

**THE NORTHERN
IRELAND POLICE FUND
FINANCIAL STATEMENTS
31 MARCH 2009**

**Company Registration
Number NI42342**

**THE NORTHERN
IRELAND POLICE FUND
FINANCIAL STATEMENTS
31 MARCH 2009**

Presented to Parliament pursuant to paragraph 6 of the Government Resources and Accounts Act 2000 (Audit of Non-profit-making Companies) Order 2009

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THE NORTHERN IRELAND POLICE FUND COMPANY LIMITED BY GUARANTEE

Financial statements

Year ended 31 March 2009

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THE NORTHERN IRELAND POLICE FUND COMPANY LIMITED BY GUARANTEE

Officers and professional advisers

The board of directors	Mrs Adela C. Carlisle Mr Isaac Clarke Dr John Galway Mr Duncan McCausland Mr David A. McClurg (Chair) Mr Richard Miller Mrs Geraldine Rice Mr Terence Spence Mr Charles Jenkins Dr Richard Bryans Mrs Margaret Hunter Mr Colin Burrows Mr Ken Lindsay
Company secretary	Mr Charles Jenkins
Registered office	100 Belfast Road Holywood BT18 9QY
Bankers	First Trust Bank 31/35 High Street Belfast BT1 2AL
Solicitors	L'Estrange and Brett Arnott House 12-16 Bridge Street Belfast BT1 1LS
Auditor	Comptroller and Auditor General National Audit Office 157-197 Buckingham Palace Road. Victoria London SW1W 9SP

THE NORTHERN IRELAND POLICE FUND COMPANY LIMITED BY GUARANTEE

The directors' report

Year ended 31 March 2009

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 March 2009.

These financial statements have been prepared in accordance with a direction from the Northern Ireland Office that the Northern Ireland Police Fund (NIPF) should prepare for each financial year a statement of accounts in the form that would comply with the requirements of the Government Financial Reporting Manual, FReM.

The Northern Ireland Police Fund intends to implement and comply with the accounting and disclosure requirements of the Government International Financial Reporting Manual (IFReM) and International Financial Reporting Standards (IFRSs) for the year end 31 March 2010. The likely impact of this will be a change in format, disclosure and an adjustment for employee benefit accrual. Parallel systems are in place for 2008-09 accounts for IFRS and FRS based information, to ensure that comparative information can be accurately produced.

Principal activities and business review

The principal activity of the company during the year was in providing financial assistance, advice, support and care to members and former members of the Royal Ulster Constabulary, the Royal Ulster Constabulary Reserve, the Police Service of Northern Ireland, the Police Service of Northern Ireland Reserve and their families and dependants, who have been killed or injured by terrorism.

Share Capital

The company is limited by guarantee and has no share capital.

Employee Policy

The NIPF is committed to the development of its staff and to policies that enable them to contribute to the performance and long-term effectiveness of the organisation.

In particular the company:

- will ensure that all eligible persons shall have equal opportunity for employment and advancement in the NIPF on the basis of their ability, qualifications and aptitude for the work- 'in other words on the basis of merit'.
- merit embraces issues of diversity, inclusivity and equality of opportunity and recruitment and retention processes and policies fully embrace those concepts.
- gives equality of opportunity when considering applications from disabled persons, in compliance with all existing legislation; and
- recognises the benefits of keeping employees informed of progress and issues affecting the Fund through formal and informal meetings.

Related Parties

Details of the company's related parties are set out in note 13 to the financial statements and in the Remuneration Report.

Charitable Donations

The company made no charitable donations during the period.

THE NORTHERN IRELAND POLICE FUND COMPANY LIMITED BY GUARANTEE

The directors' report *(continued)*

Year ended 31 March 2009

Prompt payment practice

The Northern Ireland Police Fund seeks to comply with 'The Better Payments Practice Code' for achieving good payment performance in commercial transactions. Under this Code, the policy is to pay bills in accordance with contractual conditions or, where no such conditions exist, within 30 days of receipt of goods and services or the presentation of a valid invoice, whichever is the later. NIPF started recording prompt payments statistics from November 2008 and will continue to maintain these records in the future. From November 2008 to the 31 March 2009, the NIPF has paid 92% of its suppliers within 30 days.

Sickness absence data

The reported average number of working days lost due to sickness per employee for 2008/09 was 28 days.

Data Handling

The Northern Ireland Police Fund has not had any personal data related incidents during the current or previous years.

Incidents, the disclosure of which would in itself create an unacceptable risk of harm, may be excluded in accordance with the exemptions contained in the Freedom of Information Act 2000 or may be subject to the limitations of other UK information legislation.

TABLE 1: SUMMARY OF PROTECTED PERSONAL DATA RELATED INCIDENTS FORMALLY REPORTED TO THE INFORMATION COMMISSIONER'S OFFICE IN 2008-09

Date of Incident (month)	Nature of Incident	Nature of data involved	Number of people potentially affected	Notification steps
N/A	N/A	N/A	N/A	N/A
Further action on information risk			N/A	

THE NORTHERN IRELAND POLICE FUND COMPANY LIMITED BY GUARANTEE

The directors' report *(continued)*

Year ended 31 March 2009

TABLE 2: SUMMARY OF OTHER PROTECTED PERSONAL DATA RELATED INCIDENTS IN 2008-09

Incidents deemed by the Data controller not to fall within the criteria for report to the Information commissioner's Office but recorded centrally within the Department are set out in the table below. Small, localised incidents are not recorded centrally and are not cited in these figures.

Category	Nature of incident	Total
I	Loss of inadequately protected electronic equipment, devices or paper documents from secured Government premises	-
II	Loss of inadequately protected electronic equipment, devices or paper documents form outside secured Government premises	-
III	Insecure disposal of inadequately protected electronic equipment, devices or paper documents	-
IV	Unauthorised disclosure	-
V	Other	-

TABLE 3: YEAR-ON-YEAR TOTAL NUMBERS OF PROTECTED PERSONAL DATA RELATED INCIDENTS PRIOR TO 2008-09

Total number of protected personal data related incidents formally reported to the Information Commissioner' Office by category number							Total number of other protected personal data related incidents, by category number						
	I	II	III	IV	V	Total		I	II	III	IV	V	Total
2008-09	-	-	-	-	-	-	2008-09	-	-	-	-	-	-
2007-08	-	-	-	-	-	-	2007-08	-	-	-	-	-	-
2006-07	-	-	-	-	-	-	2006-07	-	-	-	-	-	-
2005-06	-	-	-	-	-	-	2005-06	-	-	-	-	-	-
2004-05	-	-	-	-	-	-	2004-05	-	-	-	-	-	-

Results

The net cost of operations before taxation for the year amounted to £59,468.

Directors

The directors who served the company during the year were as follows:

Mrs Adela C. Carlisle

Mr Isaac Clarke

Dr John Galway

Mr Duncan McCausland

Mr David A. McClurg (Chair)

Mr Richard Miller

Mrs Geraldine Rice

Mr Terence Spence

Mr Charles Jenkins

Mr Colin Burrows (appointed 04/09/08)

Mr Ken Lindsay (appointed 04/09/08)

Dr Richard Bryans (appointed 11/12/08)

Mrs Margaret Hunter (appointed 11/12/08)

THE NORTHERN IRELAND POLICE FUND COMPANY LIMITED BY GUARANTEE

The directors' report *(continued)*

Year ended 31 March 2009

Directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the surplus or deficit of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business;
- state whether applicable accounting standards have been followed; subject to any material departures disclosed and explained in the financial statements.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies (Northern Ireland) Order 1986. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of Disclosure of Information to Auditors

The directors confirm that, for all directors in office at the date of this report:

- so far as each director is aware, there is no relevant audit information of which the company's auditors are unaware. For this purpose, "relevant audit information" comprises the information needed by the company's auditors in connection with preparing their report; and
- each director has taken all the steps (such as making enquiries of other directors and the auditors and any other steps required by the director's duty to exercise due care, skill and diligence) that he ought to have taken in his duty as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Signed on behalf of the Board of Directors by:

Mr D McClurg
Chairman
8 December 2009

Mr C Ashe
Chief Executive
8 December 2009

THE NORTHERN IRELAND POLICE FUND COMPANY LIMITED BY GUARANTEE

Remuneration report

Year ended 31 March 2009

Remuneration Policy

The salaries of seconded civil servants in the Northern Ireland Police Fund are based on a review of grading completed in 2005 and the Northern Ireland Office (NIO) pay settlements which in themselves have regard to the level of pay settlements elsewhere in the Northern Ireland Civil Service. Bonuses may be awarded either directly from the Fund or through NIO agreed performance and bonus arrangements.

In reaching its recommendations, NIO has regard to the following considerations:

- the need to recruit, retain and motivate suitably able and qualified people to exercise their different responsibilities;
- regional/local variations in labour markets and their effects on the recruitment and retention of staff;
- Government policies for improving the public services including the requirement on departments to meet the output targets for the delivery of departmental services;
- the funds available to departments as set out in the Government's departmental expenditure limits; the Government's inflation target.

The salaries for directly recruited staff are set by the Board of the Fund on advice from its Finance and Personnel Committee having regard to a review of grading completed in 2005 and the level of settlements elsewhere in the public and private sector. Bonuses are awarded in accordance with the NIPF special bonus scheme.

Service Contracts

Civil service appointments are made in accordance with the Civil Service Commissioners' for Northern Ireland's Recruitment Code, which requires appointment to be on merit on the basis of fair and open competition but also includes the circumstances when appointments may otherwise be made.

Unless otherwise stated below, the officials covered by this report hold appointments, which are open-ended. Early termination, other than for misconduct, would result in the individual receiving compensation as set out in the Civil Service Compensation Scheme.

Staff recruited directly are appointed through an external firm of recruitment agents. In accordance with Fund policies all appointments are made on the basis of fair and open competition. Appointments may be made either on a fixed contract basis or open ended and early termination may give rise to an individual receiving compensation.

The Chief Executive, Colin Ashe was initially appointed to the Fund on transfer from the Northern Ireland Office in June 2004 for 1 ½ years. The transfer has subsequently been extended.

THE NORTHERN IRELAND POLICE FUND COMPANY LIMITED BY GUARANTEE

Remuneration report *(continued)*

Year ended 31 March 2009

Remuneration and Pension Entitlements (Audited Information)

The following sections provide details of the remuneration and pension interests of the most senior officials of the Northern Ireland Police Fund.

Senior Management Remuneration

Officials	2008-09		2007-08	
	Salary £'000	Benefits in kind (to nearest £100)	Salary £'000	Benefits in kind (to nearest £100)
Mr C Ashe <i>Chief Executive</i>	50-55	0	45-50	0
Mr D McClurg <i>Chairman</i>	5-10	0	0-5	0

Salary

'Salary' includes gross salary; performance pay or bonuses; and any other allowance, such as London Weighting Allowances, to the extent that it is subject to UK taxation. This report is based on payments made by NIPF and thus recorded in these accounts.

Benefits in kind

The monetary value of benefits in kind covers any benefits provided by the employer and treated by the HMRC as a taxable emolument.

Pensions of Senior Management (Audited Information)

Officials	Accrued pension at age 60 as at 31/3/09 and related lump sum	Real increase in pension and related lump sum at age 60	CETV at 31/3/09	CETV at 31/3/08	Real increase in CETV	Employer contribution to partnership pension account
	£'000	£'000	£'000	£'000	£'000	Nearest £100
Mr Colin Ashe	Accrued pension 15-20 Lump sum 55-60	2.5-5.0	373*	335*	7	0

* The factors used in calculating CETVs have been updated from October 2008. The new factors have been used to calculate the opening CETV figure for 08/09 and as a result the figure may differ from the 07/08 closing CETV figure given last year.

THE NORTHERN IRELAND POLICE FUND COMPANY LIMITED BY GUARANTEE

Remuneration report *(continued)*

Year ended 31 March 2009

Pension benefits are provided through the Civil Service pension arrangements. From 30 July 2007, civil servants may be in one of four defined benefit schemes; either a 'final salary' scheme (classic, premium or classic plus); or a 'whole career' scheme (nuvos). These statutory arrangements are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under classic, premium, classic plus and nuvos are increased annually in line with changes in the Retail Prices Index (RPI). Members who joined from October 2002 could opt for either the appropriate defined benefit arrangement or a good quality 'money purchase' stakeholder pension with a significant employer contribution (partnership pension account).

Employee contributions are set at the rate of 1.5% of pensionable earnings for classic and 3.5% for premium, classic plus and nuvos. Benefits in classic accrue at the rate of 1/80th of final pensionable earnings for each year of service. In addition, a lump sum equivalent to three years' pension is payable on retirement. For premium, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike classic, there is no automatic lump sum. Classic plus is essentially a hybrid with benefits for service before 1 October 2002 calculated broadly as per classic and benefits for service from October 2002 worked out as in premium. In nuvos a member builds up a pension based on his pensionable earnings during their period of scheme membership. At the end of the scheme year (31 March) the member's earned pension account is credited with 2.3% of their pensionable earnings in that scheme year and, immediately after the scheme year end, the accrued pension is uprated in line with RPI. In all cases members may opt to give up (commute) pension for lump sum up to the limits set by the Finance Act 2004.

The partnership pension account is a stakeholder pension arrangement. The employer makes a basic contribution of between 3% and 12.5% (depending on the age of the member) into a stakeholder pension product chosen by the employee from a panel of three providers. The employee does not have to contribute but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.8% of pensionable salary to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement).

The accrued pension quoted, is the pension the member is entitled to receive when they reach pension age, or immediately on ceasing to be an active member of the scheme if they are already at or over pension age. Pension age is 60 for members of classic, premium and classic plus and 65 for members of nuvos.

Further details about the Civil Service pension arrangements can be found at the website www.civilservicepensions-ni.gov.uk.

Transactions Involving Directors and Related Parties (Audited Information)

The company was under the control of the Board of Directors throughout both the current and prior year. The Northern Ireland Office (NIO), as the company's sponsor department, is regarded as a related party. During the year, the company had a number of material transactions with NIO.

Mr D McClurg, a director of the company, is also a director of Police Rehabilitation and Retraining Trust. During the year service charges totalling £28,089 (2008: £28,089) were paid to PRRT.

THE NORTHERN IRELAND POLICE FUND COMPANY LIMITED BY GUARANTEE

Remuneration report *(continued)*

Year ended 31 March 2009

Mr D McClurg is also Honorary Vice President of the NI Retired Police Officers' Association. During the year the NI Retired Police Officers' Association received a grant of £10,000 (2008: £29,154) towards the running costs of their Befriending Scheme and the Home Visit Scheme.

Mr Terence Spence, a director of the Northern Ireland Police Fund, was appointed as Chairman of the Police Federation of Northern Ireland during the previous year. The Police Federation administers the RUC Benevolent Fund. The RUC Benevolent Fund received a grant of £150,660 (2008: £150,475) in respect of Annual grants to Pre-82 Widows, and a grant of £77,894 (2008: £117,148) in respect of Travel to UK Convalescent Homes, welfare group support and maintenance of apartments. Mrs M Hunter, a director of the Northern Ireland Police Fund, is also a director of Federal Security Limited. During the year Northern Ireland Police Fund made payments of £1,214 to Federal Security Limited.

Cash Equivalent Transfer Values

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies. The figures include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the Civil Service pension arrangements. They also include any additional pension benefit accrued to the member as a result of their purchasing additional pension benefits at their own cost. CETVs are calculated in accordance with the Occupational Pension Schemes (Transfer Values) (Amendment) Regulations and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken

Real increase in CETV

This reflects the increase in CETV that is funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

Mr D McClurg
Chairman
8 December 2009

Mr C Ashe
Chief Executive
8 December 2009

THE NORTHERN IRELAND POLICE FUND COMPANY LIMITED BY GUARANTEE

Statement on Internal Control

Year ended 31 March 2009

1. Scope of responsibility

As Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the company's policies, aims and objectives, whilst safeguarding the public funds and managing the assets assigned to the Northern Ireland Police Fund, for which I am personally responsible, in accordance with the responsibilities assigned to me in Managing Public Money.

The company commenced in November 2001 and established internal controls from this point onwards which are reviewed on an annual basis.

2. The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of company policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in the Northern Ireland Police Fund for the period ended 31 March 2009 and up to the date of approval of the annual report and accounts, and accords with Treasury guidance.

3. Capacity to handle risk

The identification and impact of risk is incorporated into the corporate planning and decision making processes of the company. Consequently the company ensures that there are procedures in place for verifying that internal control and aspects of risk management are regularly reviewed and reported on.

In addition to the actions mentioned above, in the coming year the company plans to:

1. Continue and update the records of risk;
2. Ensure that the company's audit committee reviews the risk framework at its meetings;
3. Further develop a system of key performance and risk indicators;
4. Continue to identify and arrange for appropriate training for staff and audit committee members;
and
5. Continue to provide assurance to senior management and the board that agreed processes and procedures in place and are being acted upon and complied with.

The company's internal auditors report regularly on the adequacy and effectiveness of the company's system of internal control together with recommendations for improvement.

THE NORTHERN IRELAND POLICE FUND COMPANY LIMITED BY GUARANTEE

Statement on Internal Control *(continued)*

Year ended 31 March 2009

4. The risk and control framework

As part of the company's corporate planning process the company identifies the inherent risks for each corporate objective, and assesses each inherent risk for impact and likelihood using a risk matrix. The company also identifies the controls to mitigate against each risk. Thus key areas of risk are identified, risk ownership assigned to staff and action plans drawn up.

These risks are reported to and managed by the Audit and Risk Management Committee who review and report to the Board on risk management issues. Risk is reviewed on a quarterly basis by the Audit and Risk Management Committee and in turn they inform the Board of any emerging issues. In addition the Committee receives regular reports on the implementation of internal and external audit reports and meets with the auditors on a regular basis. The Committee commissions further reports on specific issues where they feel this necessary. The Audit and Risk Management Committee has also reviewed the systems and controls in place to protect our information. Information assurance and management of the risk to information has now been included in our risk register.

5. Review of effectiveness

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work the internal auditors and those within the company who have responsibility for the development and maintenance of the company's internal control framework and comments made by the external auditors in their Report to Those Charged with Governance and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control, by the Board, the Audit Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place. The current internal controls within the company include authorisation of payments, supervision of staff and regular financial reviews and reconciliations. In respect of 2008/09 I have been informed by internal and external audit on the adequacy and effectiveness of internal controls operating within the Northern Ireland Police Fund. In the internal auditors report they have stated that in their opinion the Fund's internal control systems were adequate and operated effectively thereby providing satisfactory assurance regarding the effective and efficient achievement of the Fund's objectives.

Progress on issues raised by internal and external audit continues to be formally monitored through the Audit Committee.

Taking these matters into account I am content that the internal control framework in operation within the Northern Ireland Police Fund provides reasonable assurance that objectives will be met.

Mr C Ashe
Chief Executive
8 December 2009

THE NORTHERN IRELAND POLICE FUND COMPANY LIMITED BY GUARANTEE

Independent auditors' report

Year ended 31 March 2009

Northern Ireland Police Fund

THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE MEMBERS OF THE NORTHERN IRELAND POLICE FUND

I certify that I have audited the financial statements of the Northern Ireland Police Fund for the year ended 31 March 2009 under the Government Resources and Accounts Act 2000. These comprise the Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

Respective responsibilities of the directors and auditor

The Directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for ensuring the regularity of financial transactions. These responsibilities are set out in the Statement of Directors' Responsibilities.

My responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements, and with International Standards on Auditing (UK and Ireland).

I report to you my opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies (Northern Ireland) Order 1986. I report to you whether, in my opinion, the information given in the Directors' Report is consistent with the financial statements. I also report whether in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

In addition, I report to you if, in my opinion, the Northern Ireland Police Fund has not kept proper accounting records, if I have not received all the information and explanations I require for my audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

I review whether the Statement on Internal Control reflects the Northern Ireland Police Fund's compliance with HM Treasury's guidance, and I report if it does not. I am not required to consider whether this statement covers all risks and controls, or to form an opinion on the effectiveness of the Northern Ireland Police Fund's corporate governance procedures or its risk and control procedures.

I read the other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the unaudited part of the Remuneration Report. I consider the implications for my certificate if I become aware of any apparent misstatements or material inconsistencies with the financial statements. My responsibilities do not extend to any other information.

THE NORTHERN IRELAND POLICE FUND COMPANY LIMITED BY GUARANTEE

Independent auditors' report *(continued)*

Year ended 31 March 2009

Basis of audit opinions

I conducted my audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. My audit includes examination, on a test basis, of evidence relevant to the amounts, disclosures and regularity of financial transactions included in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error, and that in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinions

In my opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 2009 and of its deficit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies (Northern Ireland) Order 1986 and the part of the Remuneration Report to be audited has been properly prepared in accordance with the Government Financial Reporting Manual; and
- the information given in the Directors' Report is consistent with the financial statements.

Opinion on Regularity

In my opinion, in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Report

I have no observations to make on these financial statements.

Amyas C E Morse
Comptroller and Auditor General
26 February 2010

National Audit Office
157-197 Buckingham Palace Road
Victoria
London
SW1W 9SP

**THE NORTHERN IRELAND POLICE FUND
COMPANY LIMITED BY GUARANTEE**

Income and expenditure account

Year ended 31 March 2009

	Note	2009 £	2008 £
Income		1,849,000	1,700,000
Direct costs	6	<u>(1,596,368)</u>	<u>(1,453,426)</u>
		252,632	246,574
Notional cost of capital	9	(189)	(1,096)
Administrative expenses	7	<u>(316,364)</u>	<u>(241,773)</u>
Net cost of operations before interest and taxation	3	(63,921)	3,705
Interest receivable		4,453	7,707
Net cost of operations before taxation		<u>(59,468)</u>	<u>11,412</u>
Tax on net cost of operations	8	(935)	(2,625)
Net cost of operations		<u>(60,403)</u>	<u>8,787</u>
Credit in respect of notional cost of capital	9	189	1,096
Amounts transferred to reserves		<u>(60,214)</u>	<u>9,883</u>

All of the activities of the company are classed as continuing.

The company has no recognised gains or losses other than the results for the year as set out above.

THE NORTHERN IRELAND POLICE FUND COMPANY LIMITED BY GUARANTEE

Balance sheet

31 March 2009

	Note	2009 £	£	2008 £	£
Fixed assets					
Tangible assets	10		9,322		14,629
Current assets					
Debtors	11	793		45,661	
Cash at bank		5,104		482	
		<u>5,897</u>		<u>46,143</u>	
Creditors: Amounts falling due within one year	12	<u>39,936</u>		<u>25,274</u>	
Net current (liabilities)/assets			<u>(34,039)</u>		<u>20,868</u>
Total assets less current liabilities			<u>(24,717)</u>		<u>35,497</u>
Reserves					
Income and expenditure account	16		<u>(24,717)</u>		<u>35,497</u>
			<u>(24,717)</u>		<u>35,497</u>

In view of the Board an exemption from the requirement of Part 16 of the Companies Act 2006 and consequently the requirement of Part VIII of the Companies (Northern Ireland) Order 1986, is available. The company meets the HM Treasury's definition of a non-profit-making company and is subject to a public sector audit under the Government Resources and Accounts Act 2000 (Audit of Non-profit-making Companies) Order, being on order issued under section 25(7) (a) of the Government Resources and Accounts Act 2000. The Board therefore claims this exemption.

The Directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and preparation of accounts.

Approved by the Board of Directors on 26 November 2009

Signed on behalf of the Board of Directors by:

Mr D McClurg
Chairman
8 December 2009

Mr C Ashe
Chief Executive
8 December 2009

**THE NORTHERN IRELAND POLICE FUND
COMPANY LIMITED BY GUARANTEE**

Cash flow statement

Year ended 31 March 2009

	Note	2009 £	£	2008 £	£
				<i>(restated)</i>	
Net cash outflow from operating activities	17		1,104		(27,788)
Returns on investments and servicing of finance					
Interest received			4,453		7,707
Taxation			(935)		(1,085)
Capital expenditure					
Payments to acquire tangible fixed assets		—		(8,495)	
Receipts from sale of fixed assets		—		(1)	
Net cash outflow from capital expenditure			—		(8,496)
Increase/(decrease) in cash	17		4,622		(29,662)

THE NORTHERN IRELAND POLICE FUND COMPANY LIMITED BY GUARANTEE

Notes to the financial statements

Year ended 31 March 2009

1. Accounting policies

Basis of accounting

The financial statements have been prepared on a going concern basis which assumes that the company will continue in operation existence for the foreseeable future. The validity of this assumption depends upon continued support of funders.

General

These financial statements have been prepared in accordance with the accounting and disclosure requirements of Companies (Northern Ireland) Order 1986, without limiting the information given, the accounts comply with the accounting and disclosure requirements contained in the Financial Reporting Manual (FRM) and accounting disclosure requirements issued by HM Treasury with the exception of the treatment of Grant in Aid.

FRM required non departmental public bodies to regard Grant in Aid received as contributions from controlling parties giving rise to a financial interest in the residual interest of the body, and hence accounted for as financing, i.e. by crediting them to the income and expenditure reserve.

The disclosure requirements in relation to this are set out in note 18 to these accounts.

Convention

The financial statements have been prepared under the historical cost convention, and in accordance with applicable accounting standards. On this basis, there is no material difference to modified historical cost accounting.

Change in Accounting Policy – Income

Comparative figures for 2007-08 have been restated following a change in accounting policy for the treatment of Grant in Aid. Previously the amounts received from the Northern Ireland Office (NIO) were treated as contributions from controlling parties giving rise to a financial interest in the body, and hence accounted for as financing by crediting the receipts to the income and expenditure reserve. Whilst this treatment is in accordance with FRM, the Companies (Northern Ireland) Order 1986 requires Grant in Aid to be treated as income.

The impact of the following adjustment on the 2007-08 Financial Statements has been disclosed in Note 18.

The effect of this change in policy on the Income and Expenditure Account for 2007-08 is to increase income by £1,700,000.

Income represents grants receivable from NIO to finance the needs of the company and allow it to meet its statutory obligation.

THE NORTHERN IRELAND POLICE FUND COMPANY LIMITED BY GUARANTEE

Notes to the financial statements

Year ended 31 March 2009

1. Accounting policies (*continued*)

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Fixtures & Fittings	-	5 - 15 years
Computer Equipment	-	5 years

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the income and expenditure account.

Value added tax

Value Added Tax is not applicable with respect to receipts. Irrecoverable VAT is charged to the relevant expenditure category.

Taxation

Current tax is provided at amounts expected to be paid (or recovered) using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2. Direct costs

All grants awarded by the entity were to private sector recipients.

3. Net cost of operations before interest and taxation

Net cost of operations before interest and taxation is stated after charging:

	2009	2008
	£	£
Depreciation of owned fixed assets	5,307	5,791
Auditor's remuneration		
- as auditor	6,000	6,463
- for other services	—	9,088
	<u> </u>	<u> </u>

4. Directors remuneration

The director's aggregate emoluments in respect of qualifying services were:

	2009	2008
	£	£
Emoluments receivable	6,000	2,500
	<u> </u>	<u> </u>

The directors of the company are reimbursed for normal travel expenses.

THE NORTHERN IRELAND POLICE FUND COMPANY LIMITED BY GUARANTEE

Notes to the financial statements

Year ended 31 March 2009

5. Particulars of employees

The average number of staff employed by the company during the financial year amounted to:

	2009	2008
	No	No
Number of administrative staff	<u>5</u>	<u>4</u>

During the year, three staff members (2008: two) had permanent employment contracts with the entity. Two staff members (2008: two) are on inward secondment with the entity.

The aggregate payroll costs of the above were:

	2009	2008
	£	£
Wages and salaries	145,755	120,451
Social security costs	13,672	11,215
Other pension costs	16,122	15,464
	<u>175,549</u>	<u>147,130</u>

6. Direct costs

	2009	2008
	£	£
Bereavement grants	(202,402)	(142,732)
Disability support grants	(256,689)	(270,573)
Disability adaptation grants	(63,918)	(78,146)
Regular payments scheme	(48,984)	(81,966)
Occupational therapy	(8,984)	(9,823)
Pain management	(15,131)	(30,549)
Prothesis	(9,620)	(24,447)
Organisational payments made for services to clients	(443,282)	(337,220)
Debt management	–	(1,005)
Conference expenses	(11,319)	(42,372)
Winter payment	(319,150)	(232,000)
Educational bursaries	(152,450)	(168,143)
Respite care	(29,100)	(34,450)
Wheelchair expenses	(18,861)	–
Home Energy Scheme	(16,478)	–
	<u>(1,596,368)</u>	<u>(1,453,426)</u>

**THE NORTHERN IRELAND POLICE FUND
COMPANY LIMITED BY GUARANTEE**

Notes to the financial statements

Year ended 31 March 2009

7. Administrative expenses

	2009		2008	
	£	£	£	£
Personnel costs				
Wages and salaries	145,755		120,451	
Employers national insurance contributions	13,672		11,215	
Staff pension contributions	16,122		15,464	
		175,549		147,130
Establishment expenses				
Rent	42,134		14,045	
Insurance	1,817		2,037	
Repairs and maintenance	18,157		–	
Security costs	–		311	
		62,108		16,393
General expenses				
Travel and subsistence	9,060		9,427	
Telephone	2,615		2,592	
Office expenses	4,369		6,122	
Computer expenses	7,704		8,962	
Printing, stationery and postage	2,651		1,262	
Staff training	5,782		2,715	
Sundry expenses	–		264	
Hospitality	490		–	
Legal and professional fees	22,663		29,293	
Internal Audit Fees	7,238		3,055	
Accountancy fees	4,000		1,220	
Auditors remuneration	6,000		6,463	
Depreciation	5,307		5,791	
		77,879		77,166
Financial costs				
Bank charges		828		1,084
		316,364		241,773

THE NORTHERN IRELAND POLICE FUND COMPANY LIMITED BY GUARANTEE

Notes to the financial statements

Year ended 31 March 2009

8. Taxation on ordinary activities

(a) Analysis of charge in the year

	2009 £	2008 £
Current tax:		
UK Corporation tax based on the results for the year at 21% (2008 - 20%)	935	1,541
Over/under provision in prior year	-	1,084
Total current tax	<u>935</u>	<u>2,625</u>

(b) Factors affecting current tax charge

The tax assessed on the net cost of operations on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 21% (2008- 20%).

	2009 £	2008 £
Net cost of operations before taxation	<u>(59,468)</u>	<u>11,412</u>
Net cost of operations before taxation by rate of tax	(12,488)	2,282
Expenses not deductible for tax purposes	13,423	
Adjustments to tax charge in respect of previous periods	-	1,084
Income not subject to tax		(741)
Total current tax (note 8(a))	<u>935</u>	<u>2,625</u>

9. Notional cost of capital

The income and expenditure account bears a non-cash charge for interest relating to the use of capital by the Northern Ireland Police Fund. The basis of this charge is 3.5% (2008: 3.5%) of the average capital employed by the company, defined as total assets less liabilities.

**THE NORTHERN IRELAND POLICE FUND
COMPANY LIMITED BY GUARANTEE**

Notes to the financial statements

Year ended 31 March 2009

10. Tangible fixed assets

	Fixtures & Fittings £	Computer Equipment £	Total £
Cost			
At 1 April 2008 and 31 March 2009	<u>13,253</u>	<u>57,564</u>	<u>70,817</u>
Depreciation			
At 1 April 2008	7,905	48,283	56,188
Charge for the year	<u>1,959</u>	<u>3,348</u>	<u>5,307</u>
At 31 March 2009	<u>9,864</u>	<u>51,631</u>	<u>61,495</u>
Net book value			
At 31 March 2009	<u>3,389</u>	<u>5,933</u>	<u>9,322</u>
At 31 March 2008	<u>5,348</u>	<u>9,281</u>	<u>14,629</u>

11. Debtors

	2009 £	2008 £
Prepayments and accrued income	<u>793</u>	<u>45,661</u>

12. Creditors: Amounts falling due within one year

	2009 £	2008 £
Other creditors including taxation:		
Corporation tax	43	1,540
Accruals and deferred income	<u>39,893</u>	<u>23,734</u>
	<u>39,936</u>	<u>25,274</u>

13. Related party transactions

NIO is regarded as a related party. During the year the NIPF received grant in aid of £1,849,000. Related party transactions involving company directors are detailed in the Remuneration Report.

THE NORTHERN IRELAND POLICE FUND COMPANY LIMITED BY GUARANTEE

Notes to the financial statements

Year ended 31 March 2009

14. Financial Instruments

FRS25, FRS26 and FRS29 require disclosure of the role which financial instruments have had during the year in creating or changing the risks an entity faces in undertaking its activities.

Because of the non-trading nature of its activities and the way in which the NIPF is funded from the Northern Ireland Office, the NIPF is not exposed to the degree of financial risk faced by business entities. Financial assets and liabilities are generated by day-to-day operational activities and are not held to change risks facing the company in undertaking its activities.

Liquidity Risk

The NIPF is financed by the NIO and is accountable to Parliament through the Secretary of State for Northern Ireland and is therefore not exposed to significant liquidity risk.

Interest Rate Risk

The NIPF is not materially exposed to any interest rate risk.

Foreign Currency Risk

All NIPF assets and liabilities are determined in sterling, and they are not materially exposed to any foreign currency risk.

15. Company limited by guarantee

The fund is a company limited by guarantee not having a capital divided into shares.

The liability of the members of the company is limited to £1 per member.

16. Income and expenditure account

	2009	2008
	£	£
Balance brought forward	35,497	25,614
(Deficit)/Surplus for the financial year	(60,214)	9,883
Balance carried forward	<u>(24,717)</u>	<u>35,497</u>

**THE NORTHERN IRELAND POLICE FUND
COMPANY LIMITED BY GUARANTEE**

Notes to the financial statements

Year ended 31 March 2009

17. Cash Flow Statement

(i) Reconciliation of net cost of operations before interest and taxation net cash outflow from operating activities

	2009 £	2008 £ <i>(restated)</i>
Net cost of operations before interest and taxation	(63,921)	3,705
Notional cost of capital	189	1,096
Depreciation	5,307	5,791
Decrease/(Increase) in debtors	44,868	(7,636)
Increase/(Decrease) in creditors	14,661	(30,744)
Net cash outflow from operating activities	<u>1,104</u>	<u>(27,788)</u>

(ii) Reconciliation of net cash flow to movement in net funds

	2009 £	2008 £ <i>(restated)</i>
Increase/ (Decrease) in cash in the period	4,622	(29,662)
Movement in net funds in the period	<u>4,622</u>	<u>(29,662)</u>
Net funds at 1 April 2008	482	30,144
Net funds at 31 March 2009	<u>5,104</u>	<u>482</u>

Analysis of changes in net funds

	At 1 Apr 2008 <i>(restated)</i> £	Cash flows	At 31 Mar 2009 £
Net cash:		£	
Cash in hand and at bank	482	4,622	5,104
Net funds	<u>482</u>	<u>4,622</u>	<u>5,104</u>

THE NORTHERN IRELAND POLICE FUND COMPANY LIMITED BY GUARANTEE

Notes to the financial statements

Year ended 31 March 2009

18. Additional disclosures to comply with FReM

FReM requires non-departmental public bodies to treat grant in aid received as contributions from controlling parties giving rise to a financial interest of the body, and hence accounted for as financing, i.e. by crediting them to the income and expenditure reserve.

If NIPF were to comply with FReM, the following would be the effect of this compliance:

Operating cost statement prepared under FReM

	2009 £	2008 £
Income	–	–
Direct costs	(1,596,368)	(1,453,426)
Gross cost of operations	(1,596,368)	(1,453,426)
Notional cost of Administrative expenses	(189) (316,364)	(1,096) (241,773)
Net cost of operations before interest and taxation	(1,912,921)	(1,696,295)
Interest receivable	4,453	7,707
Net cost of operations before taxation	(1,908,468)	(1,688,588)
Tax on net cost of operations on ordinary activities	(935)	(2,625)
Net cost of operations	(1,909,403)	(1,691,213)
Credit in respect of notional cost of capital	189	1,096
Amounts transferred to reserves	(1,909,214)	(1,690,117)

Reserves note prepared under FReM

	2009 £	2008 £
Balance brought forward	35,497	25,614
Deficit for the financial year	(1,909,214)	(1,690,117)
Grant in aid	1,849,000	1,700,000
Balance carried forward	(24,717)	35,497

THE NORTHERN IRELAND POLICE FUND COMPANY LIMITED BY GUARANTEE

Notes to the financial statements

Year ended 31 March 2009

19. Contingencies and commitments

There were no contingencies or capital commitments at the year end. NIPF is committed to supporting various projects which are on-going at the year end. NIPF is dependent on funding from central Government to meet its commitments.

20. Post balance sheet events

The directors approved the accounts to be issued on the same date as they were certified by the Comptroller and Auditor General.

21. Ultimate controlling party

The ultimate controlling party of NIPF is regarded to be NIO. NIPF receives all of its funding as grant in aid from NIO.

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