

**SCHEDULE 8 FINANCIAL REPORTS****1 Definitions**

- 1.1 Without prejudice to Schedule 1 (Definitions and Interpretations), for the purposes of this Schedule 11, the following terms shall have the following meanings:

Term	Definition
Authority's Nominated Finance Officer	Means the Authority's financial representative duly authorised to review and agree, where relevant, pricing information provided by the Contract or in accordance with the provisions of this Contract, as notified to the Contractor from time to time;
Quarterly Financial Report	Means the completed report in the format of Annex A (Defform 136); and
Quarterly Financial Summary	Contractor to submit the Quarterly Financial summary to the Operating Board
Annual Financial Report	Means the completed report in the format of Annex B.

**2 Introduction**

- 2.1 In accordance with clause 31 (Financial Reports), the Contractor shall submit to the Authority Financial Reports in the form set out in this Schedule 11.

**3 Financial Reports**

- 3.1 The Financial Reports shall comprise three parts:
- 3.1.1 a Quarterly Financial Report at Annex A (DEFFORM 136); and
  - 3.1.2 a Quarterly Financial Summary to be submitted to the Operating Board as indicated in Schedule 3
  - 3.1.3 an Annual Financial Report to account for the previous period 01 April to 31 March to include the Profit / Loss results and include the full and final Annual Accounting & Audit Financial Statement to be produced within 12 weeks of the 31 March. The format of this report is at Annex B.

**4 Frequency of Financial Reports**

- 4.1 The Contractor shall submit the Financial Reports to the Authority's Nominated Finance Officer for:
- 4.1.1 every quarter shall be submitted within 15 Business days from the end of the relevant quarter for the Contract Year. The first of the Quarterly Financial Reports shall be due for submission following completion of the quarter of the Contract Year 0 for the

period 01 January 2018 to 31 March 2018.

- 4.1.2 each Financial Year shall be submitted within 60 days from the end of the relevant Financial Year of the Contract. The first Annual Financial Report shall be due for submission following 31 March 2019 for the first 15 months of the contract.

## **5 Governance Meetings**

- 5.1 In accordance with Schedule 3 (Governance and Contract Management), the Quarterly Financial Report and the Annual Financial Report shall be reviewed by the Operating Board and included in the Annual Report for the Strategic Board.

**ANNEX A DEFFORM 136 (EDN 11/00)**

<b>Ministry Of Defence</b>		<b>DEFFORM 136 (Edn 11/00)</b>	
<b>QUARTERLY FINANCIAL REPORT</b>		Report for quarter ending:	
(To be submitted IN TRIPLICATE within 15 Business days of the end of each quarter (one copy being sent <u>direct</u> to the Technical, Finance and Commercial contact points identified in the Appendix to Contract)		Contract Number:	
To: (MOD contact)	From: (Contractor's name & address)	Contract Limit of Liability £	
		(Approval of the MOD commercial staff must be sought before expenditure (including estimated overheads and profit) is committed beyond the contract limit of liability)	
1. Actual cost chargeable to Contact to end of quarter stated above and estimated cost to completion (see NOTES below)		ACTUAL	Estimated
		Cost to the end of the quarter stated above £	Cost to completion (inclusive of costs to date) £
For A and B <u>include</u> ) A. Materials and bought out progress payments as ) items well as bills paid for ) delivered item. ) B. Sub-contracted work ) For C <u>exclude</u> any ) C. Salaries and Wages: salaries and wages ) (i) Design covered in D below. ) (ii) Other			
TOTAL (A, B & C)			
D. Overheads (Provisional) at %			
E. Profit (Provisional) at %			
TOTAL (A, B, C, D & E)			
2. Outstanding Commitments (Value of orders placed for materials, bought out items and sub-contracted work <u>less</u> bills already paid and progress payments made)		<u>Value</u>	
3. Further estimated costs inclusive of overheads and profit (The forecasts should not be restricted to the "limitation of liability" figure at present shown in the Contract if the ultimate costs are likely to be higher)			
F. During the quarter following that covered by this report			
G. Thereafter to 31 March next (20 )			
H. Thereafter to 31 March in succeeding year			
J. Thereafter to completion of work			
Date by which work is		Month	Year

expected to be completed		
Date:	Signature:	In the capacity of:
NOTES: (i) All figures must be VAT exclusive. Figures in section 1 should be cumulative from the start of the Contract. (ii) It is most important that the report is submitted within 21 days mentioned above. When a contractor finds it impossible to provide precise figures within this time, provisional figures, annotated accordingly, should be given. (iii) Where provisional figures are provided, actuals must be supplied as soon as possible, but with the following return at the latest, with an explanation for any discrepancies. (iv) Please give overleaf or separately a brief explanation of any significant difference between the present estimate of total costs to completion of work and the corresponding estimate on last report.		

**ANNEX B CONTRACTOR'S ANNUAL FINANCIAL REPORT**

**[THE FORMAT OF THE ANNUAL FINANCIAL REPORT FOR ANNEX B IS TO BE AGREED WITH THE TENDERERS AT THE NEGOTIATION PHASE AND MUST INCLUDE THE REQUIREMENTS IN REFERENCE TO TRAINING OPTIMISATION CLAUSE 34]**

