

**The Northern Ireland Police Fund**  
**(a company limited by guarantee)**  
**Annual report**  
**for the year ended 31 March 2010**



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**(a company limited by guarantee)**  
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**for the year ended 31 March 2010**

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

*Ordered by the House of Commons to be printed 27 July 2010*

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ISBN 9780102949070

Printed in the UK by The Stationery Office Limited  
on behalf of the Controller of Her Majesty's Stationery Office

PC2774

07/10

Printed on paper containing 75% recycled fibre content minimum

# **The Northern Ireland Police Fund (a company limited by guarantee)**

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**The Northern Ireland Police Fund  
(a company limited by guarantee)**

# **The Northern Ireland Police Fund (a company limited by guarantee)**

## **Directors and advisers**

### **The Board of Directors**

Dr Richard Bryans  
Mr Colin Burrows  
Mrs Adela C Carlisle  
Mr Isaac Clarke  
Dr John Galway  
Mrs Margaret Hunter  
Mr Charles Jenkins  
Mr Ken Lindsay  
Mr Duncan McCausland (resigned 26 November 2009)  
Mr David A McClurg (Chair)  
Mr Richard Miller  
Mrs Geraldine Rice  
Mr Terence Spence

### **Company secretary**

Mr Charles Jenkins

### **Registered office**

100 Belfast Road  
Holywood  
BT18 9QY

### **Solicitors**

McGrigors  
Arnott House  
12-16 Bridge Street  
Belfast  
BT1 1LS

### **Bankers**

First Trust Bank  
31/35 High Street  
Belfast  
BT1 2AL

### **Statutory auditors**

Comptroller and Auditor General  
National Audit Office  
157-197 Buckingham Palace Road  
Victoria  
London  
SW1W 9SP

# **The Northern Ireland Police Fund (a company limited by guarantee)**

## **Directors' report for the year ended 31 March 2010**

The directors present their report and the audited financial statements of the company for the year ended 31 March 2010.

The basis of preparation of the financial statements has been set out in note 1 to the financial statements.

### **Principal activity**

The company's principal activity during the year was the provision of 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 dependents, who have been killed or injured by terrorism.

### **Results**

The company's net expenditure after interest and taxation is £4,995 (2009: £64,503).

### **History**

The Northern Ireland Police Fund ("the Fund") was set up in late 2001 as a government response to the Independent Commission on Policing for Northern Ireland, Patten Recommendation 87, as reviewed by John Steele. The Fund was to be able to supplement the income of those on very low pensions, help finance the procurement of better prostheses or household equipment for the disabled and make grants to universities for research or for bursaries for disabled officers who wish to study.

The Fund is a company limited by guarantee and on the 1 April 2005 it was classified as an Executive Non Departmental Public Body.

### **Devolution of policing and justice functions**

On 9 March 2010, the political parties in Northern Ireland agreed that policing and justice functions should devolve to the Northern Ireland Assembly on 12 April 2010. During the period up to the date of devolution, in addition to complying with Companies Act 2006, the NIPF complied with the corporate governance and accountability framework arrangements issued by the Northern Ireland Office and also the guidance issued by HM Treasury, including Managing Public Money.

The Annual Report and Accounts of the NIPF for the year ended 31 March 2010 relate entirely to the period before devolution and will be laid in Parliament. References continue to be made in this report to the Northern Ireland Office as the parent Department during the reporting period. Further details are contained in Note 20 of the financial statements.

When policing and justice functions in Northern Ireland were devolved to the Northern Ireland Assembly on 12 April 2010, the Department of Justice was established as a new Northern Ireland Department by the Department of Justice Act (Northern Ireland) 2010.

From this date, the NIPF became an NDPB of the Department of Justice. As such, in addition to complying with Companies Act 2006, it now complies with the corporate governance and accountability framework arrangements issued by the Department of Justice and also the guidance issued by the Department of Finance and Personnel, including Managing Public Money Northern Ireland. The Annual Report and Accounts for years ended 31 March 2011 onwards will be available to the Northern Ireland Assembly for its oversight.

### **Business review**

#### **Nature of the Fund**

The remit of the Northern Ireland Police Fund is to provide care and financial assistance to police officers and ex officers who have been injured or disabled as a direct result of terrorism, and to the widows and families of police officers injured or killed through terrorism including PSNI officers who may be killed or injured in the future.



# **The Northern Ireland Police Fund (a company limited by guarantee)**

## **Directors' report for the year ended 31 March 2010 (continued)**

### **Business review (continued)**

The Funds mission is to improve the quality of life of our clients by providing financial and other support.

It achieves this by providing a comprehensive, quality service to its clients. It is proactive in seeking to meet their needs, and provides a range of schemes designed to meet those needs now and in the future. The Fund, being mindful of the problems and traumas faced by our clients, delivers a caring and considerate service, and seeks at all times to minimise any unwarranted intrusion into the lives of our clients consistent with meeting the requirements of our schemes.

### **Current and future development and performance**

The Company received £1,770,000 from the Northern Ireland Office by way of grant in aid in the year ended 31 March 2010.

In 2009/10 the Fund made 469 grants to individual clients covering disability and bereavement support, disability adaptations, educational bursaries, chronic pain management, regular payments to those on very low incomes, respite breaks for carers, home energy improvements and prosthetics and wheelchairs. It also supported 8 other police support voluntary bodies where their activities were of benefit to the clients of the Fund. The Fund continues to look at how best we might meet our clients needs in the future and especially how we need to adopt and develop new schemes to meet the dual challenges of aging and disability.

### **Principal risks and uncertainties**

The Fund's policy for managing risk is set out in paragraph 4 of the statement on internal control. The principal risks faced by the Northern Ireland Police Fund are changing government priorities affecting funding, failure to use of IT equipment adequately, excessive bureaucracy and possible fraud in grant applications.

### **Going concern**

In the Directors view there are no known reasons why the work of the Fund would not continue. This view was reinforced when prior to the devolution of policing and justice the Fund was independently reviewed by the Northern Ireland Office. In the overall conclusions of that review it was reported that the need for the Fund would continue substantially over the next 10 years.

### **Environmental matters**

The Northern Ireland Police Fund also participates in a recycling scheme for toner cartridges and where possible uses paper products that have a low environmental impact.

### **Sickness absence data**

The reported average number of working days lost due to sickness per employee for 2009/10 was 27 days (2008/09: 28 days).

### **Data handling**

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

### **Directors**

The directors who held office during the year are shown on page 1.

### **Donations**

The company made no charitable donations during the year (2009: £nil).

# **The Northern Ireland Police Fund (a company limited by guarantee)**

## **Directors' report for the year ended 31 March 2010 (continued)**

### **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';
- embraces issues of diversity, inclusivity and equality of opportunity, with recruitment and retention processes and policies fully embracing 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 19 to the financial statements.

### **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. In November 2008, under the Prompt Payment Initiative, former Prime Minister Gordon Brown announced that all Government Bodies would pay all external suppliers who provided a correctly rendered invoice to the correct location within 10 working days. Under this Code, the policy is to pay bills in accordance with contractual conditions or, where no such conditions exist, within 10 days of receipt of goods and services or the presentation of a valid invoice, whichever is the later. For the year ended 31 March 2010, the NIPF has paid 73% of its suppliers within 10 days and continues to make efforts to improve towards meeting the standard required.

### **Statement of directors' responsibilities**

The directors are responsible for preparing the Directors' 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 prepared the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss 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 accounting estimates that are reasonable; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and 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 Act 2006. 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.

# **The Northern Ireland Police Fund (a company limited by guarantee)**

## **Directors' report for the year ended 31 March 2010**

### **Statement of directors' responsibilities (continued)**

The directors are responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Furthermore, the Fund is a Non-Departmental Public Body under the Northern Ireland Office. The Accounting Officer of NIO has designated the Chief Executive of the NIPF as Accounting Officer of the Fund. The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper accounting records, and for safeguarding the Fund's assets, are set out in the Accounting Officers' Memorandum, issued by HM Treasury and published in "Managing Public Money".

### **Statement of disclosure of information to auditors**

So far as each of the directors in office at the date of approval of these financial statements is aware:

- there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

### **Events after the reporting period**

Policing and Justice functions in Northern Ireland were devolved to the Northern Ireland Assembly on 12 April 2010, the DOJ was established as a new Northern Ireland Department by the Department of Justice Act (Northern Ireland) 2010. Page 2 refers.

There are no other events after the reporting period to be noted.

### **Small companies' exemption**

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

### **Auditor**

The principle auditor is the Comptroller and Auditor General of the National Audit Office (NAO).

The cost of work performed during 2009/10 was £8,400 (2009: £6,000) and related solely to the audit of the financial statements, inclusive of £2,400 (2009: £nil) in respect of the audit of the IFRS Shadow Accounts prepared by the company. There were no fees for other services paid to the company's auditor.

On behalf of the Board:

D McClurg  
**Chairman**  
Date: 2 July 2010

C Ashe  
**Chief Executive**  
Date: 2 July 2010

# **The Northern Ireland Police Fund (a company limited by guarantee)**

## **Remuneration report for the year ended 31 March 2010**

### **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; and
- 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 circumstances when appointments may be made otherwise.

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.

Further information about the work of the Civil Service Commissioners can be found at [www.civilservicecommissioners.gov.uk](http://www.civilservicecommissioners.gov.uk)

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.

### **Remuneration (including salary) 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. The Chairman is the only director receiving remuneration.

# The Northern Ireland Police Fund (a company limited by guarantee)

## Remuneration report for the year ended 31 March 2010 (continued)

### Remuneration (salary and payments in kind)

Officials	2009/10		2008/09	
	Salary £'000	Benefits in kind (to nearest £100)	Salary £'000	Benefits in kind (to nearest £100)
Mr C Ashe <i>Chief Executive</i>	45 - 50	-	50 - 55	-
Mr D McClurg <i>Chairman</i>	5 - 10	-	5 - 10	-

### Salary

'Salary' includes gross salary; performance pay or bonuses; overtime; reserved rights to London weighting or London allowances; recruitment and retention allowances; private office allowances and any other allowance 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 HM Revenue and Customs as a taxable emolument.

### Pension benefits (audited information)

Officials	Accrued pension at age 60 as at 31/3/10 and related lump sum	Real increase in pension and related lump sum at age 60	CETV at 31/3/10	CETV at 31/3/09	Real increase in CETV	Employer contribution to partnership pension account
	£'000	£'000	£'000	£'000	£'000	Nearest £100
Mr C Ashe <i>Chief Executive</i>	Accrued pension 20 - 25  Lump sum 60-65	2.5 - 5.0	433	368*	18	-

\* the figure may be different from the closing figure given in the prior year's Remuneration report. This is due to the CETV factors being updated to comply with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2009.

### Civil Service Pensions

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 joining from October 2002 may opt for either the appropriate defined benefit arrangement or a 'money purchase' stakeholder pension with an employer contribution (**partnership** pension account).

# The Northern Ireland Police Fund (a company limited by guarantee)

## Remuneration report for the year ended 31 March 2010 (continued)

### Civil Service Pensions (continued)

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 initial 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 the accrued pension is uprated in line with RPI. In all cases members may opt to give up (commute) pension for a 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.civilservice-pensions.gov.uk](http://www.civilservice-pensions.gov.uk)

### 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 member has transferred to the Civil Service pension arrangements. They also include any additional pension benefit accrued to the member as a result of their buying additional pension benefits at their own cost. CETVs are worked out within the guidelines and framework prescribed by the Institute and Faculty of Actuaries 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.

D McClurg  
**Chairman**  
Date: 2 July 2010

C Ashe  
**Chief Executive**  
Date: 2 July 2010

# **The Northern Ireland Police Fund (a company limited by guarantee)**

## **Statement on Internal Control**

### **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 2010 and up to the date of approval of the annual report and accounts, and accords with HM 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 and Risk Management 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 and Risk Management 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 (a company limited by guarantee)**

## **Statement on Internal Control (continued)**

### **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 the Fund's information. Information assurance and management of the risk to information has now been included in risk registers.

### **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 of 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 and Risk Management 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 2009/10 I have been informed by internal 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.

#### **HR Connect**

As part of the wider Northern Ireland Civil Service e-HR programme, the Fund outsourced transactional human resources work to the private sector (HR Connect). The HR Connect payroll service Contractor had planned to undertake ten quality assurance reviews which, when combined with the direct audit work undertaken by Department of Finance and Personnel (DFP) Internal Audit, would facilitate the provision of an overall audit assurance. The Contractor, however, has only completed two of its ten planned reviews and those are considered by DFP Internal Audit to lack rigour, breadth and depth. As such DFP Internal Audit was unable to provide additional assurance on those areas. Therefore, although satisfactory assurance was provided in six audits undertaken by DFP Internal Audit, a limited assurance rating was provided for HR Connect overall. DFP Internal Audit will undertake all audits in HR Connect from 2010-11 onwards.

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

C Ashe  
**Chief Executive**  
Date: 2 July 2010



## **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 2010 under the Government Resources and Accounts Act 2000. These comprise the Statement of Comprehensive Income and the Statement of Financial Position, the Statement of Cash flows, the Statement of Changes in Equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards as adopted by the European Union. 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**

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require me and my staff to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

In addition, I am required to obtain evidence sufficient to give reasonable assurance that the expenditure and income reported in the financial statements have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

### **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.

### **Opinion on Financial Statements**

In my opinion:

- the financial statements give a true and fair view of the state of the company's affairs as at 31 March 2010 and of its net expenditure for the period then ended;
- the financial statements have been properly prepared in accordance with International Financial Reporting Standards as adopted by the European Union; and
- the financial statements have been prepared in accordance with the Companies Act 2006.

## **Opinion on other matters**

In my opinion:

- the part of the Directors' 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 for the financial year for which the financial statements are prepared is consistent with the financial statements.

## **Matters for which I report by exception**

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records or returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- I have not received all of the information and explanations I require for my audit; or
- the Statement on Internal Control does not reflect compliance with HM Treasury's guidance.

## **Report**

I have no observations to make on these financial statements.

*Amyas C E Morse  
Comptroller and Auditor General  
National Audit Office  
157-197 Buckingham Palace Road  
Victoria, London, SW1W 9SP*

*Date 7 July 2010*

# The Northern Ireland Police Fund (a company limited by guarantee)

## Statement of comprehensive income for the year ended 31 March 2010

	Notes	2010 £	2009 Restated £
<b>Expenditure</b>			
Direct costs	5	(1,495,651)	(1,596,368)
Administrative expenses	6	(279,344)	(320,653)
Notional cost of capital	7	1,263	(189)
		<b>(1,773,732)</b>	<b>(1,917,210)</b>
<b>Income</b>			
Grant in aid		1,770,000	1,849,000
		<b>1,770,000</b>	<b>1,849,000</b>
<b>Net expenditure</b>		<b>(3,732)</b>	<b>(68,210)</b>
Interest receivable	10	-	4,453
Notional cost of capital	7	(1,263)	189
Income tax expense	11	-	(935)
<b>Net expenditure after interest and taxation</b>		<b>(4,995)</b>	<b>(64,503)</b>

All amounts above relate to the continuing operations of The Northern Ireland Police Fund.

The notes on pages 17 to 32 are an integral part of these financial statements

# The Northern Ireland Police Fund (a company limited by guarantee)

## Statement of financial position as at 31 March 2010

	Notes	2010 £	2009 Restated £	2008 Restated £
<b>Non-current assets</b>				
Property, plant and equipment	12	4,863	9,322	14,629
<b>Total non-current assets</b>		<b>4,863</b>	<b>9,322</b>	<b>14,629</b>
<b>Current assets</b>				
Trade and other receivables	13	1,288	793	45,661
Cash and cash equivalents	14	2,722	5,104	482
<b>Total current assets</b>		<b>4,010</b>	<b>5,897</b>	<b>46,143</b>
<b>Total assets</b>		<b>8,873</b>	<b>15,219</b>	<b>60,771</b>
<b>Current liabilities</b>				
Trade and other payables	15	(47,457)	(48,765)	(28,317)
Income tax liabilities		-	(43)	(1,540)
<b>Total current liabilities</b>		<b>(47,457)</b>	<b>(48,808)</b>	<b>(29,857)</b>
<b>Non-current assets less net current liabilities</b>		<b>(38,584)</b>	<b>(33,589)</b>	<b>30,914</b>
<b>Taxpayers' equity</b>				
Income and expenditure account		(38,584)	(33,589)	30,914
		<b>(38,584)</b>	<b>(33,589)</b>	<b>30,914</b>

The notes on pages 17 to 32 are an integral part of these financial statements.

In the view of the Board an exemption from the requirement of Part 16 of the Companies Act 2006 is available. The company meets 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 2009, being an order issued under Section 25(7) (a) of the Government Resources and Accounts Act 2000. The Board therefore claims this exemption.

The financial statements on pages 13 to 32 were authorised for issue by the Board on 2 July 2010 and were signed on its behalf by:

D McClurg  
**Chairman**  
Date: 2 July 2010

C Ashe  
**Chief Executive**  
Date: 2 July 2010

Registered no: NI042342

# The Northern Ireland Police Fund (a company limited by guarantee)

## Statement of cash flows for the year ended 31 March 2010

	Notes	2010 £	2009 Restated £
<b>Cash flows from operating activities</b>			
Net deficit after interest and taxation (excluding grant in aid received)		(1,774,995)	(1,913,503)
Adjustments for:			
Depreciation of property, plant and equipment	12	4,051	5,307
Loss on disposal of property, plant and equipment		408	-
(Increase)/decrease in trade and other receivables		(495)	44,867
(Decrease)/increase in trade and other payables		(1,351)	18,951
Net cash used in operating activities		(1,772,382)	(1,844,378)
<b>Cash flows from financing activities</b>			
Grants from parent department		1,770,000	1,849,000
Net cash used in financing activities		1,770,000	1,849,000
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(2,382)</b>	<b>4,622</b>
Cash and cash equivalents at beginning of the period		5,104	482
<b>Cash and cash equivalents at end of the period</b>	14	<b>2,722</b>	<b>5,104</b>

The notes on pages 17 to 32 are an integral part of these financial statements.

**The Northern Ireland Police Fund  
(a company limited by guarantee)**

**Statement of changes in taxpayers' equity for the year ended 31 March 2010**

	<b>Income and expenditure account £</b>	<b>Total Taxpayers' equity £</b>
<b>Balance at 1 April 2008 as restated</b>	<b>30,914</b>	<b>30,914</b>
<b>Comprehensive income</b>		
Deficit for the year	(64,503)	(64,503)
<b>Total comprehensive income</b>	<b>(64,503)</b>	<b>(64,503)</b>
<b>Balance at 31 March 2009 as restated</b>	<b>(33,589)</b>	<b>(33,589)</b>
<b>Comprehensive income</b>		
Deficit for the year	(4,995)	(4,995)
<b>Total comprehensive income</b>	<b>(4,995)</b>	<b>(4,995)</b>
<b>Balance at 31 March 2010</b>	<b>(38,584)</b>	<b>(38,584)</b>

The notes on pages 17 to 32 are an integral part of these financial statements.

# **The Northern Ireland Police Fund (a company limited by guarantee)**

## **Notes to the financial statements for the year ended 31 March 2010**

### **1 Accounting policies, financial risk management & critical accounting estimates/judgements**

#### **General information**

The company's principal activity during the year was the provision of 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 dependents, who have been killed or injured by terrorism. The company is registered and domiciled in Northern Ireland.

The financial statements are presented in Sterling. All of the entity's assets and liabilities are denominated in Sterling.

#### **Basis of preparation**

For all periods up to and including the year ended 31 March 2009, the company prepared its annual report and accounts in accordance with Companies (Northern Ireland) Order 1986 and UK Generally Accepted Accounting Practice (GAAP) with additional disclosures, without limiting the information given, in order to comply with the HM Treasury's Financial Reporting Manual (FRoM) and other accounting requirements issued by HM Treasury with the exception of the treatment of grant in aid. For the year ended 31 March 2010, the accounts have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union and applied in accordance with the provisions of the Companies Act 2006; with additional disclosures, without limiting the information given, to comply with FRoM and other accounting requirements issued by HM Treasury with the exception of the treatment of grant in aid.

FRoM requires non-departmental public bodies to treat grant in aid, whether for revenue or capital purposes, as contributions from controlling parties giving rise to a financial interest in the residual interest of the reporting entity. As such, under FRoM, grant in aid is to be credited to the income and expenditure reserve.

The effect that compliance with FRoM in respect of the accounting for grant in aid would have had is set out in note 22.

The disclosures required by IFRS1 "First time adoption of International Financial Reporting Standards" concerning the transition from UK GAAP to IFRS are given in note 3.

The financial statements of the Northern Ireland Police Fund have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs as adopted by the EU), IFRIC Interpretations and the Companies Act 2006 applicable to companies reporting under IFRS. In addition, without limiting the information given, the financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted and interpreted by the 2009-10 FRoM issued by HM Treasury, with the exception of the treatment of grant in aid as noted above. The accounting policies contained in the FRoM comply with IFRS as adapted or interpreted for the public sector context. Where the FRoM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of The Northern Ireland Police Fund for the purpose of giving a true and fair view has been selected.

The financial statements have been prepared under the historical cost convention. The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Fund's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are set out below.

#### **Going concern**

The Fund was recently independently reviewed by the Northern Ireland Office and in the overall conclusions it was reported that the need for the Fund would continue substantially over the next 10 years.

# **The Northern Ireland Police Fund (a company limited by guarantee)**

## **Notes to the financial statements for the year ended 31 March 2010**

### **1 Accounting policies, financial risk management & critical accounting estimates/judgements (continued)**

#### **Standards, amendments and interpretations effective in the year to 31 March 2010 and applicable to the company**

The following standards, amendments and interpretations to published standards are effective for the year ended 31 March 2010 and are relevant to the company's operations:

IAS 1 Revised, Presentation of financial statements (for annual periods beginning on or after 1 January 2009) - This revised standard required entities to prepare a statement of comprehensive income. All non-owner changes in equity are required to be shown in a performance statement, but entities can choose whether to present one performance statement (the statement of comprehensive income) or two statements (the income statement and statement of comprehensive income). Owner changes in equity are shown in a statement of changes in equity. Also entities making restatements or reclassifications of comparative information are required to present a restated balance sheet as at the beginning of the comparative period in addition to the current requirement to present balance sheets at the end of the current period and comparative period.

IFRS 1 (revised) First time adoption of IFRS (for annual periods beginning on or after 1 January 2009) - This standard does not contain any technical changes as it only improves the structure, which had become complex due to the numerous amendments in recent years.

IFRS 8, Operating segments (for annual periods beginning on or after 1 January 2009) - This standard replaces IAS 14 and aligns segment reporting with the requirements of the US standard SFAS 131, 'Disclosures about segments of an enterprise and related information'. The new standard uses a 'management approach', under which segment information is presented on the same basis as that used for internal reporting purposes.

Amendment to IFRS 7, Financial instruments: Disclosures (for annual periods beginning on or after 1 January 2009) - This amendment forms part of the IASB's response to the financial crisis and addresses the G20 conclusions aimed at improving transparency and enhance accounting guidance. The amendment increases the disclosure requirements about fair value measurement and reinforces existing principles for disclosure about liquidity risk. The amendment introduces a three-level hierarchy for fair value measurement disclosure and requires some specific quantitative disclosures for financial instruments in the lowest level in the hierarchy. In addition, the amendment clarifies and enhances existing requirements for the disclosure of liquidity risk primarily requiring a separate liquidity risk analysis for derivative and non-derivative financial liabilities.

IFRS 9, Financial instruments (for annual periods beginning on or after 1 January 2009). This is the first part of a new standard on classification and measurement of financial assets that will replace IAS 39. IFRS 9 has two measurement categories: amortised cost and fair value. All equity instruments are measured at fair value. A debt instrument is at amortised cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest. Otherwise it is at fair value through profit or loss.

#### **Standards, amendments and interpretations effective in the year to 31 March 2010 and not applicable to the company**

The following standards, amendments and interpretations to published standards are effective for the year ended 31 March 2010 but they are not relevant to the company's operations:

- Amendment to IAS 32 Financial instruments: Presentation and IAS 1 Presentation of financial statements Puttable financial instruments and obligations arising on liquidation (for annual periods beginning on or after 1 January 2009).
- IFRIC 15, 'Agreements for construction of real estates' (for annual periods beginning on or after 1 January 2009).
- IFRIC 13, Customer loyalty programmes (for annual periods on or after 1 July 2008).
- IAS 23 (2007), Borrowing costs (for annual periods beginning on or after 1 January 2009).
- Amendment to IAS 39 and IFRS 7 – Reclassification of financial assets (for reclassifications on or after 1 July 2008).



# The Northern Ireland Police Fund (a company limited by guarantee)

## Notes to the financial statements for the year ended 31 March 2010

### 1 Accounting policies, financial risk management & critical accounting estimates/judgements (continued)

#### Standards, amendments and interpretations effective in the year to 31 March 2010 and not applicable to the company (continued)

- IFRIC 16, 'Hedges of a net investment in a foreign operation' (for annual periods beginning on or after 1 October 2008).
- Amendment to IFRIC 9 and IAS 39 on embedded derivatives (for annual periods beginning on or after 1 July 2008).
- Amendment to IFRS 1, 'First time adoption of IFRS' and IAS 27, 'Consolidated and separate financial statements' (for annual periods beginning on or after 1 January 2009).
- IFRS 2, Share-based payment Amendment Vesting conditions and cancellations (for annual periods beginning on or after 1 January 2009).
- IFRIC 12, Service concession arrangements (for annual periods on or after 1 January 2008 but EU endorsed for periods beginning 30 March 2009).

#### Standards, amendments and interpretations that are not yet effective and have not been adopted early by the company, but are applicable to the company

During the year, the IASB and IFRIC have issued the following accounting standard and interpretation with an effective date after the date of these financial statements (i.e. applicable to accounting periods beginning on or after the effective date). The directors do not anticipate that the adoption of this standard and interpretation will have a material impact on the company's financial statements in the period of initial application:

- Amendment to IAS 24, Related party disclosures (for annual periods beginning on or after 1 January 2011) - This amendment removes the requirement for government related entities to disclose details of all transactions with the government and other government-related entities and it clarifies and simplifies the definition of a related party.

#### Standards, amendments and interpretations that are not yet effective and have not been adopted early by the company, and are not applicable to the company

- Amendment to IFRIC 14, IAS 19 – Prepayments of a minimum funding requirement (for annual periods beginning on or after 1 January 2011)\*.
- IAS 27 (Revised), Consolidated and separate financial statements (for annual periods on or after 1 July 2009).
- IFRIC 18, Transfer of assets from customers (for annual periods on or after 1 July 2009 although EU endorsed for annual periods on or after 31 October 2009).
- Amendment to IAS 32 Financial instruments: Presentation on classification of rights issues (for annual periods beginning on or after 1 February 2010).
- IFRIC 19, Extinguishing financial liabilities with equity instruments (for annual periods beginning on or after 1 July 2010)\*.
- Amendment to IAS 39 – Eligible hedged items (for annual periods beginning on or after 1 July 2009).
- Amendments to IFRS 1, on first time adoption of IFRS additional exemptions (for annual periods beginning on or after 1 January 2010)\*.
- IFRS 3 (Revised) Business combinations (for business combinations after 1 July 2009).

\* Not yet endorsed by the EU.

# **The Northern Ireland Police Fund (a company limited by guarantee)**

## **Notes to the financial statements for the year ended 31 March 2010**

### **1 Accounting policies, financial risk management & critical accounting estimates/judgements (continued)**

#### **Income recognition**

Income comprises grant in aid receivable from the Northern Ireland Office to finance the needs of the company and to allow it to meet its statutory obligations. The company recognises income when the amount of income can be reliably measured and it is probable that future economic benefits will flow to the entity.

#### **Property, plant and equipment**

Property, plant and equipment, comprising fixtures and fittings and computer equipment, is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income and expenditure account during the financial period in which they are incurred.

Depreciation is calculated using the straight-line method to allocate the assets' cost or revalued amounts to their residual values over their estimated useful lives, as follows:

- |                         |               |
|-------------------------|---------------|
| ■ Fixtures and fittings | 5 to 15 years |
| ■ Computer equipment    | 5 years       |

The assets' residual values and useful economic lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. An asset is derecognised upon disposal or when no future economic benefit is expected to arise from the asset. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within the Statement of Comprehensive Income.

#### **Cash and cash equivalents**

In the statement of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. In the statement of financial position, bank overdrafts are shown within borrowings in current liabilities.

#### **Current and deferred income tax**

The tax expense for the period comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the statement of financial position date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

#### **Value added tax**

Value added tax is not applicable in respect of income receipts. Irrecoverable VAT is charged to the relevant category of expenditure.

# The Northern Ireland Police Fund (a company limited by guarantee)

## Notes to the financial statements for the year ended 31 March 2010

### 1 Accounting policies, financial risk management & critical accounting estimates/judgements (continued)

#### Employee benefits

The company operates a defined contribution scheme for certain employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. The company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

For its defined contribution plan, the company pays contributions to a privately administered pension plan on a contractual basis. The company has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Pension benefits are provided through the Civil Service pension arrangements.

In respect of those staff, including the Chief Executive, who are on inward secondment; their pension costs are recharged to the Fund and accounted for as pension costs.

In accordance with IAS 19, the company accrues for untaken employee leave.

#### Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the company's Board.

#### Financial risk factors

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

Given the size of the company, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The policies set by the board of directors are implemented by the company's finance department.

#### (a) Market Risk

##### Price risk

The company is not exposed to significant price risk, due to the nature of its activities and the mechanism by which it is funded. The directors will revisit the appropriateness of this assessment should the company's operations change in size or nature. The company has no exposure to equity securities price risk as it holds no listed or other equity investments.

##### Foreign exchange risk

All assets and liabilities are denominated in Sterling. The company is not exposed to significant foreign exchange risk.

##### Interest rate cash flow risk

The company has interest bearing assets; being only cash balances, all of which earn interest at variable rates. The company is not exposed to significant interest rate risk. The directors will revisit the appropriateness of this assessment should the company's operations change in size or nature.

# **The Northern Ireland Police Fund (a company limited by guarantee)**

## **Notes to the financial statements for the year ended 31 March 2010**

### **1 Accounting policies, financial risk management & critical accounting estimates/judgements (continued)**

#### **Financial risk factors (continued)**

##### **(b) Credit risk**

The nature of the company's activities is such that it is not exposed to significant credit risk.

##### **(c) Liquidity risk**

The company is funded by the Northern Ireland Office and is accountable to Parliament through the Secretary of State for Northern Ireland and is therefore not exposed to significant liquidity risk.

#### **Critical accounting estimates and judgements**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The entity makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. There were no critical estimates or assumptions that have a significant risk of causing a material adjustment to the carrying value of assets and liabilities within the next financial year.

### **2 Capital risk management**

The company's objectives when managing capital are to safeguard the company's ability to continue as a going concern in order to continue to provide returns for members and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. Given the size of the company, the directors have not delegated the responsibility of capital risk management to a sub-committee of the board. The policies set by the board of directors are implemented by the company's finance department.

# The Northern Ireland Police Fund (a company limited by guarantee)

## Notes to the financial statements for the year ended 31 March 2010

### 3 First time adoption of IFRS

The company reported under UK GAAP in its previously published financial statements. For the purpose of this historical financial information the Fund's date of transition to IFRS is 1 April 2008, the first day of the year ended 31 March 2009.

#### *Reconciliation of UK GAAP to IFRS*

The company has prepared reconciliations between the shareholders' equity recognised under UK GAAP and under IFRS as 1 April 2008, the date of transition to IFRS for the purpose of this historical financial information, and as at 31 March 2009.

#### **Reconciliation of equity at 1 April 2008:**

Notes	UK GAAP 1 April 2008 £	Effect of transition to IFRS £	IFRS 1 April 2008 £
<b>Non-current assets</b>			
Property, plant and equipment	14,629	-	14,629
<b>Total non-current assets</b>	<b>14,629</b>	<b>-</b>	<b>14,629</b>
<b>Current assets</b>			
Trade and other receivables	45,661	-	45,661
Cash and cash equivalents	482	-	482
<b>Total current assets</b>	<b>46,143</b>	<b>-</b>	<b>46,143</b>
<b>Total assets</b>	<b>60,771</b>	<b>-</b>	<b>60,771</b>
<b>Current liabilities</b>			
Trade and other payables (a)	(23,734)	(4,583)	(28,317)
Income tax liabilities	(1,540)	-	(1,540)
<b>Total current liabilities</b>	<b>(25,274)</b>	<b>(4,583)</b>	<b>(29,857)</b>
<b>Non-current assets plus net current assets</b>	<b>35,497</b>	<b>(4,583)</b>	<b>30,914</b>
<b>Taxpayers' equity</b>			
Income and expenditure account (a)	35,497	(4,583)	30,914
	<b>35,497</b>	<b>(4,583)</b>	<b>30,914</b>

(a) Under IAS 19, the company is required to accrue for untaken employee leave. This had not been accrued under UK GAAP and as such has been included as an adjustment on transition to IFRS, increasing wages and salaries expenses.

# The Northern Ireland Police Fund (a company limited by guarantee)

## Notes to the financial statements for the year ended 31 March 2010

### 3 First time adoption of IFRS (continued)

#### Reconciliation of equity at 31 March 2009:

	Notes	UK GAAP 31 March 2009 £	Effect of transition to IFRS £	IFRS 31 March 2009 £
<b>Non-current assets</b>				
Property, plant and equipment		9,322	-	9,322
<b>Total non-current assets</b>		<b>9,322</b>	<b>-</b>	<b>9,322</b>
<b>Current assets</b>				
Trade and other receivables		793	-	793
Cash and cash equivalents		5,104	-	5,104
<b>Total current assets</b>		<b>5,897</b>	<b>-</b>	<b>5,897</b>
<b>Total assets</b>		<b>15,219</b>	<b>-</b>	<b>15,219</b>
<b>Current liabilities</b>				
Trade and other payables	(a)	(39,893)	(8,872)	(48,765)
Income tax liabilities		(43)	-	(43)
<b>Total current liabilities</b>		<b>(39,936)</b>	<b>(8,872)</b>	<b>(48,808)</b>
<b>Non-current assets less net current liabilities</b>		<b>(24,717)</b>	<b>(8,872)</b>	<b>(33,589)</b>
<b>Taxpayers' equity</b>				
Income and expenditure account	(a)	(24,717)	(8,872)	(33,589)
		(24,717)	(8,872)	(33,589)

(a) Under IAS 19, the company is required to accrue for untaken employee leave. This had not been accrued under UK GAAP and as such has been included as an adjustment on transition to IFRS, increasing wages and salaries expenses.

# The Northern Ireland Police Fund (a company limited by guarantee)

## Notes to the financial statements for the year ended 31 March 2010

### 3 First time adoption of IFRS (continued)

#### Reconciliation of net expenditure for the year ended 31 March 2009:

Notes	UKGAAP 2009 £	Effect of transition to IFRS £	IFRS 2009 £
<b>Expenditure</b>			
Direct costs	(1,596,368)	-	(1,596,368)
Administrative expenses (a)	(316,364)	(4,289)	(320,653)
Notional cost of capital	(189)	-	(189)
	(1,912,921)	(4,289)	(1,917,210)
<b>Income</b>			
Grant in aid	1,849,000	-	1,849,000
	1,849,000	-	1,849,000
<b>Net expenditure</b>	(63,921)	(4,289)	(68,210)
Interest receivable	4,453	-	4,453
Notional cost of capital	189	-	189
Income tax expense	(935)	-	(935)
<b>Net expenditure after interest and taxation</b>	(60,214)	(4,289)	(64,503)

(a) Under IAS 19, the company is required to accrue for untaken employee leave. This had not been accrued under UK GAAP and as such has been included as an adjustment on transition to IFRS, increasing wages and salaries expenses.

### 4 Segment reporting

The company's sole activity is the provision of 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 dependents, who have been killed or injured by terrorism. As such, in the opinion of the directors, the company has only one operating segment, and all income, expenditure, assets and liabilities relate to the company's sole activity.

# The Northern Ireland Police Fund (a company limited by guarantee)

## Notes to the financial statements for the year ended 31 March 2010

### 5 Direct costs

	2010	2009
	£	Restated £
Bereavement grants	116,056	202,402
Disability support grants	195,952	256,689
Disability adaptation grants	53,628	63,918
Regular Payments Scheme	45,685	48,984
Occupational therapy	6,784	8,984
Pain management	6,561	15,131
Prosthesis	8,960	9,620
Organisational payments made for services to clients	280,340	196,412
Conference expenses	370	11,319
Winter Payment	269,100	319,150
Educational bursaries	179,439	152,450
Respite care	31,249	29,100
Wheelchair expenses	6,639	18,861
Early Widow's Award	194,794	246,870
Home Visit Scheme	6,875	-
Home Energy Scheme	93,219	16,478
	<b>1,495,651</b>	<b>1,596,368</b>



# The Northern Ireland Police Fund (a company limited by guarantee)

## Notes to the financial statements for the year ended 31 March 2010

### 6 Administrative expenses

	2010 £	2009 Restated £
<b>Personnel costs</b>		
Wages and salaries	132,341	150,044
Employers National Insurance Contributions	11,233	13,672
Staff pension contributions	14,233	16,122
	<b>157,807</b>	<b>179,838</b>
<b>Establishment expenses</b>		
Rent	40,000	42,134
Insurance	2,018	1,817
Repairs and maintenance	1,084	18,157
	<b>43,102</b>	<b>62,108</b>
<b>General expenses</b>		
Travel and subsistence	14,891	9,060
Telephone	3,064	2,615
Office expenses	2,039	4,369
Computer expenses	7,703	7,704
Printing, stationery and postage	4,148	2,651
Staff training	2,037	5,782
Hospitality	871	490
Legal and professional fees	19,243	22,663
Internal audit fees	6,856	7,238
Accountancy fees	4,000	4,000
Auditors remuneration	8,400	6,000
Depreciation	4,051	5,307
Loss on disposal of property, plant and equipment	408	-
	<b>77,711</b>	<b>77,879</b>
<b>Financial costs</b>		
Bank charges	724	828
	<b>724</b>	<b>828</b>
	<b>279,344</b>	<b>320,653</b>

### 7 Notional cost of capital

A charge, reflecting the cost of capital utilised by the company, is included in the Statement of comprehensive income. The charge is calculated at the real rate set by HM Treasury, currently 3.5% (2009: 3.5%), on the average carrying amount of all assets less liabilities.

# The Northern Ireland Police Fund (a company limited by guarantee)

## Notes to the financial statements for the year ended 31 March 2010

### 8 Auditor remuneration

#### Services provided by the company's auditors and network firms

During the year the company obtained the following services from the company's auditor:

	2010	2009
	£	Restated £
Fees payable for the audit of the financial statements	<b>8,400</b>	6,000

The fees payable for the audit of the financial statements for the year to 31 March 2010 are inclusive of the audit of the company's IFRS Shadow Accounts.

### 9 Staff numbers and related costs

	2010 Total	Permanently employed staff	Others	2009 Restated Total
	£	£	£	£
Wages and salaries	132,341	76,979	55,362	150,044
Social security costs	11,233	6,673	4,560	13,672
Pension costs	14,233	2,692	11,541	16,122
	<b>157,807</b>	<b>86,344</b>	<b>71,463</b>	<b>179,838</b>

	2010 Total	Permanently employed staff	Others	2009 Restated Total
<b>The average monthly number of persons employed by the company (excluding directors) during the year by activity was:</b>				
Administration	5	4	1	5

During the year, four staff members (2009: three) had permanent employment contracts with the company. One staff member (2009: two) is on inward secondment with the company.

	2010	2009
	£	Restated £
<b>Directors</b>		
Aggregate emoluments	<b>6,000</b>	6,000

No directors have retirement benefits accruing under a money purchase scheme (2009: nil). The directors of the company are reimbursed for normal travel expenses.

### 10 Interest receivable

	2010	2009
	£	Restated £
<b>Finance income:</b>		
Interest income on short-term bank deposits	-	4,453

# The Northern Ireland Police Fund (a company limited by guarantee)

## Notes to the financial statements for the year ended 31 March 2010

### 11 Income tax expense

	2010 £	2009 Restated £
<b>Current tax:</b>		
Current tax on net expenditure for the year	-	935
Adjustment in respect of prior years	-	-
<b>Total current tax</b>	-	935
<b>Deferred tax:</b>		
Origination and reversal of temporary differences	-	-
<b>Total deferred tax</b>	-	935
<b>Income tax expense</b>	-	935

The tax assessed for the year differs from the standard rate of corporation tax in the UK of 21% (2009: 21%). The differences are explained below:

	2010 £	2009 £
<b>Net expenditure before tax</b>	<b>(4,995)</b>	<b>(59,279)</b>
Net expenditure multiplied by standard rate in the UK 21% (2009: 21%)	<b>(1,049)</b>	<b>(12,449)</b>
Tax effects of:		
Expenses not deductible for tax purposes	<b>1,049</b>	13,384
<b>Tax charge</b>	-	935

### 12 Property, plant and equipment

	Fixtures & fittings £	Computer equipment £	Total £
<b>Cost</b>			
At 1 April 2008 and <b>31 March 2009</b>	<b>13,253</b>	<b>57,564</b>	<b>70,817</b>
<b>Depreciation</b>			
At 1 April 2008	7,905	48,283	56,188
Depreciation charge	1,959	3,348	5,307
<b>At 31 March 2009</b>	<b>9,864</b>	<b>51,631</b>	<b>61,495</b>
<b>Net book amount</b>			
<b>At 31 March 2009</b>	<b>3,389</b>	<b>5,933</b>	<b>9,322</b>
At 31 March 2008	5,348	9,281	14,629

# The Northern Ireland Police Fund (a company limited by guarantee)

## Notes to the financial statements for the year ended 31 March 2010

### 12 Property, plant and equipment (continued)

	Fixtures & fittings £	Computer equipment £	Total £
<b>Cost</b>			
At 1 April 2009	13,253	57,564	70,817
Disposals	(2,004)	(5,589)	(7,593)
<b>At 31 March 2010</b>	<b>11,249</b>	<b>51,975</b>	<b>63,224</b>
<b>Depreciation</b>			
At 1 April 2009	9,864	51,631	61,495
Depreciation charge	1,800	2,251	4,051
Disposals	(1,595)	(5,590)	(7,185)
<b>At 31 March 2010</b>	<b>10,069</b>	<b>48,292</b>	<b>58,361</b>
<b>Net book amount</b>			
<b>At 31 March 2010</b>	<b>1,180</b>	<b>3,683</b>	<b>4,863</b>
At 31 March 2009	3,389	5,933	9,322

Depreciation expense has been fully charged to the Statement of comprehensive income.

### 13 Trade and other receivables

	2010 £	2009 Restated £	2008 Restated £
Prepayments and accrued income	1,288	793	45,661

### 14 Cash and cash equivalents

	2010 £	2009 Restated £	2008 Restated £
Cash at bank and on hand	2,722	5,104	482

### 15 Trade and other payables

	2010 £	2009 Restated £	2008 Restated £
Accrued expenses and deferred income	47,457	48,765	28,317

### 16 Company limited by guarantee

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

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

# **The Northern Ireland Police Fund (a company limited by guarantee)**

## **Notes to the financial statements for the year ended 31 March 2010**

### **17 Contingencies**

No contingent liabilities are known to exist as at 31 March 2010 (2009: £nil).

### **18 Commitments**

#### *(a) Capital commitments*

There were no capital commitments at 31 March 2010 (2009: £nil).

#### *(b) Commitments under leases*

There were no commitments under leases at 31 March 2010 (2009: £nil).

### **19 Related party transactions**

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 (PRRT). During the year service charges totalling £65,214 (2009: £28,089) were paid to PRRT.

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 £27,500 (2009: £10,000) 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 Chairman of the Police Federation of Northern Ireland during the year. The Police Federation administers the RUC Benevolent Fund. The RUC Benevolent Fund received a grant of £195,544 (2009: £150,660) in respect of Annual grants to Pre-1982 Widows, and a grant of £85,002 (2009: £77,894) in respect of Travel to UK Convalescent Homes, welfare group support and maintenance of apartments used by widows and former officers for short holiday breaks.

Mrs M Hunter, a director of the Northern Ireland Police Fund, was also a director of Federal Security Limited to August 2009 and a Senior Manager thereafter. During the year Northern Ireland Police Fund made payments of £1,281 (2009: £1,214) to Federal Security Limited.

### **20 Events after the statement of financial position date**

On 12 April 2010, policing and justice functions in Northern Ireland were devolved to the Northern Ireland Assembly and the Department of Justice came into existence as a new Northern Ireland Department. From this date, the lead policy responsibility for the NIPF transferred from the Northern Ireland Office to the Department of Justice.

The 2009-10 financial statements have been prepared on the basis that the NIPF was an NDPB of the Northern Ireland Office for the entire financial year and these will be laid in Parliament. There is no impact on the 2009-10 financial statements arising from the transfer of functions to the Northern Ireland Assembly on 12 April 2010.

### **21 Ultimate controlling party**

The ultimate controlling party of the Fund is considered to be the Northern Ireland Office for the year of account. The Fund received all of its funding as grant in aid from NIO.

# The Northern Ireland Police Fund (a company limited by guarantee)

## Notes to the financial statements for the year ended 31 March 2010

### 22 Additional disclosures to comply with FReM

HM Treasury's Financial Reporting Manual (FReM) requires non-departmental public bodies to treat grant in aid, whether for revenue or capital purposes, as contributions from controlling parties giving rise to a financial interest in the residual interest of the reporting entity. As such, under FReM, grant in aid is to be credited to the income and expenditure reserve.

If the Northern Ireland Police Fund were to comply with FReM, the following would be the effect of this compliance:

#### Net expenditure account prepared under FReM

	2010 £	2009 Restated £
<b>Expenditure</b>		
Direct costs	(1,495,651)	(1,596,368)
Administrative expenses	(279,344)	(320,653)
Notional cost of capital	1,263	(189)
<b>Net expenditure</b>	<b>(1,773,732)</b>	<b>(1,917,210)</b>
Interest receivable	-	4,453
Notional cost of capital	(1,263)	189
Income tax expense	-	(935)
<b>Net expenditure after interest and taxation</b>	<b>(1,774,995)</b>	<b>(1,913,503)</b>

#### Statement of changes in taxpayers' equity prepared under FReM

	Income and expenditure account £	Total taxpayers' equity £
<b>Balance at 1 April 2008 as restated</b>	<b>30,914</b>	<b>30,914</b>
<b>Changes in taxpayers' equity for 2008/09</b>		
Retained deficit	(1,913,503)	(1,913,503)
<b>Total recognised income and expense for 2008/09</b>	<b>(1,913,503)</b>	<b>(1,913,503)</b>
Grant in aid received from parent	1,849,000	1,849,000
<b>Balance at 31 March 2009 as restated</b>	<b>(33,589)</b>	<b>(33,589)</b>
<b>Changes in taxpayers' equity for 2009/10</b>		
Retained deficit	(1,774,995)	(1,774,995)
<b>Total recognised income and expense for 2009/10</b>	<b>(1,774,995)</b>	<b>(1,774,995)</b>
Grant in aid received from parent	1,770,000	1,770,000
<b>Balance at 31 March 2010</b>	<b>(38,584)</b>	<b>(38,584)</b>



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ISBN 978-0-10-294907-0



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