

PUBLIC PROCESSIONS (NORTHERN IRELAND) ACT 1998

PARADES COMMISSION  
FOR NORTHERN IRELAND

# Statement of Accounts

for the period ended 31 March 2003 together with the  
Report of the Comptroller and Auditor General thereon

Presented pursuant to Paragraph 12 of Schedule 1 to the Public Processions  
(Northern Ireland) Act 1998

*Ordered by The House of Commons to be printed*  
20 June 2005

# Foreword to the Accounts for the period 1 April 2002 to 31 March 2003

## **History and Statutory Background**

The Parades Commission was established on 27 March 1997 as a non-statutory body. The Public Processions (Northern Ireland) Act 1998, enacted on 16 February 1998, gave the Commission statutory responsibilities in relation to parades.

The Commission is financed by a budget allocated by the Secretary of State from the Northern Ireland Office Request for Resources 3. The Account below relates to the year ending on 31 March 2003.

Under paragraph 12(1) of Schedule 1 to the 1998 Act, and the Public Processions (Northern Ireland) Act 1998 (Accounts and Audit) Order 1998, the Commission is required to:

- (a) keep proper accounts and proper records in relation to the accounts; and
- (b) prepare a statement of accounts in respect of each financial year of the Commission.

The accounts have been prepared in accordance with a direction issued by the Northern Ireland Office under the 1998 Act. The accounts incorporate an income and expenditure account, balance sheet and cash flow statement. The Accounts Direction is attached as an annex to the financial statements.

## **Principal Activities**

The duty of the Commission, as laid down by the Public Processions (Northern Ireland) Act 1998 is:

- (a) to promote greater understanding by the general public of issues concerning public processions;
- (b) to promote and facilitate mediation as a means of resolving disputes concerning public processions;
- (c) to keep itself generally informed as to the conduct of public processions and protest meetings;
- (d) to keep under review, and make such recommendations as it thinks fit to the Secretary of State concerning the operation of the Act.

The Commission is empowered by the Act to take decisions and issue determinations in respect of public processions.

## **Review of Activities (Update)**

The Parades Commission received notification of 3,280 parades in the year from 1 April 2002 to 31 March 2003. Only 191 of those required detailed consideration by the Commission, and of those only 120 required the imposition of conditions on a proposed route. In making its decisions the Commission faced the difficult task of upholding the rights of not just one group but also seeking to balance the conflicting rights of different groups within the statutory criteria laid down in the legislation. It approached each of these contentious parades independently and fairly and it remains steadfastly committed to this approach in working with all those involved in the parades issue.

The Commission has continued to promote its team of Authorised Officers, equipped to assist in resolving disputes at a local level. A range of initiatives has been undertaken which have contributed to a lowering of tensions at contentious parades.

The Commission's overall objective is to help bring about a situation in which parades can take place in an atmosphere of mutual respect.

#### **Membership of the Commission (Update)**

Sir Anthony Holland (Chairman)

Mr Peter Osborne

Mr Peter Quinn

Mr John Cousins

Sir John Pringle

Rev Roy Magee

Mr Billy Martin

#### **Future Developments (Update)**

The Commission continues to search for ways to resolve disputes about parades. It encourages Authorised Officer teams to build local accommodation and encourage and support initiatives to allow long-term solutions to parading disputes to emerge. It continues to seek ways to reach out to those most concerned about parades, to seek to reduce the mistrust that surrounds the issue of parading and to improve the understanding of issues concerning public processions.

It has been alert to its duties as a public authority under Section 6 of the Human Rights Act 1998. It has been operating under the Act since October 2000 and has sought to strengthen the links between conflict resolution and human rights.

The term of office for the Chairman and Members was due to expire in December 2002, but was extended by the Secretary of State until the end of December 2003.

#### **Events since the End of the Financial Year, which would affect the Reader's Understanding of the Accounts**

There are no such events.

#### **Prompt Payment**

The Commission is committed to the prompt payment of bills for goods and services received in accordance with the Confederation of British Industry's Prompt Payers Code. Unless otherwise stated in the contract, payment is due within 30 days of the receipt of the goods or services, or presentation of a valid invoice or similar demand, whichever is later.

On their receipt invoices are promptly sent for processing to the Northern Ireland Office. During 2002-03, that Department had processed 85.1% of all bills received by them within 30 days.

#### **Audit**

These accounts have been audited by the Comptroller and Auditor General. A fee of £6,500 has been charged by the National Audit Office in respect of audit services provided during the year.

#### **Going Concern**

The Balance Sheet as at 31st March 2003 shows net liabilities of £36,658 (2002: £85,497). This reflects the inclusion of liabilities falling due in future years, which may only be met by future deficit funding from the Commission's sponsoring Department, the Northern

Ireland Office. This is because, under the normal conventions applying to parliamentary control over income and expenditure, such funding may not be issued in advance of need.

Deficit funding for 2003–04, taking into account the amounts required to meet the Commission's liabilities falling due in that year, has already been included in the Department's estimates for that year, which have been approved by Parliament. There is no reason to believe that the Department's future sponsorship and future parliamentary approval will not be forthcoming. It has accordingly been considered appropriate to adopt a going concern basis for the preparation of these financial statements.

**Ronnie Pedlow**

*Secretary*

25th April 2005

# Statement of Secretary's Responsibilities

Under paragraph 12(1) of Schedule 1 of the Public Processions (Northern Ireland) Act 1998 the Parades Commission for Northern Ireland is required to prepare a statement of accounts in the form and on the basis determined by the Secretary of State, with the approval of Treasury. The accounts are prepared on an accruals basis and must give a true and fair view of the Parades Commission for Northern Ireland's state of affairs at the year-end and of its income and expenditure, total recognised gains and losses and cash flows for the financial year.

In preparing the accounts the Secretary is required to:

- observe the accounts direction issued by the Northern Ireland Office on behalf of the Secretary of State including the relevant accounting and disclosure requirements, and apply accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards have been followed, and disclose and explain any material departures in the financial statements;
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the entity will continue in operation.

The Accounting Officer for the Northern Ireland Office has designated the Secretary as the Accounting Officer for the Parades Commission for Northern Ireland. His relevant responsibilities as Accounting Officer, including his responsibility for the propriety and regularity of the public finances and for the keeping of proper records, are set out in the Non-Departmental Public Bodies' Accounting Officers' Memorandum issued by the Treasury and published in Government Accounting.

# Statement on the System of Internal Financial Control

As designated Accounting Officer, I have the responsibility for maintaining a sound system of internal control that supports the achievement of the Parades Commission's policies, aims and objectives, whilst safeguarding the public funds and departmental assets for which I am personally responsible, in accordance with the responsibilities assigned to me.

The system of internal control is based on a framework of regular management information, administrative procedures including the segregation of duties, and a system of delegation and accountability.

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 Parades Commission 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 Parades Commission for the year ended 31 March 2003 and up to the date of approval of the annual report and accounts, and accords with Treasury guidance. 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 the executive managers within the Commission who have responsibility for the development and maintenance of the internal control framework, and comments made by the external auditors in their management letter 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 and have taken particular note of the internal auditor's recommendations in relation to the following:

- To consult with the NIO in order to establish formal arrangements for financial reporting and to clarify the relative roles of the Commission and Secretariat in relation to Corporate Governance and financial management.
- Adherence to procurement procedures relating to the allocation and control of work to consultants and contractors.
- The necessity to introduce dedicated written procedures for making payments to Commissioners and Authorised Officers as well as financial control activities such as budgetary control.
- To seek a formal direction from the Inland Revenue regarding the payment of VAT, income tax and national insurance.

I plan to address weaknesses and to ensure continuous improvement of the systems that are currently in place. To date the following actions have been taken:

- The inclusion of finance as an agenda item at all management meetings and the introduction of regular finance reports to Commissioners.
- An ongoing review with the NIO to formalise the mechanisms for financial reporting and a clearer definition of the relative roles of the Commission and Secretariat in relation to Corporate Governance and financial management.
- Regular feedback from the Audit Committee on control issues.
- The introduction of systems to monitor: the cumulative hours being charged by contractors; the reasonableness of any excess hours charged; the detailed nature of the work undertaken; an assurance that an effective system of contract

management is maintained. Additionally, written procedures have been promulgated to staff with duties related to tendering and related training has been provided.

- The preparation of a written procedures manual including detailed instructions for checking and authorising payments to Commissioners and Authorised Officers.
- Correspondence with Inland Revenue is ongoing to resolve any issues regarding the payment of vat, income tax and national insurance.

**Ronnie Pedlow**

*Secretary*

25 April 2005

# The Certificate and Report of the Comptroller and Auditor General to the Houses of Parliament

I certify that I have audited the financial statements on pages 10 to 21 under the Public Processions (Northern Ireland) Act 1998. These financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out on page 13.

## **Respective responsibilities of the Parades Commission for Northern Ireland, Secretary and Auditor.**

As described on page 5, the Parades Commission for Northern Ireland and Secretary are responsible for the preparation of the financial statements in accordance with the Public Processions (Northern Ireland) Act 1998 and directions made thereunder by the Secretary of State for Northern Ireland and for ensuring the regularity of financial transactions. The Parades Commission and Secretary are also responsible for the preparation of the Foreword. My responsibilities, as independent auditor, are established by statute and I have regard to the standards and guidance issued by the Auditing Practices Board and the ethical guidance applicable to the auditing profession.

I report my opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Public Processions (Northern Ireland) Act 1998 and directions made thereunder by the Secretary of State for Northern Ireland and 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. I also report if, in my opinion, the Foreword is not consistent with the financial statements, if the Commission has not kept proper accounting records, or if I have not received all the information and explanations I require for my audit.

I review whether the statement on pages 6 and 7 reflects the Parades Commission's compliance with Treasury's guidance on the Statement on Internal Control. I report if it does not meet the requirements specified by Treasury, or if the statement is misleading or inconsistent with other information I am aware of from my audit of the financial statements. I am not required to consider, nor have I considered whether the Accounting Officer's Statement on Internal Control covers all risks and controls. I am also not required to form an opinion on the effectiveness of the Parades Commission's corporate governance procedures or its risk and control procedures.

## **Basis of audit opinion**

I conducted my audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An 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 judgements made by the Parades Commission for Northern Ireland and Secretary in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Commission'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 error, or by fraud or other irregularity 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 have also evaluated the overall adequacy of the presentation of information in the financial statements.

**Opinion**

In my opinion:

- the financial statements give a true and fair view of the state of affairs of the Parades Commission for Northern Ireland at 31 March 2003 and of the deficit, recognised gains and losses and cash flows for the year then ended and have been properly prepared in accordance with the Public Processions (Northern Ireland) Act 1998 and directions made thereunder by the Secretary of State for Northern Ireland; and
- 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.

I have no observations to make on these financial statements.

JOHN BOURN  
*Comptroller and Auditor General*  
8 June 2005

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

# Income & Expenditure Account

For the Year Ended 31 March 2003

	Note	2002-03 £	Restated 2001-02 £
<b>Expenditure</b>			
Staff Costs	2	313,543	324,415
Depreciation	5	5,495	5,870
Permanent diminution	11	1,208	10,620
Other operating costs	3	925,499	926,944
Notional cost of capital	4	(3,731)	(2,335)
Other notional costs	4	260	9,662
		<u>1,242,274</u>	<u>1,275,176</u>
<b>Deficit for the Year</b>		(1,242,274)	(1,275,176)
Credit in respect of notional costs	4	(3,471)	7,327
Adjustment in respect of depreciation	5	–	5,870
		<u>(1,245,745)</u>	<u>(1,261,979)</u>

All amounts above relate to continuing activities and include VAT.

The notes on pages 13 to 21 form part of these accounts.

# Statement of Recognised Gains and Losses

For the Year Ended 31 March 2003

	2002-03 £	2001-02 £
Results for year before credit reversal of Notional Costs	(1,242,274)	(1,275,176)
Loss as result of journal adjustment	–	(12,166)
Net Loss on revaluation of fixed assets	(1,208)	(10,803)
	<u>(1,243,482)</u>	<u>(1,298,145)</u>

# Balance Sheet

For the year ended 31 March 2003

	Note	2003 £	2002 £
<b>Fixed Assets</b>			
Tangible assets	5	16,085	19,323
Intangible assets	5	—	—
		<hr/>	<hr/>
		16,085	19,323
<b>Current Assets</b>			
Cash in hand		100	100
Debtors	8	16,739	4,501
		<hr/>	<hr/>
		16,839	4,601
<b>Current Liabilities</b>			
Creditors (due within one year)	9	71,582	109,421
		<hr/>	<hr/>
<b>Net Current Liabilities</b>		(54,743)	(104,820)
		<hr/>	<hr/>
<b>Total Assets less Current Liabilities</b>		(38,658)	(85,497)
		<hr/> <hr/>	<hr/> <hr/>
<b>Financed By</b>			
<b>Capital &amp; Reserves</b>			
General reserve	11	(38,658)	( 85,497)
Revaluation reserve	11	—	—
		<hr/>	<hr/>
		(38,658)	(85,497)
		<hr/> <hr/>	<hr/> <hr/>

**Ronnie Pedlow**

*Secretary*

Date: 25th April 2005

The notes on pages 13 to 21 form part of these accounts.

# Cash Flow Statement

For the year ended 31 March 2003

	Note	2002-03 £	2001-02 £
<b>Cash Outflow from Continuing Operating Activities</b>	<b>12</b>	1,289,119	1,183,292
<b>Capital Expenditure</b>			
Payments to acquire fixed assets	<b>5</b>	3,465	3,559
<b>Cash Outflow Before Financing</b>		<u>1,292,584</u>	<u>1,186,851</u>
<b>Financing</b>			
Cash inflow from financing	<b>11</b>	<u>1,292,584</u>	<u>1,186,851</u>

The notes on pages 13 to 21 form part of these accounts.

# Notes to the Accounts

## **1. Statement of Accounting Policies**

### **1.1 Accounting Convention**

The accounts have been prepared in accordance with the historical cost convention, modified by the revaluation of fixed assets.

The accounts comply with the accounting standards issued or adopted by the Accounting Standards Board and accounting and disclosure requirements issued by the Treasury, insofar as those requirements are appropriate.

### **1.2 Income**

As the Parades Commission do not receive grant-in-aid, income is not shown on the face of the income and expenditure account. All accounting transactions are processed through the NIO and are included in the NIO Resource Account.

### **1.3 Fixed Assets**

Fixed assets comprise of computer and office equipment and are revalued annually at 31 August, using appropriate indices compiled by Central Statistics Office. The level for capitalisation of a tangible fixed asset or group of assets is £1,000.

### **1.4 Depreciation**

Depreciation is provided on a straight line basis on all fixed assets at rates calculated to write off the cost (less any estimated residual value) of each asset over its expected useful life.

The estimated useful lives for depreciation purposes are as follows: -

Computer hardware	5 years
Computer servers	5 years
Computer software	5 years
Furniture & equipment	15 years

### **1.5 Capital Charge**

A notional charge, reflecting the cost of capital utilised by the Commission, is included in the operating costs. The charge is calculated at the government's standard rate of 6 per cent in real terms on all assets (purchased) less liabilities.

### **1.6 Pensions Costs**

The Secretary and employees of the Parades Commission are civil servants to whom the conditions of the Superannuation (Northern Ireland) Orders 1967 and 1972 and subsequent amendments apply. The Commission's staff is covered by the Principal Civil Service Pension Scheme, which is a non-contributory scheme. The rate for the employer's contribution is set by the Government Actuary.

## 2. Staff Numbers and Costs

Staff costs consist of:

	2002-03	2001-02
	£	£
Wages & salaries	259,313	269,669
Social security costs	18,353	20,097
Pension costs	35,877	34,649
	313,543	324,415
	313,543	324,415

The PCSPS (NI) is an unfunded multi-employer defined benefit scheme, which produces its own resource accounts but the Parades Commission for Northern Ireland is unable to identify its share of the underlying assets and liabilities. A full actuarial valuation was carried out at 31 March 2003. Details can be found in the Resource Accounts of the Cabinet Office: Civil superannuation ([www.civilservice-pensions.gov.uk](http://www.civilservice-pensions.gov.uk))

For 2002/03 contributions of £35,877 were payable to the PCSPS (NI) (2001-02 £34,649) at one of four rates in the range 12 to 18.5 per cent of pensionable pay based on salary bands.

Employer contributions are to be reviewed every four years following a full scheme valuation by the Government Actuary. The contribution rates reflect benefits as they are accrued, not when the costs are actually incurred, and reflect past experience of the scheme.

Employees joining after 1 October 2002 could opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employer's contributions are paid to one or more of a panel of four appointed stakeholder pension providers. Employer contributions are age-related and range from 3 to 12.5 per cent of pensionable pay. Employers also match employee contributions up to 3 per cent of pensionable pay. In addition, employer contributions of 0.8 per cent of pensionable pay, are payable to the PCSPS (NI) to cover the cost of the future provision of lump sum benefits on death in service and ill health retirement of these employees. No employees of the commission have opted for a pension partnership account during 2002/03.

### Number of Employees

The average number of whole-time equivalent persons (including senior management) employed during the year was:

	2002-03	2001-02
<i>Administration Staff</i>		
Employed on a full-time basis	11	9
Employed on a part-time basis (full-time equivalents)	0.5	4

### Senior Management

The salary and pension entitlements of the most senior manager of the Commission were as follows:

Name & Title	Age at 31 March 2003	Salary as defined below £	Real increase in Pension at age 60 £	Total pension at Age 60 as at 31 March 2003 £
Mr Andrew Elliott		Consent for disclosure withheld		
Mr Michael Boyle		Consent for disclosure withheld		

The Commission is not responsible for the remuneration of any ministers or special advisers.

### **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 allowances to the extent that it is subject to UK taxation.

### **Pension**

Pension benefits are provided through the Civil Service pension arrangements. From 1 October 2002, civil servants may be in one of three statutory based 'final salary' defined benefit schemes (classic, premium, and classic plus). New entrants after 1 October 2002 may choose between membership of premium or joining a good quality 'money purchase' stakeholder based arrangement with a significant employer contribution (partnership pension account).

#### *(a) Classic Scheme*

Benefits accrue at the rate of 1/80th of pensionable salary for each year of service. In addition, a lump sum equivalent to three years' pension is payable on retirement. Members pay contributions of 1.5 per cent of pensionable earnings. On death, pensions are payable to the surviving spouse at a rate of half the member's pension. On death in service, the scheme pays a lump sum benefit of twice-pensionable pay and also provides a service enhancement on computing the spouse's pension. The enhancement depends on length of service and cannot exceed ten years. Medical retirement is possible in the event of serious ill health. In this case, pensions are brought into payment immediately without actuarial reduction and with service enhanced as for widow(er) pensions.

#### *(b) Premium Scheme*

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, but members may commute some of their pension to provide a lump sum up to a maximum of 3/80ths of final pensionable earnings for each year of service or 2.25 times pension if greater (the commutation rate is £12 of lump sum for each £1 of pension given up). For the purposes of pension disclosure the tables assume maximum commutation. Members pay contributions of 3.5 percent of pensionable earnings. On death, pensions are payable to the surviving spouse or eligible partner at a rate of 3/8ths the members pension (before any commutation). On death in service, the scheme pays a lump sum benefit of three times pensionable earnings and also provides a service enhancement on computing the spouse's pension. The enhancement depends on length of service and cannot exceed ten years. Medical retirement is possible in the event of serious ill health. In this case, pensions are brought into payment immediately without actuarial reduction. Where the member's ill health is such that it permanently prevents them from undertaking any gainful employment, service is enhanced to what they would have accrued at age 60.

#### *(c) Classic Plus Scheme*

This is essentially a variation of premium, but with benefits in respect of service before 1 October 2002 calculated broadly as per classic.

All staff in service at 1 October 2002 will be given the option to join the premium or classic plus arrangements.

Pensions payable under classic, premium, and classic plus are increased in line with the Retail Prices Index.

*(d) Partnership Pension Account*

This is a stakeholder type arrangement where the employer pays a basic contribution of between 3 and 12.5 per cent (depending on the age of the member) into a stakeholder pension product. The employee does not have to contribute, but where they do make contributions, these will be matched by the employer up to a limit of 3 per cent (in addition to the employer's basic contribution). Employers also contribute a further 0.8 per cent of pensionable salary to cover the cost of risk benefit cover (death in service and ill health retirement). The member may retire at any time between the age of 50 and 75 and use the accumulated fund to purchase a pension. The member may choose to take up 25 percent of the fund as a lump sum.

**Benefits in Kind**

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

Gross salaries for the most senior managers of the Department were determined by reference to the senior civil service pay award for 2003.

**Commissioner's Numbers and Costs**

The total emoluments of the Commissioners during the year ended 31 March 2003 amounted to £219,227. The total remuneration of the Chairman during the same period was £51,339. The Chairman was the highest paid Board Member. Both the Chairman and Commissioners are non-Northern Ireland Civil Service therefore they are not pensionable.

The salary entitlement of the Chairman and Commissioners were as follows:

<b>Commission Member</b>	<b>Salary Range £000</b>
Sir Anthony Holland (Chairman)	50-55
Peter Osborne	25-30
Peter Quinn	25-30
John Cousins	25-30
Sir John Pringle	25-30
Rev Roy Magee	25-30
Mr Billy Martin	25-30

### 3. Other Operating Costs

	<b>2002-03</b>	<b>2001-02</b>
	£	£
Other operating costs comprise		
Accommodation costs	15,235	12,167
Rent	56,000	56,000
Travel, subsistence & hospitality	11,536	20,287
Advertising	15,510	14,103
Training	12,718	8,609
Telecommunications	15,600	13,212
Inter-Departmental charges	31,142	29,936
Chairman & commissioners' remuneration	219,227	206,400
Commission's expenses	308,165	417,130
Professional advisors' service	131,710	91,917
Consultants' fees	10,113	447
Auditor's remuneration	6,500	6,500
Other Expenditure	46,177	44,539
Grant Expenditure	45,866	5,697
	<hr/>	<hr/>
	925,499	926,944
	<hr/> <hr/>	<hr/> <hr/>

### 4. Notional Costs

The income and expenditure account bears a non-cash charge for interest relating to the use of capital by the Parades Commission. The basis of the charge is 6 per cent of the average capital employed by the commission during the period ended 31 March 2003, defined as the total assets less current liabilities.

	<b>2002-03</b>	<b>2001-02</b>
	£	£
Cost of capital	(3,731)	(2,335)
Business Development Service	260	1,010
Judicial Reviews	–	8,652
	<hr/>	<hr/>
	260	9,662
	<hr/>	<hr/>
	(3,471)	7,237
	<hr/> <hr/>	<hr/> <hr/>

## 5. Fixed Assets

### Tangible Assets

	<b>2003</b>	<b>2002</b>
	<b>£</b>	<b>£</b>
<b>Computer and Office Equipment</b>		
Cost at 1 April 2002	26,005	56,061
Prior year adjustment	–	(21,289)
Additions	3,465	3,559
Disposals	–	–
Revaluation	(1,695)	(12,326)
	<hr/>	<hr/>
Cost at 31 March 2003	27,775	26,005
	<hr/>	<hr/>
Accumulated depreciation at 1 April 2002	6,682	15,449
Prior year adjustment	–	(13,114)
Charge for the year	5,495	5,870
Disposals	–	–
Backlog Depreciation	(487)	( 1,523)
	<hr/>	<hr/>
Accumulated depreciation at 31 March 2003	11,690	6,682
	<hr/>	<hr/>
<b>Net Book Value at 31 March 2003</b>	16,085	19,323
	<hr/> <hr/>	<hr/> <hr/>
<b>Net Book Value at 31 March 2002</b>	19,323	40,612
	<hr/> <hr/>	<hr/> <hr/>

### Intangible Assets

	<b>2003</b>	<b>2002</b>
	<b>£</b>	<b>£</b>
<b>Software</b>		
Cost at 1 April 2002	–	6,678
Prior year adjustment	–	(6,678)
Additions	–	–
Disposals	–	–
Revaluation	–	–
	<hr/>	<hr/>
Cost at 31 March 2003	–	–
	<hr/>	<hr/>
Accumulated depreciation at 1 April 2002	–	2,687
Prior year adjustment	–	(2,687)
Charge for the year	–	–
Disposals	–	–
Backlog Depreciation	–	–
	<hr/>	<hr/>
Accumulated depreciation at 31 March 2003	–	–
	<hr/>	<hr/>
<b>Net Book Value at 31 March 2003</b>	–	–
	<hr/> <hr/>	<hr/> <hr/>
<b>Net Book Value at 31 March 2002</b>	–	–
	<hr/> <hr/>	<hr/> <hr/>

## 6. Capital Commitments

There were no outstanding capital commitments as at 31 March 2003.

## 7. Contingent Liabilities

The Commission may have a liability to account for the tax and national insurance obligations relating to payments made to the Members and Chairman of the Commission since its inception.

The Commission have sought advice on this liability. This is contingent upon the response to advice sought by the Commission from the Inland Revenue.

## 8. Debtors

	<b>2002-03</b>	<b>2001-02</b>
	£	£
Debtors	2,724	–
Prepayments	14,015	4,501
	<hr/>	<hr/>
	16,739	4,501
	<hr/> <hr/>	<hr/> <hr/>

## 9. Creditors

Amounts falling due within one year	<b>2002-03</b>	<b>2001-02</b>
	£	£
Creditors	100	100
Accruals	71,482	109,321
	<hr/>	<hr/>
	71,582	109,421
	<hr/> <hr/>	<hr/> <hr/>

## 10. Commitments

### *(a) Operating Lease*

The Commission is committed under a Memorandum of Terms of Occupation with the Department of the Environment to pay rental of £56,288 per annum for the premises it occupies. This commitment is renewed on an annual basis.

Operating Leases expiring:

	£
Within one year	NIL
Between one and five years	56,288
After 5 years	NIL

### *(b) Other*

The Commission is committed under its approved training plan with the Business Development Service to attend training courses totalling £3,000 during the financial year ended 31 March 2004. It should be noted that this will be a notional charge.

## 11. Reconciliation of Movements in Reserves

	<b>General Reserve</b>	<b>Revaluation Reserve</b>	<b>Total 2003</b>	<b>Total 2002</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
At 1 April 2002	(85,497)	–	(85,497)	7,850
'Journal and relifting adjustment'	–	–	–	(12,166)
Transfer from income and expenditure account	(1,245,745)		(1,245,745)	(1,261,979)
Financing of vote	1,292,584		1,292,584	1,186,851
Transfer from Depreciation on assets from income & expenditure Account	–	–	–	(5,870)
Deficit on revaluation of fixed assets	–	(1,695)	(1,695)	(12,326)
Backlog depreciation	–	487	487	1,523
Permanent diminution	–	1,208	1,208	10,620
	<u>(39,658)</u>	<u>–</u>	<u>(39,658)</u>	<u>(85,497)</u>

## 12. Reconciliation of Results for the Period to Net Cash Flow from Operating Activities

	<b>2003</b>	<b>2002</b>
	<b>£</b>	<b>£</b>
Result for the year	(1,242,274)	(1,275,176)
Depreciation	5,495	5,870
Notional costs	(3,471)	7,327
Permanent diminution	1,208	10,620
(Increase)/Decrease in debtors	(12,238)	4,203
Increase/(Decrease) in creditors	(37,839)	63,864
	<u>(1,289,119)</u>	<u>(1,183,292)</u>

## 13. Financial Instruments

FRS 13, Derivatives and Other Financial Instruments, requires disclosure of the role which financial instruments have had during the period in creating or changing the risks an entity faces in undertaking its activities. Due to the non-trading nature of its activities and the way in which executive Non-Departmental Public Bodies are financed, the Parades Commission for Northern Ireland is not exposed to the degree of risk faced by business entities. Moreover, financial instruments play a much more limited role in creating or changing risk than would be typical of the listed companies to which FRS 13 mainly applies. The Parades Commission for Northern Ireland has no powers to borrow or invest surplus funds and has limited end year flexibility. Financial assets and liabilities are generated by day-to-day operational activities and are not held to change the risks facing the Commission in undertaking its activities.

As permitted by FRS 13, debtors and creditors that mature or become payable within 12 months from the balance sheet date have been excluded from this disclosure.

### **Liquidity Risk**

The Parades Commission for Northern Ireland is budgeted through the Northern Ireland Office Request for Resources 3 and is accountable to Parliament through the Secretary of State for Northern Ireland and is not therefore exposed to significant liquidity risk.

### **Interest-Rate Risk**

All financial assets and financial liabilities of the Parades Commission for Northern Ireland carry nil rates of interest and therefore are not exposed to interest rate risk.

### **Currency Risk**

The Parades Commission for Northern Ireland does not trade in foreign currency and therefore has no exposure to foreign currency risk.

### **Fair Values**

The book values and fair values of the Parades Commission for Northern Ireland's financial assets and financial liabilities as at 31st March 2003 are as set out below:

#### **Primary Financial Instruments:**

	<b>Book Value</b>	<b>Fair Value</b>
	<b>£</b>	<b>£</b>
<b>Financial Assets</b>		
Petty cash	100	100
<b>Financial Liabilities</b>		
None	N/A	N/A

#### **14. Related Party Transactions**

The Parades Commission for Northern Ireland is an independent statutory body, established by the Public Processions (Northern Ireland) Act 1998, and funded by the Secretary of State through the Northern Ireland Office.

The Northern Ireland Office is regarded as a related party. During the year, the Parades Commission for Northern Ireland has had various material transactions with the Northern Ireland Office.

In addition, the Parades Commission for Northern Ireland has had a small number of material transactions with other Government Departments. Most of these transactions have been with the Department of the Environment for Northern Ireland, and one of its executive agencies, the Construction Service.

None of the Parades Commission members, key managerial staff or other related parties has undertaken any material transactions with the Parades Commission for Northern Ireland during this year.





