The Ministry of Justice is regarded as a related party. During the year, the Probation Area had various material transactions with the Ministry of Justice. Additionally, the Probation Area had transactions with other Probation Areas, other government bodies and third party organisations.

During the year, none of the members of the Management Board, members of key management staff or other related parties, or their related parties has undertaken any material transactions with the Probation Area.

23 Third-party assets

These are not Area assets and are not included in the accounts. The assets held at the balance sheet date to which it was practical to ascribe monetary values comprised monetary assets, such as bank balances and monies on deposit, listed securities, trust funds, amenity funds. They are set out in the table immediately below.

	IFRS (equivalent to UKGAAP)	
	2009-2010	2008-2009
	£000	£000
Balance at 1 April	89	85
Funds paid in during the year		
Funds paid out during the year	5	27
Balance at 31 March	(47)	(23)
	47	89

24 Post balance sheet events

There are no post balance sheet events requiring disclosure in the accounts

Local Notes to the Accounts

- 1 [Redacted]
- 2 [Redacted]
- 3 [Redacted]
- 4 [Redacted]

	2009-2010
Staff No's excluding inward/outward secondments	385

Add - Inward secondments from:

NOMS Agency - Includes HMPS	3
HM Court Services	0
MoJ	0
Other - (Outside MoJ)	0
Total - Inward secondments	3

Less - Outward secondments to:

NOMS Agency - Includes HMPS	14
HM Court Services	0
MoJ	3
Other - (Outside MoJ)	12
Total - Outward secondments	29

Total Staff Numbers **359**

Split between: Permanently employed	346
Other	13

Check total must equal ZERO **True**

IFRS 8 Operating Segments

IFRS 8 Operating Segments

	2009/10 Actual Net Exp £'000	2009/10 Total Assets £'000	2008/09 Actual Net Exp £'000	2008/09 Total Assets £'000
Main	709	1,344	653	1,868
Hostel	-	-	-	-
TPO	-	-	-	-
ETE (inc AIM)	104	105	-	22
	<u>813</u>	<u>1,449</u>	<u>653</u>	<u>1,890</u>

Reconciliation of Net Expenditure to Net Operating Cost	
	£'000
Total Net Expenditure for Reportable Segments	813
Other Net Expenditure	- 338
FRS17 Adjustments	- 317
Total Net Expenditure in Management Accounts	<u>158</u>

Reconciliation of Assets	
	£'000
Total Assets for reportable segments	1,449
Other Assets	
Elimination of internal receivables	
Total Assets for SoFP	<u>1,449</u>

West Mercia Probation Trust				Financial Statements 2009-2010			
Worksheet 4 - Miscellaneous & EU Income							
Working Sheet for Note 6A & 6B- Miscellaneous & EU Income							
Schedule for the year ended 31 March 2010							
Check that where relevant figures agree to the IOD-TS1 return							
		2009-2010		2008-2009		2007-2008	
		£000	£000	£000	£000	£000	£000
Part (a)							
Schedule Description							
Income received from other Boards (exclude recoveries netted off staff costs)							
Received from:	Avon and Somerset	0		2		0	
Received from:	Bedfordshire	1		0		0	
Received from:	Cambridgeshire	1		1		0	
Received from:	Cheshire	1		1		0	
Received from:	Cumbria	0		0		0	
Received from:	Derbyshire	0		0		0	
Received from:	Devon and Cornwall	0		0		0	
Received from:	Dorset	0		0		0	
Received from:	Durham	0		0		0	
Received from:	Essex	0		0		0	
Received from:	Gloucestershire	1		0		0	
Received from:	Gwent	0		0		0	
Received from:	Hampshire	0		0		0	
Received from:	Hertfordshire	0		0		0	
Received from:	Kent	0		0		0	
Received from:	Lincolnshire	0		0		0	
Received from:	London	0		1		0	
Received from:	Norfolk	0		0		0	
Received from:	North Wales	0		0		0	
Received from:	North Yorkshire	0		0		0	
Received from:	Northamptonshire	0		0		0	
Received from:	Northumbria	0		0		0	
Received from:	Nottinghamshire	0		0		0	
Received from:	South Yorkshire	1		0		0	
Received from:	Staffordshire	4		4		20	
Received from:	Suffolk	0		0		0	
Received from:	Surrey	0		0		0	
Received from:	Sussex	0		0		0	
Received from:	Teesside	1		1		0	
Received from:	Thames Valley	0		0		0	
Received from:	Warwickshire	15		8		1	
Received from:	West Midlands	60		79		80	
Received from:	West Yorkshire	0		0		0	
Received from:	Wiltshire	0		0		0	
Total Income Received from Probation Boards			85		97		101
Income received from Probation Trusts (exclude recoveries netted off staff costs)							
Received from:	Dyfed-Powys	1		1		0	
Received from:	Greater Manchester	0		0		0	
Received from:	Humberside	0		0		0	
Received from:	Lancashire	0		0		0	
Received from:	Leicestershire & Rutland	0		0		0	
Received from:	Merseyside	2		1		0	
Received from:	South Wales	0		0		0	
Received from:	West Mercia	0		0		0	
Total Income Received from Probation Trusts			3		2		0
opposite negative adjustment is required to							
Approved Premises							
Bank interest not surrendered							
Community Punishment/Community Service Income							
Income from HM Court Service (HMCS) - Court costs							
Income from HM Court Service (HMCS) - Other							
Income from Ministry of Justice - HQ							
Income from NOMS Agency - Grant Schedule							
Income from NOMS Agency - Invoices							
Income from the Office of Public Guardianship (OPG)							
Income from Tribunal Service (TS)							
Other							
		114		351		178	
Total Miscellaneous Income			223		531		575
			311		630		676
Part (b)							
Income received from the EU							
		£000	£000	£000	£000	£000	£000
		Admin	Programme	Admin	Programme	Admin	Programme
Received from:	Direct from the European Union	0	0	0	0	0	288
Received from:	ESF	0	233	0	0	0	908
Received from:	NOMS Agency	0	0	0	53	0	0
Received from:	Other Gov Body	0	0	0	0	0	0
Total EU Income		0	233	0	53	0	1,196

West Mercia Probation Trust				Financial Statements 2009-2010				
Worksheet 7 - Other Expenditure								
Working Sheet for Note 4 - Other Expenditure								
Other Expenditure for the year ended 31 March 2010								
Check that the figures, agree with the IOD-TS1 return								
				2009-2010		2008-2009		2007
				£000	£000	£000	£000	£000
<u>Schedule Description</u>								
Exclude below all payments included within staff costs								
Expenditure to other Boards								
	Expenditure to:	Avon and Somerset		0		0		1
	Expenditure to:	Bedfordshire		0		0		0
	Expenditure to:	Cambridgeshire		0		0		0
	Expenditure to:	Cheshire		0		0		0
	Expenditure to:	Cumbria		0		0		0
	Expenditure to:	Derbyshire		0		0		0
	Expenditure to:	Devon and Cornwall		0		0		0
	Expenditure to:	Dorset		0		0		0
	Expenditure to:	Durham		0		0		0
	Expenditure to:	Essex		1		0		0
	Expenditure to:	Gloucestershire		0		0		0
	Expenditure to:	Gwent		0		0		0
	Expenditure to:	Hampshire		0		0		0
	Expenditure to:	Hertfordshire		0		0		0
	Expenditure to:	Kent		0		0		0
	Expenditure to:	Lincolnshire		0		0		0
	Expenditure to:	London		0		0		0
	Expenditure to:	Norfolk		0		0		0
	Expenditure to:	North Wales		0		0		0
	Expenditure to:	North Yorkshire		0		0		0
	Expenditure to:	Northamptonshire		0		0		0
	Expenditure to:	Northumbria		0		0		0
	Expenditure to:	Nottinghamshire		0		0		0
	Expenditure to:	South Yorkshire		0		0		0
	Expenditure to:	Staffordshire		0		0		1
	Expenditure to:	Suffolk		0		0		0
	Expenditure to:	Surrey		0		0		0
	Expenditure to:	Sussex		0		0		0
	Expenditure to:	Teesside		0		0		0
	Expenditure to:	Thames Valley		0		0		0
	Expenditure to:	Wanwickshire		12		6		6
	Expenditure to:	West Midlands		269		283		299
	Expenditure to:	West Yorkshire		0		0		0
	Expenditure to:	Wiltshire		0		0		0
	Total Expenditure to Probation Boards				282		289	
Expenditure to Trusts								
	Expenditure to:	Dyfed-Powys Trust		0		0		0
	Expenditure to:	Greater Manchester Trust		0		0		0
	Expenditure to:	Humberside Trust		0		0		2
	Expenditure to:	Lancashire Trust		0		0		0
	Expenditure to:	Leicestershire & Rutland Trust		0		0		0
	Expenditure to:	Merseyside Trust		0		0		0
	Expenditure to:	South Wales Trust		1		3		4
	Expenditure to:	West Mercia Trust		0		0		0
	Total Expenditure to Probation Trusts				1		3	
Expenditure to HM Court Service (HMCS)								
	Expenditure to:	Ministry of Justice - HQ		2		0		0
	Expenditure to:	NOMS Agency		0		2		0
	Expenditure to:	Office of Public Guardianship (OPG)		0		0		0
	Expenditure to:	Tribunal Service (TS)		0		0		0
	Other			6		189		241
					8		191	
	Total				291		483	

