

## Memorandum: dormant accounts funds

Under the Dormant Bank and Building Society Accounts Act 2008 ('the Act'), banks and building societies may pass funds from dormant accounts to Reclaim Fund Ltd, a not-for-profit entity authorised to act as the reclaim fund.

Reclaim Fund Ltd transfers funds which it is satisfied are not required to meet future claims from the owners of the dormant accounts to the Big Lottery Fund. The Big Lottery Fund distributes those funds in accordance with the Act and directions issued to it by the Minister for the Cabinet Office ('the Minister') and the devolved administrations. Funds are apportioned between the four countries of the UK in accordance with a statutory instrument approved by Parliament.

Costs incurred by the Big Lottery Fund, and by the Minister in relation to the operation of the scheme as a whole, are deducted before apportionment between the countries.

Costs incurred by the Minister and the devolved administrations in relation to the individual countries are deducted from the apportioned funds.

In relation to England, directions provide that all funds transferred to the Big Lottery Fund are to be transferred to Big Society Trust for the purpose of capitalising Big Society Capital, a social investment wholesaler. Prior to the establishment of Big Society Trust, the Big Lottery Fund made awards in accordance with directions.

In relation to the other three countries, the Big Lottery Fund makes grant awards in a similar manner to Lottery funds, so that there are outstanding commitments from grant awards made that have not yet been drawn down by grant recipients.

The Big Lottery Fund holds funds not yet drawn down on deposit at commercial banks.

	Total £'000	England £'000	Scotland £'000	Wales £'000	NI £'000
Transfers from Reclaim Fund Ltd	50,000				
Bank and other interest receivable	32				
<b>Total dormant accounts income</b>	<b>50,032</b>				
Big Lottery Fund's operating costs of distributing dormant accounts funds	(501)				
<b>Available for apportionment to countries</b>	<b>49,531</b>				
Share of each country		83.9%	8.4%	4.9%	2.8%
Apportioned to each country	49,531	41,556	4,161	2,427	1,387
Transfers to Big Society Trust	(41,360)	(41,360)	-	-	-
Other grant commitments made	(7,981)	-	(7,361)	(620)	-
<b>Balance of funds available for distribution</b>	<b>190</b>	<b>196</b>	<b>(3,200)</b>	<b>1,807</b>	<b>1,387</b>

## Memorandum of accounts – dormant accounts funds

### Statement of Comprehensive Income for the year ended 31 March 2013

Income	Year ending 31 March 2013 £'000	Year ending March 2012 £'000
Transfers from Reclaim Fund Ltd	50,000	47,630
Bank interest receivable	32	251
<b>Programme expenditure</b>		
Transfers to Big Society Trust	(41,360)	(37,990)
Other grant commitments made	(7,981)	-
<b>Operating costs</b>		
Cost incurred by Minister and devolved administrations	-	(1630)
Other operating costs	(501)	(340)
<b>Total expenditure</b>	<u>(49,842)</u>	<u>(39,960)</u>
Surplus before taxation	190	7,921
Taxation	-	-
Surplus after taxation	<u>190</u>	<u>7,921</u>
Total comprehensive income	<u><u>190</u></u>	<u><u>7,921</u></u>
<b>Reserves</b>		
Brought forward at 1 April 2012	7,921	-
Total comprehensive net income for the year	190	7,921
Carried forward at 31 March 2012	<u><u>8,111</u></u>	<u><u>7,921</u></u>

### Statement of Financial Position as at 31 March 2013

Cash at bank and in hand	13,310	8,018
Total assets	<u>13,310</u>	<u>8,018</u>
<b>Current liabilities</b>		
Trade and other payables on dormant accounts funds	(169)	(97)
Grant commitments	(5,030)	-
<b>Assets less liabilities</b>	<u>8,111</u>	<u>7,921</u>
Retained surplus in respect of dormant accounts funds	<u><u>8,111</u></u>	<u><u>7,921</u></u>