

Operating Cost Statement for the year ended 31 March 2008

	Notes	2007-2008		2006-2007	
		£000	£000	£000	£000
Administration Costs:					
Staff costs	2(a)	17,253		15,605	
Other administration costs	4(a)	7,171		6,335	
Operating income	6(a)	<u>(845)</u>		<u>(1,003)</u>	
Gross Administration Costs		23,579		20,937	
Add/(Less): finance charge/(income)	3(e)	<u>(93)</u>		<u>104</u>	
Net Administration Costs		23,486		21,041	
Programme Costs:					
Staff costs	5(a)	0		0	
Programme costs	5(b)	0		0	
Income	6(b)	<u>0</u>		<u>0</u>	
		0		0	
Net Operating Costs			23,486		21,041

All income and expenditure is derived from continuing operations.

Statement of Recognised Gains and Losses

for the year ended 31 March 2008

	Notes	2007-2008		2006-2007	
		£000	£000	£000	£000
Net gain/(loss) on revaluation of tangible fixed assets	7	(4)		(4)	
Receipt of donated assets	13(b)	0		0	
Actuarial gain/(loss) relating to the pension scheme	3(f)	(10,296)		(5,033)	
Recognised gains and losses for the financial year		(10,300)		(5,037)	

The notes on pages 21 to 35 form part of these accounts

Balance Sheet as at 31 March 2008

Notes	31 March 2008		31 March 2007	
	£000	£000	£000	£000
Fixed Assets:				
Tangible fixed assets	7	477		470
Debtors falling due after more than one year	8	2		15
Current Assets:				
Debtors	8	771		610
Cash at bank and in hand	9	662		1,126
		<u>1,433</u>		<u>1,736</u>
Creditors (amounts falling due within one year)	10	<u>(854)</u>		<u>(1,223)</u>
Net current assets/(liabilities)		<u>579</u>		<u>513</u>
Total assets less current liabilities		<u>1,058</u>		<u>998</u>
Creditors (amounts falling due after more than one year)	10	0		0
Provisions for liabilities and charges	11	<u>(600)</u>		<u>(593)</u>
Net assets/(liabilities) excluding pension liability		<u>458</u>		<u>405</u>
Pension Liability	3	(22,030)		(10,837)
Net assets/(liabilities) including pension liability		<u>(21,572)</u>		<u>(10,432)</u>
Taxpayers' equity:				
General fund	12	(21,570)		(10,434)
Revaluation reserve	13(a)	(2)		2
Donated asset reserve	13(b)	0		0
		<u>(21,572)</u>		<u>(10,432)</u>

(Signed) _____ (Accountable Officer)

(Date) _____

(Signed) _____ (Treasurer)

(Date) _____

Cash Flow Statement for the year ended 31 March 2008

		2007-2008	2006-2007
	Notes	£000	£000
Net cash outflow from operating activities	14(a)	(23,391)	(20,532)
Capital expenditure and financial investment	14(b)	(114)	(120)
Financing	14(c)	23,041	21,715
Increase / (decrease) in cash in the period		(464)	1,063

The notes on pages 21 to 35 form part of these accounts

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

These financial statements have been prepared in accordance with the 2007-08 Government Financial Reporting Manual (FRM) issued by HM Treasury. The accounting policies contained in the FRM follow generally accepted accounting practice for companies (UK GAAP) to the extent that it is meaningful and appropriate to the public sector. Where the FRM 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 Board 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 fixed assets.

1.2 Going concern

The balance sheet at 31 March 2008 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 2008-09 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 fixed 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.

1.4 Depreciation

Tangible fixed 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 fixed 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 Board. It comprises of rent receivables, income from EU sources, income from other Government Departments and miscellaneous income. Fees and charges for services are recovered on a full cost basis in accordance with the Treasury's Fees and Charges guide.

The Probation Board 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 National Probation Directorate. 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 FReM by H.M. Treasury. Administration costs reflect the costs of running the Probation Board 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 Board, 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 2.5%. However, the discount rate applied to its share of the pension scheme is determined by the appropriate authority.
- c) Tangible fixed 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 balance sheet, 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.

1.11 Early Departure Costs

The Probation Board is required to meet the additional costs of benefits beyond the normal pension benefits in respect of employees who retire early. The Probation Board's policy is to provide in full for this cost when the early retirement programme has been announced and is binding on the Probation Board. 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 Board, the asset is recorded as a tangible fixed 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 Board, 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

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. (Most bodies covered by the Financial Reporting Manual do not receive grants, and are financed by voted parliamentary funding).

Financing of Training Consortia

Part of the funding that goes to the Probation Boards 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 Boards.

1.15 Provisions

The Probation Board provides for legal or constructive obligations which are of uncertain timing or amount at the balance sheet date 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

Most of the activities of the Probation Board 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 fixed assets. Where output tax is charged or input VAT is recoverable, the amounts are stated net of VAT.

1.17 Comparatives

With effect from the 9th May 2007, responsibility for the Probation Services was transferred from the Home Office to the newly created Ministry of Justice. The Board accounts for this change using merger accounting and prior year comparatives are restated as appropriate. This will not change any Note totals where restated figures are required. Where comparatives have been restated due to other reasons an appropriate subscript has been added.

2 Staff numbers and related costs

2(a) Total staff costs comprise:

	2007-2008			2006-2007
	£000	£000	£000	(Restated) £000
	Permanently -			
	Total	employed staff	Others	Total
Wages and salaries	15,152	14,742	410	14,408
Social security costs	1,163	1,163	0	1,140
Other pension costs	2,795	2,795	0	1,981
Sub Total	19,110	18,700	410	17,529
Less recoveries in respect of outward secondments	(1,857)	(1,857)	0	(1,924)
Total net admin costs	17,253	16,843	410	15,605
Net programme costs	0	0	0	0
Total Staff Costs	17,253	16,843	410	15,605

(restated due to re-classification of inward secondment costs)

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

No persons (2006-07: 3 persons) retired early on ill-health grounds; the total additional accrued pension liabilities in the year amounted to £Nil (2006-07: £6,201).

2(b) Average number of persons employed

	2007-2008			2006-2007
	Permanently -			Total
	Total	employed staff	Others	Total
	509	489	20	491
	509	489	20	491

3 Pension Costs

As part of the terms and conditions of employment of its officers and other employees, the Board offers retirement benefits. Although these will not actually be payable until employees retire, the Board has a commitment to make the payments that needs to be disclosed at the time that employees earn their future entitlement. The Board is a member of the Local Government Pension Scheme, which is statutory and fully funded, and the provisions of which cover present and past employees. The scheme is administered locally by Lancashire County Council. The Local Government Pension Scheme provides benefits on a "final salary" basis at a normal retirement age of 65. Benefits accrue at the rate of one-eightieth of pensionable salary for each year of service. In addition, a lump sum equivalent to three-eightieths of final pay of every year of total membership is payable on retirement. Members paid contributions of 6% of pensionable earnings during the year. Employers pay the balance of the cost of providing benefits, after taking into account investment returns. This is a 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 retirement benefits.

- 3(a)** A full actuarial valuation was carried out at 31 March 2007 by Mercer Limited. For 2007-08, employers' contributions of £1.805m were payable to the LGPS (2006-07 £1.791m) at a rate of 13.7% 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. The present value of scheme liabilities at 31 March 2007 has been restated to reflect the change in estimate by the Actuary to exclude the value of unfunded benefits. The impact of the change has been to reduce the opening liability by £854,000 in Note 3c, with a corresponding adjustment to the opening balance on General Fund (Note 12).

Partnership accounts are excluded under FRS17

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

Employer's contributions for 2007-08 were 13.7% of salaries; and,
Employer's contributions for 2008-09 will be 17.6% of salaries; and
Employer's contributions for 2009-10 will be 17.6% of salaries.

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

	31 March 2008	31 March 2007	31 March 2006
	%	%	%
Inflation assumption	3.6%	3.1%	2.9%
Rate of increase in salaries	5.4%	4.9%	4.7%
Rate of increase for pensions in payment and deferred pensions -	3.6%	3.1%	2.9%
Discount rate	6.1%	5.4%	5.7%

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

	Long-term rate 31 March 2008	Value at 31 March 2008	Long-term rate 31 March 2007	Value at 31 March 2007	Long-term rate 31 March 2006	Value at 31 March 2006
	%	£000	%	£000	%	£000
Equities	7.5%	35,759	7.5%	37,371	7.0%	35,464
Bonds	5.3%	12,705	5.0%	12,147	4.6%	12,646
Property	6.5%	3,449	6.5%	4,068	6.5%	4,784
Cash	5.3%	5,576	5.3%	4,533	4.5%	2,089
Total market value of assets		57,489		58,119		54,983
(Present value of scheme liabilities)		(79,519)		(68,956)		(60,493)
Surplus/ (Shortfall) of the scheme		(22,030)		(10,837)		(5,510)
Net pension asset / (liability)		(22,030)		(10,837)		(5,510)

		2007-2008	2006-2007
		£000	£000
3(d)	Pension Cost		
	Current service cost	2,102	1,981
	Past service cost	693	0
	Total operating charge	2,795	1,981
3(e)	Analysis of amount credited to other finance income or debited to other finance charge		
	Expected return on pension scheme assets	(3,826)	(3,353)
	Interest on pension scheme liabilities	3,733	3,457
	Net return	(93)	104
3(f)	Analysis of amount recognised in statement of recognised gains and losses (SRGL)		
	Actual return less expected return on pension scheme assets	(4,688)	(395)
	Experience gains and losses arising on the scheme liabilities	(1,447)	62
	Changes in assumptions underlying the present value of the scheme liabilities	(4,161)	(4,700)
	Actuarial gain/(loss) recognised in the SRGL	(10,296)	(5,033)
3(g)	Movement in Surplus/(Shortfall) during the year:		
	Surplus/(shortfall) in scheme at the beginning of the year	(10,837)	(5,510)
	Current service costs	(2,102)	(1,981)
	Employer Contributions	1,805	1,791
	Past service costs	(693)	0
	Other finance income	93	(104)
	Actuarial gain/ (loss)	(10,296)	(5,033)
	Surplus/(shortfall) in scheme at the end of the year	(22,030)	(10,837)

		2007-2008	2006-2007	2005-2006	2004-2005
3(h)	History of experience gains and losses				
	Difference between the expected and actual return on scheme assets:				
	Amount in £000	(4,688)	(395)	7,591	2,072
	Percentage of scheme assets	(8.2%)	(0.7%)	13.8%	4.6%
	Experience gains and losses on scheme liabilities:				
	Amount in £000	(1,447)	62	(1,433)	568
	Percentage of the present value of the scheme liabilities	(1.8%)	0.1%	(2.4%)	1.1%
	Total amount recognised in statement of recognised gains and losses:				
	Amount in £000	(10,296)	(5,033)	(73)	1,558
	Percentage of the present value of the scheme liabilities	(12.9%)	(7.3%)	(0.1%)	3.1%

4(a) Other Administration Costs

	2007-2008		2006-2007	
	£000	£000	£000	£000
Rentals under operating leases	42		23	
Interest charges	0		0	
Utilities and premises	115		283	
Transport costs	178		192	
Supplies and services	561		568	
Contracted out services	2,522		2,788	
Third party payments	1,095		885	
Chair's and members expenses	20		24	
Other expenditure	2,840		1,592	
Auditors' remuneration and expenses	33		32	
		7,406		6,387
Non-cash items				
Depreciation	103		90	
Impairment of fixed assets	0		0	
Profit on disposal of fixed assets	0		(6)	
Loss on disposal of fixed assets	0		0	
Cost of capital charges	(388)		(146)	
Early retirement provision provided for in year	50		10	
Other provisions provided for in year	0		0	
		(235)		(52)
Total		7,171		6,335

4(b)

5 Programme Costs

5(a) Staff Costs

	2007-2008		2006-2007 (Restated)	
	£000	£000	£000	£000
	Permanently -		Total	
	Total	Employed staff	Others	
Wages and salaries	0	0	0	0
Social security costs	0	0	0	0
Other pension costs	0	0	0	0
Sub total	0	0	0	0
Less recoveries in respect of outward secondments	0	0	0	0
Net programme staff costs	0	0	0	0

(restated due to re-classification of inward secondment costs)

5(b) Other Programme Costs

	2007-2008	2006-2007
	£000	£000
Current expenditure	0	0
Total Programme Costs	0	0

6 Income

6(a) Administration Income

	2007-2008		2006-2007 (Restated)	
	£000	£000	£000	£000
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	
		0		0
EU funding: direct contributions to Board activities		0		0
Income receivable: from other government bodies		361		388
Miscellaneous Income		440		578
		801		966
Operating Income to be Surrendered				
Interest received:				
From bank	40		30	
From car loans	4		7	
From other sources	0		0	
Total operating income to be surrendered		44		37
Total Administration Income		845		1,003

6(b) Programme Income

EU funding	0	0
Other programme income	0	0
Total Programme Income	0	0
Total Operating Income	845	1,003

7 Tangible Fixed Assets

	2007-2008				
	Information Technology £000	Plant & Equipment £000	Furniture and Fittings £000	Vehicles £000	Total £000
Cost or valuation					
At 1 April 2007	40	293	0	380	713
Additions	17	51	0	46	114
Donations	0	0	0	0	0
Net Transfers In/Out	0	0	0	0	0
Disposals	0	(22)	0	0	(22)
Revaluations	0	1	0	0	1
Indexation	(2)	(3)	0	0	(5)
Impairment	0	0	0	0	0
At 31 March 2008	55	320	0	426	801
Depreciation					
At 1 April 2007	7	102	0	134	243
Charged in year	10	44	0	49	103
Net Transfers In/Out	0	0	0	0	0
Disposals	0	(22)	0	0	(22)
Revaluations	0	0	0	0	0
Indexation	0	0	0	0	0
Impairment	0	0	0	0	0
At 31 March 2008	17	124	0	183	324
Net Book Value at 31 March 2008	38	196	0	243	477
Net Book Value at 31 March 2007	33	191	0	246	470
Asset Financing:					
Owned	38	196	0	243	477
Finance Lease	0	0	0	0	0
Net Book Value at 31 March 2008	38	196	0	243	477
Revaluation analysis					
Net change to Revaluation (excluding Impairment)	(2)	(2)	0	0	(4)
Impairment	0	0	0	0	0
Statement of Recognised Gains and Losses	(2)	(2)	0	0	(4)

Notes:

There are no donated assets.

	2006-2007 (Restated)				
	Information Technology £000	Plant & Equipment £000	Furniture and Fittings £000	Vehicles £000	Total £000
Cost or valuation					
At 1 April 2006	15	202	0	496	713
Additions	26	100	0	0	126
Donations	0	0	0	0	0
Net Transfers In/Out	0	0	0	0	0
Disposals	0	0	0	(119)	(119)
Revaluations	0	0	0	0	0
Indexation	(1)	(9)	0	3	(7)
Impairment	0	0	0	0	0
At 31 March 2007	40	293	0	380	713
Depreciation					
At 1 April 2006	3	74	0	198	275
Charged in year	4	32	0	54	90
Net Transfers In/Out	0	0	0	0	0
Disposals	0	0	0	(119)	(119)
Revaluations	0	0	0	0	0
Indexation	0	(4)	0	1	(3)
Impairment	0	0	0	0	0
At 31 March 2007	7	102	0	134	243
Net Book Value at 31 March 2007	33	191	0	246	470
Net Book Value at 31 March 2006	12	128	0	298	438
Asset Financing:					
Owned	33	191	0	246	470
Finance Lease	0	0	0	0	0
Net Book Value at 31 March 2007	33	191	0	246	470
Revaluation analysis					
Net change to Revaluation (excluding Impairment)	(1)	(5)	0	2	(4)
Impairment	0	0	0	0	0
Statement of Recognised Gains and Losses	(1)	(5)	0	2	(4)

(restated due to re-classification of fixed asset categories)

Notes:

There are no donated assets.

8 Debtors

8(a) Analysis by type

Amounts falling due within one Year:

Trade debtors
VAT
Staff debtors
Debtors due from other Probation Boards (excluding Training Consortia)
Debtors due from other Probation Boards for Training Consortia
Debtors due from NOMS
Debtors due from the Office of Criminal Justice Reform (OCJR)
Debtors due from the Ministry of Justice - Core
Debtors due from HM Prison Service (excluding private Prisons)
Debtors due from HM Court Service (HMCS)
Debtors due from Tribunal Service (TS)
Debtors due from Public Guardianship Office (PGO)
Other debtors
Prepayments and accrued income

	31 March 2008	31 March 2007 (Restated)
	£000	£000
86	86	106
26	26	36
12	12	24
4	4	53
16	16	15
5	5	41
0	0	0
0	0	0
532	532	241
0	0	0
0	0	0
0	0	0
10	10	4
80	80	90
771	771	610

Amounts falling due after more than one Year:

Trade debtors
Staff debtors
Other debtors
Prepayments and accrued Income

0	0
2	15
0	0
0	0
2	15
773	625

Total Debtors at 31 March 2008

8(b) Intra-Government Balances

Amounts falling due within one Year:

	31 March 2008	31 March 2007 (Restated)
	£000	£000
Balances with other central government bodies (inc parent dept)	557	350
Balances with local authorities	61	46
Balances with NHS Trusts	7	4
Balances with public corporations and trading funds	0	0
Subtotal: intra-government balances	625	400
Balances with bodies external to government	146	210
Total Debtors at 31 March 2008	771	610

Amounts falling due after more than one Year:

	31 March 2008	31 March 2007 (Restated)
	£000	£000
0	0	0
0	0	0
0	0	0
0	0	0
0	0	0
2	2	15
2	2	15

9 Cash at Bank and in hand

Balance at 1 April
Net change in cash balances
Balance at 31 March

	31 March 2008	31 March 2007
	£000	£000
1,126	1,126	693
(464)	(464)	433
662	662	1,126

The following balances at 31 March are held at:

Office of HM Paymaster General
Commercial banks and cash in hand
Balance at 31 March 2008

0	0
662	1,126
662	1,126

10 Creditors

31 March 2008 31 March 2007

10(a) Analysis by type

	(Restated)	
	£000	£000
Amounts falling due within one Year:		
VAT	0	0
Other taxation and social security	1	371
Trade creditors	355	323
Other creditors	0	0
Accruals and deferred income	420	462
Staff creditors	1	0
Bank overdraft	0	0
Creditors due to other Probation Boards (excluding Training Consortia)	29	25
Creditors due to other Probation Boards for Training Consortia	0	0
Creditors due to NOMS	4	5
Creditors due to the Office of Criminal Justice Reform (OCJR)	0	0
Creditors due to the Ministry of Justice	0	0
Creditors due to HM Prison Service (excluding private Prisons)	0	0
Creditors due to HM Court Service (HMCS)	0	0
Creditors due to Tribunal Service (TS)	0	0
Creditors due to Public Guardianship Office (PGO)	0	0
Unpaid pension contributions due to the pension scheme	0	0
Long Term Liabilities due within one year	0	0
Operating Income to be surrendered (Interest received)	44	37
Fixed asset accruals	0	0
	854	1,223
Amounts falling due after more than one Year:		
Staff creditors	0	0
Other creditors	0	0
	0	0
Total Creditors at 31 March 2008	854	1,223

10(b) Intra-Government Balances

	Amounts falling due within one Year:		Amounts falling due after more than one Year:	
	31 March 2008	31 March 2007	31 March 2008	31 March 2007
	(Restated)		(Restated)	
	£000	£000	£000	£000
Balances with other central government bodies (inc parent dept)	33	30	0	0
Balances with local authorities	64	30	0	0
Balances with NHS Trusts	0	0	0	0
Balances with public corporations and trading funds	0	0	0	0
Subtotal: intra-government balances	97	60	0	0
Balances with bodies external to government	757	1,163	0	0
Total Creditors at 31 March 2008	854	1,223	0	0

11 Provisions for Liabilities and Charges

31 March 2008

	Early Retirement and Pension Commitments Added Years		Other Provisions	Total
	£000			
	£000	£000		
Balance at 1 April 2007	593	0		593
Provided in the year	50	0		50
Provisions not required written back	0	0		0
Provisions utilised in the year	(43)	0		(43)
Balance at 31 March 2008	600	0		600

31 March 2007

	Early Retirement and Pension Commitments Added Years		Other Provisions	Total
	£000			
	£000	£000		
Balance at 1 April 2006	631	0		631
Provided in the year	10	0		10
Provisions not required written back	0	0		0
Provisions utilised in the year	(48)	0		(48)
Balance at 31 March 2007	593	0		593

Early Retirement and Pension Commitments

The Probation Board 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 Board provides for this in full when the early retirement programme becomes binding on the Board by establishing a provision for the estimated payments discounted by the Treasury discount rate of 2.2 per cent in real terms.

Other

The Board had no other provisions at 31 March 2008.

12 General Fund

	2007-2008	2006-2007
	£000	£000
Balance at 1 April	(10,434)	(5,936)
Financing activities:		
Net NOMS Financing received in year (excluding Training Consortia)	19,839	18,287
Training Consortia financing received from NOMS in the capacity as Lead Board	0	0
Training Consortia financing from NOMS received by the Area Board	316	315
Training Consortia financing received from the Boards within their consortia	0	0
Training Consortia financing transferred from the Lead Board to the boards within their consortia	0	0
Training Consortia financing received from their Lead Board	206	253
Training Consortia financing transferred to their Lead Board	0	0
Training Consortia financing received by the Board from another non-lead Board	0	0
Training Consortia financing transferred from the Board to another non-lead Board	0	0
Recharges by NOMS for centrally provided services	2,717	2,904
Net transfers from Operating Activities:		
Net operating cost for the year	(23,486)	(21,041)
Operating income to be surrendered (Interest received)	(44)	(37)
Non-Cash Charges:		
Cost of capital charge	(388)	(146)
Net asset transfers in/(out)	0	0
Transferred from revaluation reserve	0	0
Actuarial gains and losses (SRGL)	(10,296)	(5,033)
Balance at 31 March 2008	(21,570)	(10,434)

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).

	2007-2008	2006-2007
	£000	£000
Balance at 1 April	2	6
Arising on revaluations during the year (net)	(4)	(4)
Transferred to General Fund	0	0
Balance at 31 March 2008	(2)	2

13(b) Donated Asset Reserve

	2007-2008	2006-2007
	£000	£000
Balance at 1 April	0	0
Additions during the year	0	0
Revaluations	0	0
Release to the Operating Cost statement	0	0
Balance at 31 March 2008	0	0

There are no donated assets.

14 Notes to the Cash Flow Statement

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

	2007-2008	2006-2007
	£000	£000
Net operating cost	(23,486)	(21,041)
Adjustments for non-cash transactions	(235)	(52)
(Increase)/Decrease in debtors	(148)	(65)
Increase/(Decrease) in creditors	(369)	380
less movements in creditors relating to items not passing through the OCS	(7)	0
Adjustments for pension funding	897	294
Use of provisions	(43)	(48)
Net cash outflow from operating activities	(23,391)	(20,532)

14(b) Analysis of capital expenditure and financial investment

	2007-2008	2006-2007
	£000	£000
Tangible fixed assets additions	(114)	(126)
Plus opening balance for fixed asset accruals	0	0
Minus closing balance for fixed asset accruals	0	0
Minus proceeds of disposal of fixed assets	0	6
Net cash outflow from investing activities	(114)	(120)

14(c) Analysis of financing

	2007-2008	2006-2007
	£000	£000
Net NOMS Financing received in year (excluding Training Consortia)	19,839	18,287
Training Consortia financing received by the Lead Board from NOMS	0	0
Training Consortia financing received by the non-lead Board from NOMS	316	315
Training Consortia financing received from the boards within their consortia	0	0
Training Consortia financing transferred from the Lead Board to the boards within their consortia	0	0
Training Consortia financing received from their Lead Board	206	253
Training Consortia financing transferred to their Lead Board	0	0
Training Consortia financing received by the Board from another non-lead board	0	0
Training Consortia financing transferred from the Board to another non-lead board	0	0
Recharges by NOMS for centrally provided services	2,717	2,904
Consolidated Fund Extra Receipts received in prior year surrendered (Interest Received)	(37)	(44)
Net financing	23,041	21,715

15 Capital Commitments

	31 March 2008	31 March 2007
	£000	£000
Capital commitments at 31 March for which no provision has been made		
Committed	0	0
Authorised but not contracted	0	0
Total	0	0

**16 Commitments Under Leases
Operating Leases**

Commitments under operating leases to pay rentals during the year following the year of these accounts are given in the table below, analysed according to the period in the which the lease expires.

Obligations under operating leases comprise:

	2007-2008	2006-2007
	£000	£000
Other:		
Expiry within 1 year	15	13
Expiry after 1 year but not more than 5 years	27	10
Expiry thereafter	0	0
Total	42	23

17 Other financial commitments

There were no other financial commitments at 31 March 2008.

	2007-2008	2006-2007
	£000	£000
Expiry within 1 year	0	0
Expiry within 2 to 5 years	0	0
Expiry thereafter	0	0
Total	0	0

18 Financial Instruments

FRS13 disclosures should be given here where appropriate: as permitted by FRS13, debtors and creditors which mature or become payable within 12 months from the balance sheet should be omitted from the currency profile and should be excluded from all other disclosures. Other disclosures should be given only where they are necessary because the Department holds financial instruments that are complex or play a significant medium to long-term role in the financial risk profile of the department. The headings in FRS 13 should be used to the extent that they are relevant

19 Contingent Liabilities

The Board has an outstanding employment tribunal case which is due to be heard at the end of June 2008. The case is based upon constructive dismissal and disability discrimination. The Board is fully contesting this case, but if found in breach of contract or liable for disability discrimination then an award may be made. If the Board is unsuccessful in defending the claim, the best estimate at this stage of a potential award is between £10, 000 to £20,000.

20 Contingent Liabilities not required to be disclosed under FRS 12 but included for parliamentary reporting and accountability purposes

The Board has not entered into any quantifiable contingent liabilities by offering guarantees, indemnities or by giving letters of comfort. None of these is a contingent liability within the meaning of FRS 12 since the likelihood of a transfer of economic benefit in settlement is too remote.

	1 April 2007 £000	Increase in Year £000	Liabilities crystallised in year £000	Obligation expired in year £000	31 March 2008 £000	Amount to be reported to Parliament by departmental Minute
Guarantees (listed)						
Indemnities (listed)						
Letter of comfort (listed)						

21 Losses and Special Payments

Losses Statement	2007-2008		2006-2007	
	Number of	Total Value	Number of Cases	Total Value
	Cases	£000		£000
Cash losses	0	0	0	0
Claims abandoned	0	0	0	0
Administrative write-offs	0	0	3	29
Fruitless payments	0	0	0	0
Stores losses	0	0	0	0
Special payments	0	0	0	0
Total	0	0	3	29
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 Board had various material transactions with the Ministry of Justice. Additionally, the Probation Board had transactions with other Probation Boards, other government bodies and third party organisations.

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

23 Third-party assets

The Board held no third party assets at 31 March 2008.

	31 March 2008	31 March 2007
	£000	£000
Balance at 1 April	0	0
Funds paid in during the year	0	0
Funds paid out during the year	0	0
Balance at 31 March 2008	0	0

24 Post balance sheet events

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

