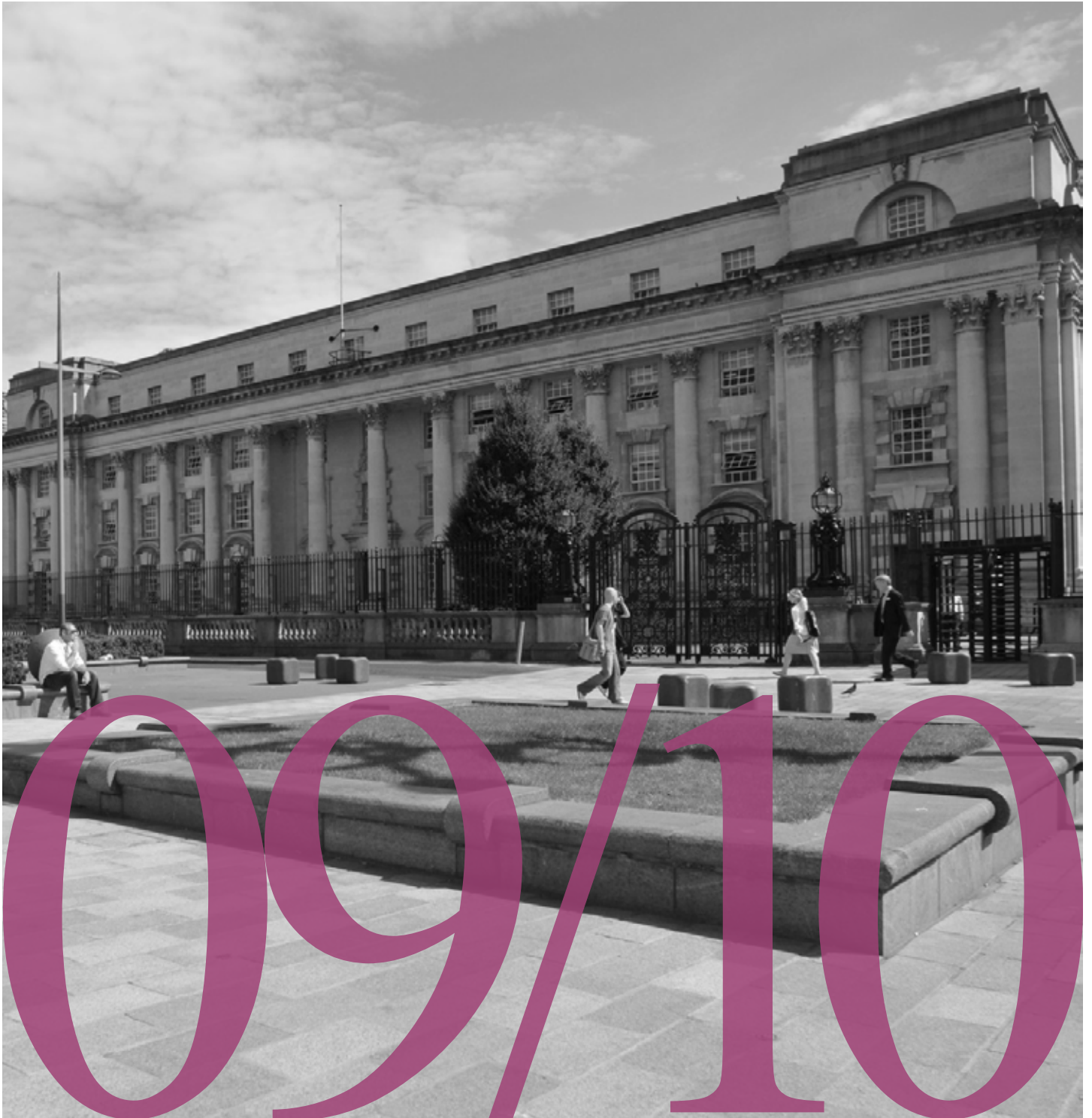


NORTHERN IRELAND COURT SERVICE

# Annual Report & Resource Accounts



serving the community through the administration of justice



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# **Northern Ireland Court Service**

## **Annual Report and Resource Accounts 2009-2010**

**For the year ended 31 March 2010**

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

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# 2009/10 Highlights

## Court & Tribunal Business

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### Criminal Court Business

- The Crown Court received 1,347 cases, an increase of 8% from the previous year.
- The number of defendants in the magistrates' courts increases by 3% to 53,856.
- There was a 4% increase in the number of defendants in the Youth Magistrates' Court to 3,026.
- The total criminal court business disposed of increased by 4%.

### Civil Court Business

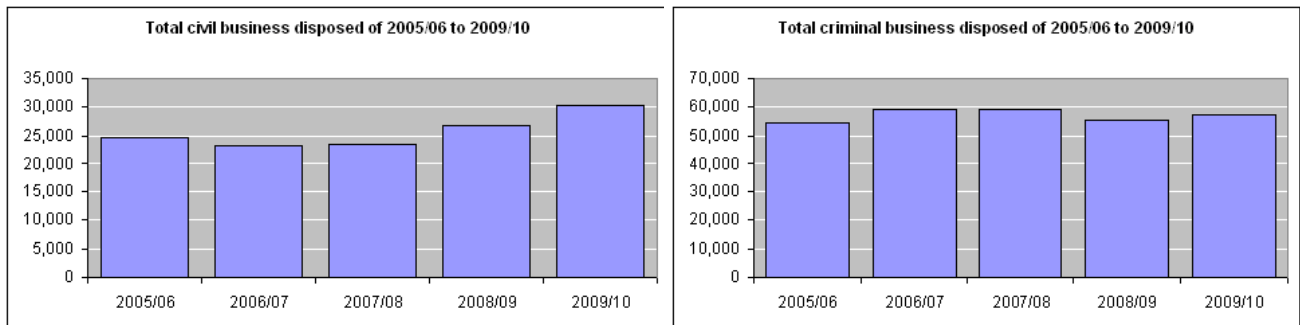
- The volume of civil court business disposed of increased by 13%.

### Family Court Business

- Children Order applications increased of 3%.

### Tribunal Business

- Tribunal performance is measured for the first time - 1,978 cases were disposed of in 2009/10.



## Promoting confidence in the Criminal Justice System

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- A Fine Default Strategy was launched, with the aim of reducing the number of offenders who are committed to prison as a consequence of failing to pay fines. The appointment of Fine Collection Teams at court centres led to a 30% reduction in the number of warrants issued for fine default.
- Remote video link facilities have been installed at the Old Townhall Courthouse and at Laganside Courts in Belfast for use by victims and witnesses.
- The regional heats and quarter final of the inaugural 'All Ireland Advocacy Challenge' were held in the Royal Courts of Justice in Belfast.
- Almost 230 court visits and work placements were hosted at courts throughout Northern Ireland as part of our outreach strategy.
- The NICTS achieved ISO 27001 Certification for information security.

## Delivering Responsive Customer Service

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- All 21 courthouses in Northern Ireland maintained their Customer Service Excellence Standard.
- Access to services was improved through online court lists and fine payments.
- Jurors in Northern Ireland can complete their juror returns online.
- Improved access to justice through web-based services continues as more than 31% of Small Claims cases are initiated online, and 99% of public searches are carried out online.
- Causeway, the electronic information sharing system between the criminal justice agencies, went live.
- The NICTS website achieved government accessibility standards.

## Access to Justice

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- The NICTS assumes responsibility for many of Northern Ireland's tribunals.
- A new Tribunal Hearing Centre opened in Belfast.

## FOREWORD BY THE DIRECTOR

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This is the final Annual Report, and associated Statement of Accounts, of the Northern Ireland Court Service to be laid at Westminster.

With the devolution of responsibility for policing and justice (including the courts) in Northern Ireland on 12 April 2010, responsibility for the new Northern Ireland Courts and Tribunals Service (NICTS) transferred to the Northern Ireland Assembly. Future Annual Reports of the NICTS will be laid before the Assembly.



Our work during the past year took place against the backdrop of the preparations for devolution. This ranged from co-ordinated information campaigns for staff, to the creation of a distinct new corporate brand by which we will be identified in future. There was also a significant legislative programme to transfer the Lord Chancellor's responsibilities for court services in Northern Ireland to the new Northern Ireland Department of Justice.

A constant challenge throughout the year has been to maintain a high standard of service provision in an increasingly challenging resource climate which emphasises even more the need to operate as efficiently as possible. Our investment in the Integrated Court Operations System (ICOS) – the ICT business platform for court administration – is the principal means through which we have been able to meet this challenge.

During the year under review we were pleased to achieve the Investors in People Ten Year Award. In addition, the conferral of the Customer Excellence Standard for each of our courthouses is further evidence that the investment we have made in staff training and development continues to deliver results.

Some thirty-one years after the establishment of the Northern Ireland Court Service, the return of responsibility for policing and justice to a local Assembly is a welcome development. The Courts and Tribunals Service looks forward to playing its part under devolution by 'serving the community through the administration of justice'.

A handwritten signature in black ink that reads "David A. Lavery". The signature is written in a cursive style and is underlined.

D.A. Lavery  
 Director, NI Courts and Tribunals Service  
 7 July 2010



# DIRECTORS REPORT

## PART 1 DIRECTORS REPORT

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This is the Annual Report and Accounts for the Northern Ireland Court Service (“the Department”) for the financial year ended 31 March 2010. These Statements have been prepared in accordance with directions given by HM Treasury in pursuance of the Government Resources and Accounts Act 2000.

### Who we are

The Northern Ireland Court Service, which was formerly the Lord Chancellor’s Department in Northern Ireland, became the Northern Ireland Courts and Tribunals Service (NICTS) on 12 April 2010 with the transfer of responsibility for policing and justice to the Northern Ireland Assembly. The NICTS is now an Agency of the Northern Ireland Department of Justice (DOJ).

The NICTS provides a new unified administration for courts and tribunals. Our role is to:

- provide administrative support for all of Northern Ireland’s courts, i.e. the Court of Appeal, High Court, Crown Court, County Courts, Magistrates’ Courts and Coroner’s Courts;
- provide administrative support for tribunals;
- enforce civil court judgments through the Enforcement of Judgments Office; and
- sponsor the work of Northern Ireland Legal Services Commission.

During 2009 – 2010 we were accountable to Parliament at Westminster through the Lord Chancellor and Secretary of State for Justice at the Ministry of Justice, the Rt Hon Jack Straw MP. The Parliamentary Under Secretary of State, at the Ministry of Justice, Bridget Prentice MP, had day-to-day responsibility for the courts in Northern Ireland.

### How we are structured

There are 21 court centres across Northern Ireland, the largest being Laganside Courts and the Royal Courts of Justice in Belfast, and five tribunal hearing centres. All of our courthouses have achieved the Customer Service Excellence Standard in recognition of the high level of customer service provided.

While our core business is the provision of administrative support for the courts and tribunals in Northern Ireland, we are also responsible for:

- the Enforcement of Judgments Office (EJO) – which provides a centralised service for the enforcement of civil court judgments; and
- the Court Funds Office – which manages funds held in court on behalf of minors and patients.

## Organisational Aims & Values

Our organisational aim is:

“serving the community through the administration of justice”

## Corporate Values

We aim at all times to demonstrate the following corporate values:

### **Integrity**

to interact with our customers with the highest degree of integrity, promoting an atmosphere of honesty and trust

### **Openness**

to undertake our work in an open and transparent manner

### **Professionalism**

to conduct our business to the highest standards

### **Accountability**

to be responsible for delivering a high quality service to the public

### **Fairness**

to treat everyone fairly

We have incorporated our Corporate Values into our performance management system for our staff so that we can measure the way in which we demonstrate our values on a continuous basis.

## Management Board

The Director of the NICTS is the Head of the Department and its Accounting Officer. He is supported by a Management Board responsible for the following areas:



George Keatley  
Head of Business Operations

### Business Operations

**The key objective of this Division is:**

To deliver quality services which meet the needs of our customers.

Business Operations Division is responsible for:

- providing administrative support for criminal, civil and family court business and the Coroners Service;
- the Enforcement of Judgments Office;
- customer service improvement; and
- judicial support and liaison, including sponsorship of the Northern Ireland Judicial Appointments Commission.



Jacqui Durkin  
Head of Business  
Development & Services

### Business Development & Services

**The key objective of this Division is:**

To deliver service development, modernisation and support

Business Development and Services Division is responsible for:

- business modernisation and development;
- civil, criminal and family operational policy;
- Human Resource services; and
- Security Branch including court estate and information security.

## Tribunal Reform

### The key objective of this Division is:

Modernising the administration of tribunals in Northern Ireland

Tribunal Reform Division is responsible for:

- the delivery of the tribunal reform programme to achieve a unified courts and tribunals service;
- the efficient running of existing tribunals; and
- the establishment of new tribunals.



Siobhan Broderick  
Head of Tribunal Reform

## Finance

### The key objective of this Division is:

Delivering a controlled financial and commercial environment, achieving value for money

Finance Division is responsible for:

- the management and oversight of the Department's finances;
- financial oversight of the NDPB sponsorship arrangements with the Northern Ireland Legal Services Commission and the Northern Ireland Judicial Appointments Commission;
- the management and oversight of the Department's capital investment strategy, including the court estate;
- procurement services;
- audit and risk management; and
- the Court Funds Office.



Anthony Carleton  
Head of Finance  
Division

\* Anthony Carleton returned from a period of secondment on 25 January 2010, replacing David Thompson (who departed on 29 January 2010)



Laurene McAlpine  
Head of Civil Policy  
Division

## Civil Policy & Legislation

Civil Policy and Legislation Division deals with the formulation of policy on matters relating to the jurisdiction and powers of the various civil court tiers including the family courts and Coroners, and the Enforcement of Judgments Office. This involves the preparation of court-related primary and secondary legislation and acting as Secretary to the several Court Rules Committees on civil business.

Civil Policy and Legislation Division also discharges the functions of the Northern Ireland Central Authority under a number of European and International Conventions.



Geraldine Fee  
Head of Criminal  
Policy Division

## Criminal Policy & Legislation

Criminal Policy and Legislation Division deals with the formulation of policy on matters relating to the jurisdiction and powers of the various criminal court tiers (including Youth Courts). This involves the preparation of court-related primary and secondary legislation and acting as Secretary to the several Court Rules Committees on criminal business.

The Division is also responsible for supporting Courts and Tribunals Service input to the Criminal Justice Board and Criminal Justice Issues Group.



Robert Crawford  
Head of Public Legal  
Services Division

## Public Funded Legal Services

### **The key objective of this Division is:**

To deliver cost effective public funded legal services for those who cannot otherwise afford access to justice

Public Funded Legal Services Division supports the Minister in the provision of legal aid in Northern Ireland and is responsible for:

- sponsorship of the Northern Ireland Legal Services Commission;
- reform of public funded legal services in partnership with the Legal Services Commission; and
- formulating and implementing legal aid policy.

An organisational management structure is attached at **Annex A**.

\* Robert Crawford was appointed on 1 March 2010 and replaced Paul Andrews (who resigned on 31 January 2010)

Two Non-executive members supported the work of the Management Board, Kevin King and PJ Fitzpatrick. Kevin King was appointed in October 2003, and served as a non-executive until 31 March 2010. PJ Fitzpatrick was appointed in April 2009.

The Management Board meets monthly and is responsible for oversight of the departmental delivery strategies, the achievement of departmental objectives and targets and governance arrangements.

### **Other Committees**

The work of the Management Board is supported by three further committees. These are the Finance Committee and the Audit Committee and Risk Management Committee. These committees meet regularly throughout the year. The Finance Committee is chaired by the Director, David Lavery. The Audit and Risk Management Committees were chaired by Kevin King until May 2009 and are now chaired by PJ Fitzpatrick.

### **Departmental Reporting Cycle**

The Department was required to prepare an Estimate for HM Treasury in January each year, which detailed the proposed spending of the Department for the coming financial year. Supplementary estimates were prepared in winter and spring, if required, to take account of any changes during the year.

The main estimate and any supplementary estimates are published each year on the HM Treasury website at [www.hm-treasury.gov.uk](http://www.hm-treasury.gov.uk).

## **Our People**

The NICTS staff complement at the end of March 2010 was 799 posts, the majority of which are in front line services at courthouses throughout Northern Ireland and in the EJO. This number will increase during 2010/11 to almost 1,000 staff when the remaining tribunals transfer. Further information on our staff complement can be found at **Annex B**.

We recognise that a skilled and committed workforce is essential to the successful achievement of our corporate aims. Our Workforce Strategy (2008-11) supports the effective delivery of business by:

- recruiting and retaining the right people;
- supporting their development; and
- providing structures, policies and procedures for managers to effectively lead and manage.

Our Workforce Strategy brings together HR initiatives and programmes. Initiatives taken forward during the year as part of the Workforce Strategy included Managing Attendance Policy awareness training, refreshing of the pool of Harassment Contact Officers and Harassment Investigation Officers and the development of a Health and Well Being Strategy.

A number of people management policies are in place, including family friendly policies, offering those with caring responsibilities flexibility in working patterns, such as part-time working, job-sharing and term-time working arrangements.

As an organisation, we are committed to learning and development, and ensuring that staff have the right skills to deliver the business priorities.

In 2009/10 we were re-accredited with the **Investors in People** standard, receiving the Bronze Award under the revised criteria. NICTS is one of only three public bodies in Northern Ireland to achieve this level. A continuous improvement plan has been developed and implementation will be monitored by our Learning and Development Committee. We also received the **Investor in People 10 year award**, in recognition of our ongoing commitment to staff development and continuous business improvement.

We have a **Career Management Strategy** through which we provide staff at all levels with the opportunity to manage their career. Initiatives included the creation of a dedicated Career Officer role within HR, the delivery of Career Management Workshops and the establishment of Career Management Discussions as an opportunity for one-to-one career guidance.

The **2007 – 2009 Employment Equality Plan** supported our commitment to achieve “a workforce reflective of the community we serve”. Our 2009 recruitment schemes demonstrated that we were successful in continuing to attract applicants from the under-represented groups. The composition of our workforce continues to compare favourably with the 2001 census figures. A new Equality plan will be developed which will reflect new Equality Commission guidelines and DOJ Diversity Strategy commitments.

We continue to invest in the training and development of our staff, and have offered a wide range of learning opportunities to staff at all grades. A wide range of elective training was offered via the Corporate Learning Plan and, in addition, a number of Job Skills training courses were delivered.

Staff at Administrative Officer (AO) and Executive Officer (EO) grades were given the opportunity to participate in a Young Peoples Community Leadership initiative offered by the Prince's Trust.

Senior managers were invited to apply for the “Common Purpose –The Know Programme” to better understand the role of different sectors, levels of power, drivers of future change and build collaborative relationships across diverse networks.

As part of the preparations for devolution a programme of information sessions was delivered to all staff to inform them of the structure of the new DOJ and to address issues and concerns.

Many staff received financial and other support in pursuing further education in their own time, on a variety of topics relevant to their work, through our ‘Assistance to Study’ scheme.



We have National Vocational Qualification (NVQ) Centre status and continue to offer staff administrative and managerial qualifications. In addition we have achieved second Centre status to enable a programme of Courts and Tribunals specific qualifications to commence during 2010.

### **Managing Attendance**

The rate of sickness absence for 2009/10 was an average of 11.7 days (2008/09 9.2 days) absence per employee. This was an increase of 27.2% on 2008/09. NICTS staff will now be managed in accordance with the Department of Justice Sickness Absence Policy.

### **Employee Involvement**

The Department attaches considerable importance to ensuring the involvement of employees in delivering its aims and objectives. The Whitley Council within the Court Service provides the principal channel of communication and negotiation with Trade Union Side. The Whitley Executive Committee meets quarterly and is chaired by the Head of Operations. The vice chairperson is appointed by Trade Union Side.

A Workplace Health Committee meets throughout the year to discuss health and safety matters of concern to staff and management.

During 2009/10 a Staff Panel was introduced, as a result of a Staff Opinion Survey. The Staff Panel is a forum set up for discussion and consultation on issues that affect all staff. It is an opportunity for staff to participate and play a proactive role in influencing decision making.

The NICTS has a well established internal communications system, which meets the requirements of the Information and Consultation of Employees Regulations (NI) 2005, which includes team briefing sessions, focus groups, the staff handbook, staff notice board, intranet site, staff notices and staff attitude surveys. The departmental magazine of the Court Service, "Open Court" is circulated quarterly to all members of staff.

### **Our Sponsorship Role**

The NICTS sponsors the **Northern Ireland Legal Services Commission** (NILSC) which is responsible for the provision of public funded legal services in Northern Ireland under the Legal Aid Scheme.



The Commission publishes its own Corporate and Business Plans, which can be found on their website [www.nilsc.org.uk](http://www.nilsc.org.uk)

During 2009/10 we were the sponsor department for the **Northern Ireland Judicial Appointments Commission (NIJAC)**, which is responsible for judicial appointments. On the devolution of policing and justice, sponsorship of the NIJAC transferred to the Office of the First Minister and Deputy First Minister (OFMDFM).

Further information on these Non Departmental Public Bodies, including advisory bodies for which the NICTS has responsibility is attached in **Annex C**.



Mr Karajit Singh  
Judicial Appointments  
Ombudsman

### **Judicial Appointments Ombudsman**

Mr Karamjit Singh CBE was appointed Judicial Appointments Ombudsman for Northern Ireland in 2006. The Ombudsman's role is to investigate cases where maladministration or unfairness is alleged to have occurred in the judicial appointment process. The Ombudsman's Annual Report can be found at [www.nijao.gov.uk](http://www.nijao.gov.uk)

### **Support for the Northern Ireland Judiciary**

The NICTS is responsible for providing administrative support to the Northern Ireland judiciary. There are 72 full-time members of the judiciary across the various judicial tiers, plus 209 Lay Magistrates and 391 Tribunal Members.

The Lord Chief Justice of Northern Ireland is head of the Judiciary and President of the courts of Northern Ireland. In addition, he is responsible for:

- Assigning the judiciary to the courts, listing business within the courts, and determining sitting times;
- Dealing with complaints against members of the judiciary. The Code of Practice on Complaints and Protocol on Judicial Discipline are published on the NICTS website ([www.courtsni.gov.uk](http://www.courtsni.gov.uk));
- Maintaining arrangements for the welfare, training and guidance of the judiciary; and
- Representing the views of the Northern Ireland judiciary to Parliament and to the Northern Ireland Assembly.



Lord Chief Justice,  
the Rt Hon Sir Declan  
Morgan

The Lord Chief Justice, the Rt Hon Sir Declan Morgan, is supported by the Presiding County Court Judge (His Honour Judge Burgess, Recorder of Belfast), the Presiding District Judge (Magistrates' Courts), Mrs Fiona Bagnall, and the Presiding Lay Magistrate, Mr David Moore.

# MANAGEMENT COMMENTARY

## PART 2 MANAGEMENT COMMENTARY

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### Business Performance

The Court Service Business Plan for 2009/10 contained four overarching strategic aims:

- Delivering responsive customer services;
- Improving access to justice;
- Promoting confidence in the justice system; and
- Supporting an independent judiciary.

We published a number of performance targets in our Business Plan in support of these strategic aims. The following commentary explains what we did during 2009/10 to achieve these strategic aims.

### Delivering Responsive Customer Services

#### Business Improvement

Our Business Modernisation and Customer Service Strategy sets out our vision of how we plan to develop our business in order to achieve customer-focused services.

During 2009/10 we successfully implemented a number of initiatives designed to deliver quality, customer-focused services as detailed in the annual Action Plan. We continue to modernise the way in which court business is transacted to meet the expectations of all court users by seeking opportunities to further exploit our successful technology programmes including:

- Integrated Court Operations System (ICOS) and the Causeway Programme;
- Electronic Service Delivery Programme; and
- Efficient Services.

The NICTS is a partner in the **Causeway Programme** which underpins electronic communication and information sharing between the criminal justice agencies in Northern Ireland. Causeway fully entered service in November 2009.

As part of our **Electronic Service Delivery Programme**, we introduced new online court lists, fine payment and juror services. An on-line case tracking service is under development and will shortly enter live trials. As part of this programme we upgraded our website infrastructure to increase performance and deliver superior content, and improve the content searching capability to meet future demands. The NICTS website was subsequently assessed as meeting the government **accessibility standards**. In addition a number of electronic interfaces were developed and successfully tested with other public sector organisations and will shortly enter live service.

In our commitment to deliver **efficient services** we implemented a **Fine Collection Scheme** across all court offices to encourage fine payment before the issue of fine warrants to the police for enforcement. In addition, we introduced a number of **Hearing Centres** across Northern Ireland, which has provided flexibility to maximise resources.

During this year we carried out public consultation exercises in respect of the following new policies:

- Provision of In-Court Interpreter Services;
- 'Re-drawing the Map' – a consultation on court boundary changes in Northern Ireland;
- Proposals to increase the use of postal service of summonses for offences prosecuted by the Public Prosecution Service (these reforms were implemented in February 2010); and
- Proposals to enable the Public Prosecution Service to issue summonses without recourse to a Lay Magistrate.

## Court Estate

During the year the main focus of our capital investment programme was on security and providing specialist accommodation for the tribunals which transferred to us this year.

In conjunction with the NI Prison Service and the Youth Justice Agency we undertook a review of cellular accommodation within our courthouses. The review group has now reported and we will be turning our attention to the implementation of their recommendations in the upcoming financial year. We also strengthened the security systems for our estate including a major upgrade to the CCTV systems.



Technology Courtroom, Laganside Courts

During the Spring and early Summer we converted some office accommodation to meet the specific requirements of a formal tribunal hearing centre. The accommodation in Bedford House was opened in September 2009 and now successfully houses 7 tribunals.

We also completed a wide-ranging survey of our court buildings to identify further improvements which could be made in line with the Disability Discrimination Act. In preparation for devolution, we started to engage more fully with the Central Procurement Directorate of DFP to improve the effectiveness of our procurement practices.

A Court Estate Strategy is under development and will now be taken forward in the devolved environment.

### **Customer Service**

Our 21 courthouses retained the **Customer Service Excellence Standard** in 2009/10. The Enforcement of Judgments Office also maintained the status of **Mark of Excellence Achievement**, achieving the ISO 9001:2008 standard.

We completed 'journey mapping' exercises for probate customers and Youth Court defendants. A journey map for youth defendants in care has also been developed. This has enabled us to gain a better insight into the needs of this particular group and to track their experiences of service delivery.

A customer exit survey was carried out at each court venue in Autumn 2009. All court venues have been provided with individual reports highlighting the areas of success and areas for improvement during 2010/11.

### **Enforcement of Judgments Office**

The Enforcement of Judgments Office (EJO) provides a centralised service for all aspects of the civil judgment enforcement process in Northern Ireland.

The current economic climate continues to impact on the EJO as workload has significantly increased. With the increase in the number of cases for the possession of property, we are now examining how these cases are handled in order to reduce delay. We continue to apply quality business approaches and the principles of the European Foundation for Quality Management Business Excellence Model (EFQM) to improve how we handle our business. In December 2009 we achieved accreditation for ISO 9001:2008. This standard promotes continuous review and improvement of organisational processes to ensure that customers' needs are fully met.

The EJO continues to promote and develop its online services to enable customers to have better access to information on their cases and to process business effectively. The case tracking service provides information for creditors, debtors and other interested parties and allows parties to track enforcement progress on-line. The On-Line Debt

Register Service allows creditors to search judgments held against a person or company in the last six years, which enables informed decisions to be taken prior to enforcement of other cases.

## **Service Improvement**

We are committed to continuous improvement, and have in place a complaints procedure that enables us to improve the quality of services we provide, and to learn from any mistakes that may have occurred.

During this year we reviewed our complaints procedure and developed an action plan to improve our processes. To date we have:

- Published a new guide for staff and managers on handling complaints;
- Developed a new on-line complaints register, which enables improved monitoring of complaints at both a local and corporate level; and
- Provided a programme of staff training on complaint handling and monitoring.

We received 210 complaints across the organisation during 2009/10, which represented a 30% increase on the previous year. This increase reflects a number of factors, including the fact that we now register all informal complaints. A total of 95% of complaints were responded to within the target timescale (15 days). Almost half of the complaints resulted in follow-up action to improve customer service delivery. A breakdown of complaints received and action taken is included in the quarterly complaints reports, available in the customer service section of our website ([www.courtsni.gov.uk](http://www.courtsni.gov.uk)).

## **Funds in Court**

Work has continued to modernise the Court Funds Office. A project is underway to review all aspects of the Court Funds policies, practices and operations to ensure a professional, transparent and cost effective service which meets the specific needs of customers and stakeholders. During 2009/10 we:

- Modernised the Court Funds accounts, with the first set of UKGAAP compliant accounts being produced for 2008-09;
- Commenced a more efficient reconciliation process;
- Implemented a secure web portal to enable direct access to the Brewin Dolphin Stockbroker IT system; and
- Published a Protocol on our commitment to provide an investment process which supports the protective and supervisory jurisdiction of the Court.

## **Business Continuity**

We have in place business continuity plans to ensure critical business functions can be maintained. During 2009/10 we reviewed and tested these plans to ensure they were fit for purpose. These plans are continually reviewed and updated and are available to staff on the intranet.



## Improving Access to justice

### Tribunal Reform

In 2009 the Northern Ireland Executive endorsed a programme of tribunal reform, including the transfer of administrative responsibility for all Northern Ireland tribunals to the Court Service.

The first phase of transfer took place on 1 September 2009 when we assumed administrative responsibility for the following five tribunals –

- Special Educational Needs and Disability Tribunal
- Mental Health Review Tribunal
- Care Tribunal
- Lands Tribunal
- The Tribunal established under Schedule 11 to the Health and Personal Social Services (NI) Order 1972

We opened a new **Tribunal Hearing Centre** in Bedford House, Belfast which provides a single point of contact for members of the public.

Phase Two of tribunal reform was completed on 1 April 2010, with the transfer of the Appeals Service and Rent Assessment panel.

The tribunals which remain to transfer during Phase Three include the Industrial Tribunals, the Fair Employment Tribunal and the Planning Appeals Commission.

In April 2010 two new tribunals were established - the Charity Tribunal which hears appeals from decisions made by the Charity Commission in respect of the registration of an organisation as a charity; and the Health and Safety Tribunal which adjudicates on appeals relating to asbestos or petroleum-spirit licences.

NICTS also administers on behalf of the Lord Chancellor, a number of UK-wide tribunals sitting in Northern Ireland, including the tax and immigration tribunals.



## Public Funded Legal Services

During 2009/10 the NICTS brought forward a number of proposals for the reform of Legal Aid. In September 2009 we reduced the remuneration levels for Very High Cost Cases in the Crown Court, and introduced new standard fees for legal aid in cases heard in the Magistrates' Courts. We also published proposals for further reform of legal aid in the following areas:

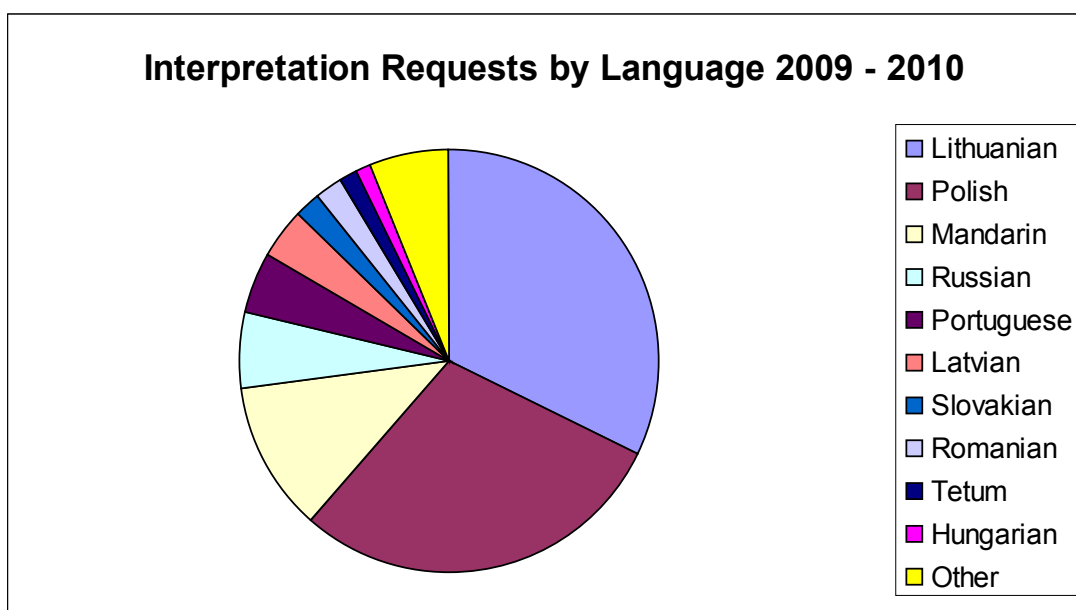
- assignment of Senior Counsel in criminal cases, specifically the introduction of new criteria which will reduce the number of cases in which two Counsel are assigned;
- a Graduated Fees Scheme for cases in the Crown Court;
- changes to financial eligibility for legal aid in criminal cases; and
- changes to the application of the statutory charge to recover legal aid in civil cases.

## County Court Jurisdiction

The NICTS published a consultation paper in March 2010 on increasing the jurisdictional limit of the County Court. The paper seeks views on proposals to increase the financial limit of the general civil jurisdiction of the County Court in Northern Ireland from the current level of £15,000. The consultation paper also invites views on an increase in the jurisdictional limits of the District Judges' Court and the Small Claims Court. A summary of responses shall be published in the Autumn 2010.

## Interpreter Services

We arrange interpreter services in court for those for whom English is not their first language. The main languages requested in 2009/10 were Lithuanian, Polish, Mandarin and Russian. In total, there were just over 3,000 requests for language interpretation in courts, which is similar to the total figure for 2008/09.



## Promoting confidence in the justice system

### Court and Tribunal Performance

The Court and Tribunal Performance standards published in our Business Plan for 2009/10 were delivered in partnership with the Northern Ireland Judiciary.

Our business volumes during 2009/10 were as follows:

	Cases Received	Cases Disposed of
Criminal	58,229	57,319
Civil	26,840	30,250
Family	7,447	6,104
Tribunals	2,297	2,331

Details of our performance in these areas can be found at **Annex D**.

### Tackling Delay in the Criminal Justice System

Tackling delay and the reasons which can cause delay remains an important aspect of improving the public's confidence in the criminal justice system. The NICTS has continued to work closely with other criminal justice agencies to tackle avoidable delay.

We have assigned Case Progression Officers at each court, whose role is to work closely with the judiciary, prosecution and defence to reduce avoidable delay. They are responsible for monitoring the progress of criminal cases when they reach the courts.

### Victims and Witnesses

The 'Bridging the Gap' strategy is a five year multi-agency victims and witness initiative developed by all of the criminal justice agencies, in partnership with Victim Support NI and the National Society for Prevention of Cruelty to Children. The NICTS is represented on a number of working groups at both strategic and operational level which are taking forward the various strands of work within the strategy.

The action plan for 2009/10 contained 17 initiatives, with the NICTS leading in 2 actions:

- to extend the remote link pilot study to Belfast court area**  
This has been completed and we have installed the appropriate equipment in the Old Townhall Building to link with Laganside Courts.
- to facilitate the Lord Chief Justices recommended approach in relation to young victims and witnesses giving evidence**  
Guidance has been provided to both staff and the judiciary on dealing with young victims and witnesses.

## Outreach in the Community

The NICTS Outreach Programme coordinates and underpins a commitment to promote and enhance knowledge and understanding about the courts and the wider justice system.

We have continued pro-active outreach, maintaining our disability positive action programmes in conjunction with The Department of Education and Learning (DEL) Access to Work programme and other charitable and voluntary agencies including the Orchardville Society and Cedar Foundation.

During 2009/10 the NICTS organised a wide range of educational and community based activities throughout Northern Ireland including court visits tailored to meet the needs of schools, community groups and the general public. We facilitated almost 230 court visits and work placements this year.

We continue to support the Citizenship Curriculum in the classroom through our Education Online website. The website provides information about the courts and criminal justice system, and is aimed at primary school, key stage 2 & 3 and post 16 level.

We supported Criminal Justice Week 2009 which focussed on knife crime. Newry Courthouse held an open day attended by 78 pupils from local schools. They participated in a mock trial about knife crime and learned about the diversity of careers in the criminal justice system.

We also hosted the National Magistrates' Mock Trial Competition in Laganside Courts, which is a highlight of the NICTS outreach programme each year.

New additions to the 2009/10 programme included hosting the regional heats and quarter final of the All-Ireland Advocacy Competition in the Royal Courts of Justice, and facilitating workshops in the Common Purpose Programme.



Outreach event, Laganside Courts

## **Devolution of Policing and Justice**

We delivered the legislative and governance framework to achieve the devolution of the functions of the Northern Ireland Court Service and the Lord Chancellor's functions in Northern Ireland. We developed a Framework Document for the new Northern Ireland Courts and Tribunals Service as an agency of the new Department of Justice. We also prepared a Concordat on Judicial Independence for agreement between the NI Executive, the Secretary of State for NI and the Lord Chancellor.

## **Fine Default**

Following a public consultation exercise, we worked closely with our criminal justice partners to develop a strategy for reducing fine default. We have assigned Fine Collection teams at courthouses whose job is to pursue unpaid fines. This initiative has led to significant improvement in fine collection.

## **Information Assurance**

Information is a key business asset that we need to protect. Information assurance provides this protection by managing risks to the confidentiality, integrity and availability of information. In June 2009 we published our Information Assurance Statement of Intent which outlines the key principles and policy statements of the NICTS. We are committed to providing customers with the assurance that their information is collected, stored, transferred and disposed of securely and in compliance with the Freedom of Information Act 2000 and the Data Protection Act 1998.

The Court Service have given consideration to Cabinet Office guidance on Report of Personal Data Related Incidents. The guidance requires that 'a summary of incidents report' to the Information Commissioner's Office and the number of incidents recorded by the Department, but not required to be reported, to be disclosed in the Annual Report and Resource Accounts of the Department. The Court Service are content that there are no such incidents. The Court Service would report any incidents which they feel fall under this guidance to the Cabinet Office and Information Commissioner's Office immediately.

ISO 27001 is the international standard for security best practice and we achieved certification in advance of this being mandated by the Ministry of Justice. We are one of the first government departments to achieve certification to this standard and it is a powerful demonstration of our commitment in managing information security. A successful Continuous Assessment Visit by the British Standards Institute was carried out in February 2010. We are now working to align our information assurance policies and accreditation requirements with the Department of Justice and NI Civil Service.

## Supporting an independent judiciary

### Partnership Working

We work in partnership with the judiciary on a wide range of issues as they affect the courts, including the achievement of our court and tribunal performance standards (this years performance standards can be found at **Annex D**).

### Judicial Appointments

During 2009/10 we supported the work of the Northern Ireland Judicial Appointments Commission, working closely with the Commission to ensure judicial appointments are made in a timely way in accordance with business need.

We also maintained the Memorandum of Understanding relating to corporate governance with the Northern Ireland Judicial Appointments Ombudsman.

## Financial Position and Results for the Year

During the period up to the date of devolution, the Department complied with the corporate governance and accountability framework arrangements and the guidance issued by HM Treasury, including Managing Public Money.

The Annual Report and Accounts of the Department for the year ended 31 March 2010 relate entirely to the period before devolution and will be laid in Parliament.

From 12 April 2010, the NICTS 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 (DFP), including Managing Public Money Northern Ireland. The Annual Report and Accounts for years ended 31 March 2011 onwards will be laid in the Northern Ireland Assembly.

We are now accountable to the Northern Ireland Assembly through the Justice Minister, David Ford MLA.

### Departmental Boundary

The departmental boundary incorporates only the core department of the Northern Ireland Court Service. During the year the Department held responsibility for the granting of funds to NILSC and NIJAC. As executive Non Departmental Public Bodies (NDPBs) the NILSC and the NIJAC are outside the departmental boundary for the purposes of these resource accounts.

The funds invested by the Court Funds Office are specifically excluded from the departmental boundary, in accordance with HM Treasury guidance. Third party monies are similarly excluded.

The NILSC, NIJAC and Court Funds Office each publish their own audited financial statements.

## **Financial Position (Statement of Financial Position)**

The Department's activities are financed mainly by Supply voted by Parliament and financing from the Consolidated Fund.

The Department's Statement of Financial Position consists primarily of non current assets totalling £213m. Of this, £208m represents land and buildings; the remainder being information technology assets, furniture and fittings, plant and machinery.

During the year the department expended £4.9m in capital refurbishment and improvement of its property. IT and software additions amounted to £1.5m primarily as a result of the department's ongoing programme of business modernisation.

## **Results for the Year (Operating Cost Statement)**

The Operating Cost Statement represents the net total administration and programme resources consumed during the year by Request for Resources. The results for the year are set out in the Operating Cost Statement and are as follows:

- Net Operating Costs amounted to £162.3m (2008-09 £149.8m Restated)
- Staff Costs of £23.9m (2008-09 £22.0m Restated)
- Other Administrative Costs of £7.2m (2008-09 £10.6m Restated)
- Gross payments of £157.9m (2008-09 £142.0m Restated) relating to the department's programme activities
- Operating Income of £26.7m (2008-09 £24.8m)

The Department employed an average of 813 (Full Time Equivalent) staff during 2009-10, an increase of 60 from 2008-09. Accommodation rentals, PFI service charges, and non-cash asset related charges accounted for the majority of other administration costs.

As in previous years, a large portion of the Department's expenditure was allocated to publicly funded legal services, or Legal Aid. The funding of Legal Aid continues to be a pressure on departmental resources. However, the ongoing programme of reform has been designed to address this. The administration of publicly funded legal services is carried out by the Northern Ireland Legal Services Commission (NILSC). The NILSC is an executive Non-Departmental Public Body (NDPB), and subject to the relevant government and accounting guidelines. Details of operational and financial performance of the NILSC can be found on their website at [www.nilsc.org.uk](http://www.nilsc.org.uk). The total grants paid to NILSC in 2009-10 amounted to £103.0m, approximately 54% of the gross expenditure of the Department.

The Department was also responsible for providing grant in aid funding to the Northern Ireland Judicial Appointments Commission (NIJAC). NIJAC is an executive NDPB and is also subject to the relevant government and accounting guidelines. Further details about the activities of NIJAC can be found on their website at [www.nijac.org](http://www.nijac.org). The grant in aid paid to NIJAC during 2009-10 totalled £1.6m.



The Department had operating income of £26.7m which was used to support the administration of justice.

Fees from civil court work are included in these financial statements as appropriations in aid (AinA).

It is government policy that the provision of services for civil court proceedings must be self-financing, so the fees earned from this type of work must cover the cost of that provision. Note 11 shows the level of civil court costs, and the associated income generated. In 2009-10 the recovery level was 103%.

### **Comparison of Outturn against Estimate (Statement of Parliamentary Supply)**

Supply Estimates are a request by the Department to Parliament for funds to meet expenditure. When approved by the House of Commons, they form the basis of the statutory authority for the appropriation of funds and for the Treasury to make issues from the Consolidated Fund. Statutory authority is provided annually by means of Consolidated Fund Acts and by an Appropriation Act. These arrangements are known as the “Supply Procedure” of the House of Commons.

As a government department the Court Service is accountable to Parliament for its expenditure. Parliamentary approval for its spending plans is sought through Supply Estimates presented to the House of Commons.

The Statement of Parliamentary Supply provides information on how the department has performed against the Parliamentary and Treasury control totals against which it is monitored. This information is supplemented by Note 3 which represents Resource Outturn in the same format as the Supply Estimate.

In 2009-10 the Court Service met all of its control totals. At £154.7m the net resource outturn was £6.8m less than the 2009-10 Estimate of £161.5m. The main reasons for this variance were:

- Expenditure on staff costs was under spent by £80k;
- Expenditure on other costs was under spent by £4,669k;
- Expenditure on non cash costs was £2,313k less than the estimate; and
- Income was £307k less than estimated.

A reconciliation of resource expenditure between Estimates, Accounts and Budgets can be found below.

	2009-10 £000	2008-09 £'000
<b>Net Resource Outturn (Estimates)</b>	<b>154,736</b>	<b>142,050</b>
Adjustments to additionally include:		
Non-voted expenditure in the OCS	7,591	7,880
<b>Net Operating Cost (Accounts)</b>	<b>162,327</b>	<b>149,930</b>
Adjustments to additionally include:		
Resource consumption of non departmental public bodies	500	6
<b>Resource Budget Outturn (Budget)</b>	<b>162,827</b>	<b>149,936</b>
of which		
Departmental Expenditure Limits (DEL)	162,827	149,936
Annually Managed Expenditure (AME)		

It should be noted that the resource consumption of NDPB's included above is an unaudited figure. The Resource Budget in the Estimate for 2009-10 is £169,691k (2008-09: £153,468k).

## Cash Flow Statement

The Cash Flow Statement provides information on how the Court Service finances its ongoing activities. The main sources of funds are from the Consolidated Fund.

The Cash Flow Statement shows a net cash outflow from operating activities of £147.7m (2008-09 £132.2m Restated). The change is mainly due to increased support of the departments NDPBs.

## Statement of Operating Costs by Departmental Aim and Objectives

This statement reports expenditure by Departmental objective. The basis of allocation and apportionment of administration and programme expenditure is set out in Note 19.

## Pensions and Early Departure Costs

Details about the Department's pensions and early departure costs policies are included in the notes to the accounts. Details of pension benefits and schemes for Board members are included in the remuneration report.

## Donations to Charity

From September 2008 to January 2010 Anthony Carleton the Finance Director was seconded to Extra Care, a non-public sector charitable organisation. Extra Care is a voluntary not for profit organisation which works in partnership with seven Health Trusts in Northern Ireland delivering high quality care support to enable 1,300 old and dependant adults live independent lives in their own homes. During the period of the secondment there was no recoupment of salary costs from Extra Care. The donations to Extra Care for 2009-10 was £76,617 (2008-09 £47,098)



## **Payment within 10 calendar days**

The Department seeks to comply with the “The Better Payments Practice Code” for achieving good payment performance in commercial transactions. Further details regarding this are available on the website [www.payontime.co.uk](http://www.payontime.co.uk). 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. The prompt payment results for 2009-10 showed that 75.09% of invoices were paid in accordance with the terms of the standard.

## **Auditors**

The financial statements are audited by the Comptroller and Auditor General (C&AG) in accordance with the Government Resources and Accounts Act 2000. He is head of the National Audit Office. He and his staff are wholly independent of the Northern Ireland Court Service, and he reports his findings to Parliament.

The audit of the financial statements for 2009-10 resulted in an audit fee of £103,100 (2008-09: £54,000), £55,000 of which relates to the year end audit and £15,100 relates to the audit of the restatement of 31 March 2009 balances onto an International Financial Reporting Standards (IFRS) basis. Also included within the audit fee is £33,000 relating to the audit of Court Funds Office 2009-10 £17,000 and 2008-09 £16,000. £70,100 of the fees are included in non administration costs as disclosed in Note 9 and £33,000 within non staff programme costs, as disclosed in Note 10 to these accounts. The C&AG did not provide any non-audit services during the year.

## **Directorships and other significant interests**

A register is maintained by the Court Service that includes details of company directorships and other significant interests held by Board members which may conflict with their management responsibilities. This register is available for public inspection upon request.

## **Sustainability report**

The NICTS is committed to aligning itself with the NI Executive’s policy on sustainable development as set out in the Northern Ireland Sustainable Development Strategy. The NICTS strives in its day to day activities towards maintaining the best possible environmental performance. An Environmental Policy is currently being drafted and it is hoped that this will be ratified and published during 2011.

## **Environmental Issues**

The Court Service is currently developing an environmental strategy which will be issued in 2010/11.

## **Environmental Liabilities**

At the year-end there were no potential environmental liabilities. The Court Service had no contracted capital commitments as detailed in Note 20 to these accounts.

## **Looking Forward**

The Northern Ireland Court Service became an Agency under the Department of Justice when policing and justice functions were devolved to the local Assembly. As a result NICTS will set out its priorities as agreed with the Minister of Justice, David Ford MLA, and taking account of the Executive's priorities as set out in the addendum to its Programme for Government, within the NICTS Business Plan 2010/11. Key targets and development objectives can be found in this Plan which may be accessed on the NICTS website – <http://www.courtsni.gov.uk/en-GB/Publications>.

## **Principle Risks and Uncertainties**

Delivering our Core Business at a time of downward pressure on resources, within the new devolved structure.

## **Legal Aid Reform**

We will continue to implement a programme of reforms to better align expenditure with available budget.

## **Tribunal Reform**

The Court Service is working closely with the other Northern Ireland Departments to complete the transfer of the tribunals to NICTS.

Work has also been ongoing on other legislative, governance and practical arrangements which will be necessary to complete the transfer.

## **Disclosure to Auditor**

So far as I am aware, there is no relevant audit information of which the Department's auditors are unaware. I confirm that I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that the Department's auditors are aware of that information.

# REMUNERATION REPORT

## PART 3 REMUNERATION REPORT

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### Remuneration Policy

The remuneration of senior civil servants is set by the Prime Minister following independent advice from the Review Body on Senior Salaries.

The Review Body also advises the Prime Minister from time to time on the pay and pensions of Members of Parliament and their allowances; on Peers' allowances; and on the pay, pensions and allowances of Ministers and others whose pay is determined by the Ministerial and Other Salaries Act 1975.

In reaching its recommendations, the Review Body 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 Review Body takes account of the evidence it receives about wider economic considerations and the affordability of its recommendations.

Further information about the work of the Review Body can be found at [www.ome.uk.com](http://www.ome.uk.com).

### Service Contracts

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

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

Staff are appraised annually against a set of competencies and individually targeted objectives. Bonuses, which form only a small percentage of total salaries, are the only form of remuneration subject to performance conditions.

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

## Salary and pension entitlements

The following sections provide details of the remuneration and pension interests of the Ministers and most senior officials of the department.

### Remuneration (Audited)

The Department is not responsible for the remuneration of any ministers. Ministerial salaries are accounted for in the financial statements of the Ministry of Justice.

Name & Title	2009-10		2008-09	
	Salary £000	Benefits in Kind (nearest £100)	Salary £000	Benefits in Kind (nearest £100)
Mr DA Lavery Director	120-125	-	120-125	-
Mr D P Andrews Head of Public Funded Legal Services (departed 31 January 2010)	60-65 (70-75 full year equivalent)	-	70-75	-
Mrs J Durkin Head of Business Development & Services	75-80	-	70-75	-
Mrs G Fee Head of Criminal Policy & Legislation	65-70	-	55-60 (65-70 full year equivalent)	-
Mr G Keatley Head of Business Operations	100-105	-	60-65	-
Mrs HL McAlpine Head of Civil Policy & Legislation	90-95	-	85-90	-
Mrs S Broderick Head of Tribunal Reform	55-60 (65-70 full year equivalent)	-	55-60 (65-70 full year equivalent)	-
Mr A Carleton Head of Finance Division	70-75	-	65-70	-
Mr R Crawford Head of Public Funded Legal Services (appointed 1 March 2010)	5-10	-	-	-
Mr K King Non Executive Director (departed 31 March 2010)	0-5	-	5-10	-
Mr PJ Fitzpatrick Non Executive Director (appointed 1 April 2009)	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 the Department and thus recorded in these accounts.

Kevin King, non-executive director, supplied his services under the terms of a contract, which commenced on 6 October 2003 to 31 March 2010. He was remunerated by way of a daily attendance fee. PJ Fitzpatrick, non-executive director, supplies his services under the terms of a contract which commenced on 1 April 2009; he is remunerated by way of a daily attendance fee. As non-executive director's, there are no entitlements to pension or other contributions from the NICTS.

David Thompson, Finance Director was an appointee, recruited via Interchange. PricewaterhouseCoopers LLP (PwC) supplied services under the terms of a contract, which commenced 5 March 2007 and ended on 29 January 2010. PwC were remunerated by way of a daily attendance fee. There are no entitlements to pension or other contributions from the NICTS. The total amount paid to PwC in 2009-10 for the services of David Thompson was £106,512.

Robert Crawford, Head of Public Funded Legal Services was appointed on 1 March 2010 to replace Paul Andrews who resigned on 31 January 2010. Robert has been seconded from Northern Ireland Office.

### **Benefits in kind**

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

**Pension Benefits (Audited)**

<b>Name and title</b>	<b>Accrued Pension at age 60 at 31 March 2010 and related lump sum</b>	<b>Real increase/ (decrease) in pension and related lump sum at age 60</b>	<b>CETV at 31 March 2010</b>	<b>CETV at 31 March 2009 *</b>	<b>Real increase/ (decrease) in CETV</b>	<b>Employer contribution to partnership pension account</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>Nearest £100</b>
Mr DA Lavery Director	40 - 45 plus 120-125 lump sum	0 - 2.5 plus 5 - 7.5 lump sum	808	728	40	–
Mr D P Andrews Head of Public Funded Legal Services	20 - 25 plus 70 -75 lump sum	0 - 2.5 plus 5 - 7.5 lump sum	407	345	33	–
Mrs J Durkin Head of Business Development	20 - 25 plus 60-65 lump sum	0 - 2.5 plus 2.5 - 5 lump sum	440	389	25	–
Mrs G Fee Head of Criminal Policy & Legislation	10 - 15 plus 40 - 45 lump sum	0 - 2.5 plus 2.5 - 5 lump sum	210	185	13	–
Mr G Keatley Head of Business Operations	30 – 35 plus 100 -105 lump sum	0 - 2.5 plus 5 - 7.5 lump sum	795	716	41	–
Mrs HL McAlpine Head of Civil Policy & Legislation	20 - 25 plus 70-75 lump sum	0 - 2.5 plus 2.5 - 5 lump sum	381	333	25	–
Mrs S Broderick Head of Tribunal Reform	5 - 10 plus 25 - 30 lump sum	0 - 2.5 plus 0 - 2.5 lump sum	143	124	10	–
Mr A Carleton Head of Finance Division	20 – 25 plus 65 - 70 lump sum	0 - 2.5 plus 2.5 - 5 lump sum	370	331	19	–

\* The figure may be different from the closing figure in last year's accounts. 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 good quality 'money purchase' stakeholder pension with a significant employer contribution (partnership pension account).

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

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

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

Further details about the Civil Service pension arrangements can be found at the website [www.civilservice-pensions.gov.uk](http://www.civilservice-pensions.gov.uk).

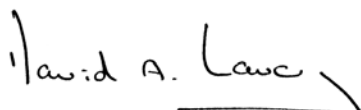


## Cash Equivalent Transfer Values

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 individual has transferred to the Civil Service pension arrangements. They also include any additional pension benefit accrued to the member as a result of their purchasing additional pension benefits at their own cost. CETVs are worked out within the guidelines and framework prescribed by the Institute and Faculty of Actuaries and do not take account of any actual potential reduction of 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 effectively 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.



DA Lavery  
Accounting Officer  
7 July 2010



# ANNUAL ACCOUNTS 2009-10

## PART 4 ANNUAL ACCOUNTS 2009-10

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### Statement of Accounting Officer's Responsibilities

Under the Government Resources and Accounts Act 2000, HM Treasury has directed the Northern Ireland Court Service ('the Department') to prepare for each financial year, resource accounts detailing the resources acquired, held or disposed of during the year and the use of resources by the Department during the year. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the Department and of its net cash requirement, net resource outturn, net operating costs, net operating cost applied to departmental strategic objectives, changes in taxpayers equity and cash flows for the financial year.

In preparing the accounts, the Accounting Officer is required to comply with the requirements of the Government Financial Reporting Manual and in particular to:

- observe the Accounts Direction issued by HM Treasury including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards as set out in Government Financial Reporting Manual have been followed, and disclose and explain any material departures in the accounts; and
- prepare the accounts on a going concern basis.

HM Treasury has appointed the Director of the Northern Ireland Court Service, being the Permanent Head of Department, as Accounting Officer of the Department. 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 records and for safeguarding the Department's assets, are set out in the Accounting Officers' Memorandum issued by HM Treasury and published in the Managing Public Money.

## Statement on Internal Control

### Scope of responsibility

As Accounting Officer, I have responsibility for maintaining a sound system of internal control that supported the achievement of the Northern Ireland Courts Service (NICtS) 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 in Managing Public Money.

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, the NICtS complied with the guidance issued by HM Treasury, including Managing Public Money. 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 NICtS became an executive agency of the Department of Justice and is now known as the NI Courts and Tribunals Service (NICTS). As such, 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.

During the 2009/10 year I was also Accounting Officer for the sponsoring department of the NI Legal Services Commission (NILSC) and the NI Judicial Appointments Commission (NIJAC). I have designated their Chief Executives as Accounting Officers. The relationships between the NICtS and the NILSC and NIJAC have been formalised in agreed management statements and financial memorandums.

### 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 departmental 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 Court Service for the year ended 31 March 2010 and up to the date of approval of the annual report and accounts, and accords with Treasury guidance.

### Capacity to handle risk

The NICTS is committed to the principles of risk management as an integral part of the work of the Department and now the Agency at all levels and forms a central element of its corporate governance arrangements. Risk management is championed by the Finance Director with Management Board owning the overall risk management framework. Divisional Heads are responsible for ensuring the management systems in their area are robust for accountability, critical challenge and oversight of risk.

Risk management is considered formally at Management Board meetings through the review of the Corporate Risk Register and Corporate Plan monitoring reports. These reports include a section on attendant risks thus ensuring that risk management was and continues to be incorporated into the corporate planning and decision-making processes of the Department and the Agency. Risk management also constitutes a standing item on Branch and Divisional meeting agendas.

A revised Risk Management Policy has been implemented and Risk Coordinators were and continue to be appointed across the Department and the Agency. They are responsible for promoting, supporting and coordinating risk management in their business areas. A tailored risk management training package has been rolled out to staff at all levels, which includes all risk coordinators and Heads of Division, and is based on Treasury guidance and advice on best practice.

Training material appropriate to authority levels and duties has been provided to staff as part of the training package. Continued support and guidance is facilitated through the Planning and Performance Management Team whose role is to support risk management arrangements. The Planning and Performance Management Team reviewed the Departments risk management skills and continues to review and develop the Agency's risk management skills by keeping up to date with significant risk developments and in the development of a risk management handbook which is compliant with Treasury 'Orange Book' guidance.

### **The risk and control framework**

Risks are considered in tandem with objectives at all levels in the organisation and formally reported on Branch, Divisional and Corporate Risk Registers. The risk process is compliant with Treasury 'Orange Book' guidance which sets out 5 key stages.

Risks are primarily identified through risk identification workshops and are assessed in terms of their probability of occurrence and impact on the achievement of objectives, and scored and reported on accordingly.

Responsibility for the management of each risk is assigned to a risk owner and recorded on the risk register, along with controls in place to mitigate the risk, or action plans in place in order to enhance the level of control.

Risk Registers are formally reviewed on a quarterly basis and documentation updated accordingly as a result of the implementation of actions planned. The updated risk registers record any movement of risks in terms of impact and probability of occurrence from one period to another and this enables an appreciation of how the risk has changed over time.

Updates on corporate risks are formally reported quarterly to Management Board where the Board will collectively review, recommend and pursue actions in place to manage the risks. The corporate risk appetite is set by Management Board and used as a starting point for setting levels of risk tolerance down the Department and the Agency. Managers and

Heads of Division escalate risks to the next level of management which have exceeded specific risk appetites.

These processes are also in operation within the NILSC and NIJAC and are monitored by their own Management Boards and through the Department's arms length bodies oversight arrangements.

### **Information Risk**

Our Information Risk Policy supplements our corporate approach to risk management and encourages staff and managers to consider information as assets, supported by the compilation of Information Asset Registers. Therefore, information assets are subject to the risk management processes outlined above. In support of that process, the Information Risk Policy requires Information Asset Owners to provide written assurance to the Senior Information Risk Owner that any information assets within their business areas have been subject to the minimum measures mandated by the Cabinet Office in June 2008 and the policies and procedures of the Department and Agency. Additionally, the Department and now the Agency continues to be accredited to ISO27001, the information security standard. Notwithstanding the above, we continue to monitor and review our approach to information risk management.

### **Audit and Risk Management Committees**

The Audit and Risk Management Committees are responsible for the overseeing and development of the risk management and review processes through, for example, ensuring compliance with the quarterly review points, biannual formal stewardship reporting in order to ensure continued alignment with planning and monitoring at corporate, divisional and branch level. In challenging the risks identified by executive management, the Risk Committee ensured and continues to ensure that there is ongoing consideration of the impact of both external and internal initiatives in the planned work for the Department and the Agency.

Risk management was and continues to be integrated into the activities of the Department and now the Agency through linking risk directly to the achievement of objectives, visible sponsorship and support from senior management, implementation of revised risk management policy bringing an approach consistent with best practice, inclusion of the risk management and review of key risks on the Board agenda as well as divisional and branch level, a standardised hierarchical suite of risk registers and revised risk documentation, inclusion of risk management responsibilities in job descriptions, and support and provision of guidance on risk issues from the Planning and Performance Management Team.

### **Review of effectiveness**

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. The Management Board and I receive regular reports from the Audit and Risk Management Committee concerning internal control, risk and governance. At the end of the reporting period, Heads of Division reviewed the stewardship statements

completed by Business Managers in order to create a series of divisional statements from which I have been able to take assurance in respect of the management of risk and the achievement of objectives.

The Department's and now the Agency's Risk and Assurance Branch operated and continues to operate to the Government Internal Audit Standards. It submitted and will continue to submit regular reports, including an independent opinion by the Head of Risk & Assurance on the adequacy and effectiveness of the system of risk management, control and governance.

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 Department, and now the Agency, who have responsibility for the development and maintenance of the internal control framework, and comments made by the external auditors in their report to those charged with governance and other reports. The review processes outlined ensure that there is continuous improvement in the system of internal control. The Head of Risk and Assurance has provided overall Satisfactory Assurance based on the work carried out during the year.

I have also received satisfactory assurance over the operation of the risk management process within the NILSC and NIJAC through the oversight of these arms length bodies by the Department and independent review by the Department's internal auditors (but see 1st paragraph under heading significant control issues below).

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 and the Audit & Risk Management Committee and a plan to address any weaknesses and to ensure continuous improvement of the system is in place.

### **Significant Control Issues**

I have continued to work closely with the NILSC to assist them to improve the financial management regime. During the year some progress was made on the production of Annual Accounts and the development of a more robust forecasting process, particularly in relation to very high cost criminal cases. New arrangements will come into operation during the coming year to limit Criminal Legal Aid costs. I provided NILSC with a senior accountant who was the NILSC's Director of Finance, supported by a range of accountants and technical consultancy support. The NILSC's internal auditors have undertaken a comprehensive programme of reviews of operational and financial systems. The majority of these reviews have provided only limited assurance and have highlighted a range of weaknesses, due to either the absence of or non compliance with key controls.

The Stockbroker Brewin Dolphin has been engaged to provide professional services for the clients of the Court Funds Office of the Court of Judicature. A legal Opinion recently obtained by the Court Funds Office confirms the appropriateness of charging from the clients' funds charges for individual transactions executed by the stockbrokers on behalf of those clients. The legal Opinion has, however, recommended an amendment to the



relevant legislation governing the Court Funds Office to provide express statutory authority for charging the stockbrokers' management fees from clients' funds. The NICTS intends to make the necessary statutory amendment at the earliest practicable opportunity. Although this issue does not affect the NICTS Accounts, as it relates to the Court Funds Accounts, it has been included in this Statement on Internal Control in the interests of full disclosure.

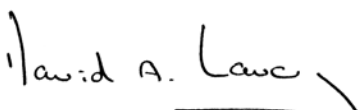
During the year a comprehensive financial review was conducted to look at the current finance systems, processes and governance practices in the Court Service in anticipation of devolution. From this review a number of gaps were identified and recommendations made on how the Court Service could move closer to a best practice organisation. Progress has been made to implement some of the recommendations and senior management are currently exploring resourcing options to implement and embed the remaining recommendations. Any risks associated with this programme of work are articulated in the NICTS risk registers.

Some Internal Audit reports provided only Limited Assurance during the year, and these included reports on the 2008/09 creditors payments, the patients section of Office of Care & Protection, the management of the Fixed Penalty Office, Travel, Subsistence and the use of taxis, and the operation of the Fine Recovery Team. A robust follow up process will report to the Audit Committee on the implementation of the Internal Audit recommendations contained in these reports and the assurance ratings will be upgraded when the recommendations have all been successfully implemented.

Following an investigation by the PSNI into circumstances surrounding the acceptance of hospitality by two NI Court Service officials at the invitation of a prominent contractor I was advised in September 2008 that the Director of Public Prosecutions had directed there were no grounds for any prosecution. As part of the internal response to the allegations, I commissioned an independent investigation undertaken by a retired civil servant into the acceptance by Court Service staff of hospitality or other gifts from or on behalf of contractors. That investigation has also now concluded and the recommendations that included disciplinary action have been implemented.

An internal investigation into the circumstances surrounding the use of taxis and other travel expenses claimed by a member of staff has led to disciplinary action and a review of existing policy and procedures to prevent any re-occurrence.

An Internal Audit review of cash handling procedures in the Ballymena Court Public Office has concluded that tighter restriction over access to the till is needed. This review was carried out after a reported incident when £100 which had been receipted could not be accounted for at the close of business.



DA Lavery  
Accounting Officer  
7 July 2010

## The Certificate and Report of the Comptroller and Auditor General to the House of Commons

I certify that I have audited the financial statements of the Northern Ireland Court Service for the year ended 31 March 2010 under the Government Resources and Accounts Act 2000. These comprise the Statement of Parliamentary Supply, the Operating Cost Statement, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Taxpayers' Equity, the Statement of Net Operating Costs by Departmental Strategic Objectives and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

### **Respective responsibilities of the Accounting Officer and auditor**

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Accounting Officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. My 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 Department's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Department; 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 Department's affairs as at 31 March 2010 and of its net cash requirement, net resource outturn, net operating cost, net operating costs applied to departmental strategic objectives, changes in taxpayers' equity and cash flows for the year then ended; and
- the financial statements have been properly prepared in accordance with the Government Resources and Accounts Act 2000 and HM Treasury directions issued thereunder and Article 8(4)(a)(iii) of the Criminal Injuries Compensation (Northern Ireland) Order 2002 and directions made thereunder by the Secretary of State for Justice.

## **Opinion on other matters**

In my opinion:

- the part of the Remuneration Report to be audited has been properly prepared in accordance with HM Treasury directions made under the Government Resources and Accounts Act 2000; and
- the information given in the Directors Report and Management Commentary (excluding the section titled 'Comparison of Outturn against Estimate'), included in the Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

## **Matters on 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
- 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

15 July 2010

## Statement of Parliamentary Supply

### Summary of Resource Outturn 2009-10

		Gross		Estimate		Gross		Outturn Net	2009-10	2008-09
	Note	Expenditure	A-in-A	Net Total	Expenditure	A-in-A	Total		£000	£000
									Net Total	Outturn
									outturn	Net Total
									compared	
									with	
									Estimate:	
									saving/	Outturn
									(excess)	Net Total
Request for Resources 1	3	188,491	(27,000)	161,491	181,429	(26,693)	154,736	6,755		142,050
<b>Total Resources</b>	<b>4</b>	<b>188,491</b>	<b>(27,000)</b>	<b>161,491</b>	<b>181,429</b>	<b>(26,693)</b>	<b>154,736</b>	<b>6,755</b>		<b>142,050</b>
Non-operating cost A in A		-	-	-	-	-	-	-		-

### Net cash requirement 2009-10

		Gross		Estimate		Outturn	2009-10	2008-09
	Note	Expenditure	A-in-A	Net Total	Expenditure	Total	£000	£000
							Net Total	Outturn
							outturn	Net Total
							compared	
							with	
							estimate:	
							saving/	Outturn
							(excess)	Net Total
Net cash requirement	5	149,551			147,591	1,960		133,380

The notes on pages 60 to 95 form part of these accounts.

## Summary of income payable to the Consolidated Fund.

In addition to appropriations in aid, the following income relates to the Department and is payable to the Consolidated Fund (cash receipts being shown in italics).

	Note	Forecast 2009-10		Outturn 2009-10	
		Income	Receipts	Income	Receipts
Excess appropriations-in-aid		250	<i>250</i>	-	-
Court imposed fines		5,150	<i>5,150</i>	5,388	<i>5,388</i>
Externally imposed fines		-	-	2,323	<i>2,323</i>
Other miscellaneous		100	<i>100</i>	239	<i>239</i>
	6	<b>5,500</b>	<b><i>5,500</i></b>	<b>7,950</b>	<b><i>7,950</i></b>

The Department accepts payment for fines imposed in the Magistrates and Crown courts for onward transmission to the Consolidated Fund. Fines imposed in court can be cleared either by payment or by means other than payment, including committal to prison. Fines are deemed to be outside the scope of the Department's activities until paid. On collection of fines the receipts are accounted for as a creditor to the Consolidated Fund until paid over. For 2009-10, the balance of fines outstanding was:

Court imposed Fines	£'000
Balance at 1 April 2009	7,555
Amounts imposed	7,742
Fines cleared by payment	(5,504)
Fines cleared by means other than payment	(1,794)
<b>Balance at 31 March 2010</b>	<b><u>7,999</u></b>

The notes on pages 60 to 95 form part of these accounts.

## Operating Cost Statement

for the year ended 31 March 2010

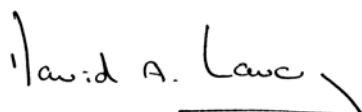
	Note	Staff Costs	Other Costs	2009-10 £000 Income	2008-09 £000
<b>Administration Costs</b>					
Staff costs	8	6,521			5,676
Other administration costs	9		7,154		10,629
Operating income	11			(26,693)	(24,772)
<b>Programme Costs</b>					
Staff costs	8	17,399			16,336
Programme costs	10		157,946		141,979
Income				-	-
<b>Totals</b>		<b>23,920</b>	<b>165,100</b>	<b>(26,693)</b>	<b>149,848</b>
<b>Net Operating Cost</b>	4			<b>162,327</b>	<b>149,848</b>

The notes on pages 60 to 95 form part of these accounts.

## Statement of Financial Position

as at 31 March 2010

	Note	2009-10 £000	2008-09 £000	2007-08 £000
<b>Non-current assets:</b>				
Property, plant and equipment	13	211,121	240,178	210,755
Intangible assets	14	2,143	2,132	2,655
<b>Total non-current assets</b>		<b>213,264</b>	<b>242,310</b>	<b>213,410</b>
<b>Current assets:</b>				
Trade and other receivables	15	6,374	6,377	4,527
Cash and cash equivalents	16	2,841	3,913	8,996
<b>Total current assets</b>		<b>9,215</b>	<b>10,290</b>	<b>13,523</b>
<b>Total assets</b>		<b>222,479</b>	<b>252,600</b>	<b>226,933</b>
<b>Current liabilities:</b>				
Trade and other payables	17	(15,367)	(19,443)	(22,669)
<b>Total current liabilities</b>		<b>(15,367)</b>	<b>(19,443)</b>	<b>(22,669)</b>
<b>Non-current assets less net current liabilities</b>		<b>207,112</b>	<b>233,157</b>	<b>204,264</b>
<b>Non-current liabilities</b>				
Provisions	18	(4,749)	(5,577)	(3,500)
Other payables	17	(21,004)	(21,727)	(24,696)
<b>Total non-current liabilities</b>		<b>(25,753)</b>	<b>(27,304)</b>	<b>(28,196)</b>
<b>Assets less liabilities</b>		<b>181,359</b>	<b>205,853</b>	<b>176,068</b>
<b>Taxpayers' equity:</b>				
General fund		64,529	64,179	65,975
Revaluation reserve		116,830	141,674	110,093
<b>Total taxpayers' equity</b>		<b>181,359</b>	<b>205,853</b>	<b>176,068</b>



D A Lavery  
Accounting Officer  
7 July 2010

The notes on pages 60 to 95 form part of these accounts.

2007-08 and 2008-09 restated to reflect transition to IFRS.



## Statement of Cash Flows

for the year ended 31 March 2010

	Note	2009-10 £000	2008-09 £000
<b>Cash flows from operating activities</b>			
Net operating cost		(162,327)	(149,848)
Adjustment for non-cash transactions	9, 10	16,105	20,021
Decrease/(increase) in trade and other receivables	15	19	(1,850)
less movements in receivables relating to items not passing through the OCS		-	-
Decrease in trade payables	17	(2,213)	(5,306)
less movements in payables relating to items not passing through the OCS		1,072	5,084
Use of provisions	18	(366)	(340)
		<b>(147,710)</b>	<b>(132,239)</b>
<b>Net cash outflow from operating activities</b>			
Cash flows from investing activities			
Purchase of property, plant and equipment	13	(3,620)	(7,057)
Purchase of intangible assets	14	(1,266)	(1,074)
Movement in Capital Accruals		(59)	1,226
		<b>(4,945)</b>	<b>(6,905)</b>
<b>Net cash outflow from investing activities</b>			
Cash flows from financing activities			
From the Consolidated Fund (Supply) – current year		149,551	135,763
From the Consolidated Fund (Supply) – prior year	17	(2,382)	(8,248)
From the Consolidated Fund (non-supply)		7,591	7,880
Advances from the Contingencies Fund		37,000	-
Repayments to the Contingencies Fund		(37,000)	-
Capital element of payments in respect of finance leases and PFI contracts	17	(2,528)	(2,116)
		<b>152,232</b>	<b>133,279</b>
<b>Net financing</b>			
<b>Net decrease in cash and cash equivalents in the period before adjustment for receipts and payments to the Consolidated Fund</b>			
		(423)	(5,865)
Receipts due to the Consolidated Fund which are outside the scope of the Department's activities		7,950	8,252
Payments of amounts due to the Consolidated Fund		(8,599)	(7,470)
<b>Net decrease in cash and cash equivalents in the period after adjustment for receipts and payments to the Consolidated Fund</b>			
		<b>(1,072)</b>	<b>(5,083)</b>
<b>Cash and cash equivalents at the beginning of the period</b>	16	<b>3,913</b>	<b>8,996</b>
<b>Cash and cash equivalents at the end of the period</b>	16	<b>2,841</b>	<b>3,913</b>

The notes on pages 60 to 95 form part of these accounts.

2008-09 restated to reflect transition to IFRS.

## Statement of Changes in Taxpayers' Equity

for the year ended 31 March 2010

	Note	General Fund £000	Revaluation Reserve £000	Total Reserves £000
<b>Balance at 31 March 2008</b>		<b>65,975</b>	<b>110,093</b>	<b>176,068</b>
Changes in accounting policy		-	-	-
<b>Restated balance at 1 April 2008</b>		<b>65,975</b>	<b>110,093</b>	<b>176,068</b>
<b>Changes in taxpayers equity for 2008-09</b>				
Net gain on revaluation of property, plant and equipment		-	31,581	31,581
Net gain/(loss) on revaluation of intangible assets		-	-	-
Non-cash charges – cost of capital	9, 10	6,737	-	6,737
Non-cash charges – auditor's remuneration	9, 10	54	-	54
Consolidated Fund Standing Services	10, 18	7,880	-	7,880
Net operating cost for the year		(149,848)	-	(149,848)
<b>Total recognised income and expense for 2008-09</b>		<b>(135,177)</b>	<b>31,581</b>	<b>(103,596)</b>
Net Parliamentary Funding – drawn down		135,763	-	135,763
Supply payable/(receivable) adjustment	17	(2,382)	-	(2,382)
CFERs payable to the Consolidated Fund		-	-	-
<b>Balance at 31 March 2009</b>		<b>64,179</b>	<b>141,674</b>	<b>205,853</b>
<b>Changes in taxpayers' equity for 2009-10</b>				
Net (loss) on revaluation of property, plant and equipment		-	(25,260)	(25,260)
Net gain on revaluation of intangible assets		-	416	416
Non-cash charges – cost of capital	9, 10	6,787	-	6,787
Non-cash charges – auditor's remuneration	9, 10	103	-	103
Non-cash charges – actuarial gain	18	500	-	500
Consolidated Fund Standing Services	10, 18	7,696	-	7,696
Net operating cost for the year		(162,327)	-	(162,327)
<b>Total recognised income and expense for 2009-10</b>		<b>(147,241)</b>	<b>(24,844)</b>	<b>(172,085)</b>
Net Parliamentary Funding – drawn down		149,551	-	149,551
Supply payable/(receivable) adjustment	17	(1,960)	-	(1,960)
CFERs payable to the Consolidated Fund		-	-	-
<b>Balance at 31 March 2010</b>		<b>64,529</b>	<b>116,830</b>	<b>181,359</b>

The notes on pages 60 to 95 form part of these accounts.

2007-08 and 2008-09 restated to reflect transition to IFRS.

## Statement of Operating Costs by Departmental Strategic Objectives

for the year ended 31 March 2010

Aim	2009-10			2008-09		
	Gross	Income	Net	Gross	Income	Net
Objective 1	429	-	429	15,045	(148)	14,897
Objective 2	5,488	(88)	5,400	2,975	(521)	2,454
Objective 3	66,018	(26,605)	39,413	56,807	(24,103)	32,704
Objective 4	11,682	-	11,682	11,778	-	11,778
Publicly funded legal services	105,403	-	105,403	88,015	-	88,015
<b>Net Operating Costs</b>	<b>189,020</b>	<b>(26,693)</b>	<b>162,327</b>	<b>174,620</b>	<b>(24,772)</b>	<b>149,848</b>

### Objectives 2009-10

Objective 1	To deliver responsive customer services
Objective 2	To improve access to justice
Objective 3	To promote confidence in the justice system
Objective 4	To support an independent judiciary

Objective one for 2009-10 has changed to delivering responsive customer service. In 2008-09 this objective was to modernise court business. The costs for the modernising court business for 2009-10 have been included within objective 3.

The notes on pages 60 to 95 form part of these accounts.

## Notes to the Departmental Resource Accounts

### 1.0 Statement of Accounting Policies

The financial statements have been prepared in accordance with the 2009–2010 Government Financial Reporting Manual (FReM) issued by HM Treasury. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context.

Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the Department for the purpose of giving a true and fair view has been selected. The Department's accounting policies have been applied consistently in dealing with items considered material in relation to the accounts.

In addition to the primary statements prepared under IFRS, the FReM also requires the Department to prepare two additional primary statements. The Statement of Parliamentary Supply and supporting notes show outturn against Estimate in terms of the net resource requirement and the net cash requirement. The Statement of Operating Costs by Departmental Strategic Objectives and supporting notes analyse the Department's income and expenditure by the objectives agreed with Ministers.

#### 1.1 Accounting Convention

These accounts have been prepared under the historical cost convention modified to account for the revaluation of property, plant and equipment, intangible assets and inventories.

The accounts are stated in sterling, which is the Department's functional and presentational currency. Unless otherwise noted, the amounts shown in these financial statements are in thousands of pounds sterling (£000).

#### 1.2 Basis of Consolidation

These accounts incorporate the core activity of the Department.

The Department sponsors two executive non-departmental public bodies (NDPB's). These are the Northern Ireland Legal Services Commission (NILSC) and the Northern Ireland Judicial Appointments Commission (NIJAC). These have been excluded from the Departmental boundary for the purposes of these resource accounts.

The NILSC was established on 1 November 2003 to operate the legal aid system, a function previously performed by the Legal Aid Department (LAD).

The NIJAC was established on 15 June 2005 to reform the system for the appointment of members of the judiciary and tribunals.

The funds invested by the Court Funds Office (Funds in Court) are specifically excluded from the departmental accounts following HM Treasury guidance. Third party monies are similarly excluded. The funds held on behalf of third parties by the Court Funds Office are included in Note 28.

Financial information about the Northern Ireland Legal Services Commission, the Northern Ireland Judicial Appointments Commission and the Funds in Court may be obtained from their separately published annual accounts.

### **1.3 Property, Plant and Equipment**

The Department holds title to the land and buildings shown in the accounts.

Land has been included within the statement of financial position on the basis of open market value for existing use. Due to the specialised nature of courthouses they are included within the statement of financial position at depreciated replacement cost. Other buildings are included within the statement of financial position on the basis of existing use value. Land and buildings surplus to requirements are valued on the basis of open market value less any directly attributable selling costs. Antiques are professionally valued every five years and were revalued at the 31st March 2009 by Hugh Boyd BSc (Econ.) M.I.P.A.V. All other assets are included at depreciated replacement cost.

Professional valuations of land and buildings take place at least once every five years in accordance with IAS 16 and appropriate indices are applied to revalue in intervening years. Land and buildings were valued by the Land and Property Service (LPS) of the Department of Finance and Personnel at 31 March 2009.

Other property, plant and equipment have been stated at their value to the business by reference to Office of National Statistics (ONS) indices. The indices for other property, plant and equipment were obtained from ONS MM17 Price Index Numbers for Current Cost Accounting as at March 2010.

Assets costing more than the prescribed capitalisation level of £1,000 are treated as capital assets.

### **1.4 Intangible Assets**

Intangible assets have been restated under IAS 38. Expenditure on intangible assets consists of computer software and licences and the associated costs of implementation are capitalised where expenditure of £1,000 or more is incurred. Computer software and licences are amortised over the shorter of the term of the licence and the useful economic life.

### **1.5 Depreciation**

Property, plant and equipment are depreciated at rates calculated to write them down to estimated residual value on a straight-line basis over their estimated useful lives. Assets in the course of construction are depreciated from the point at which the asset is brought into use. A further adjustment is made for any backlog depreciation arising from the Treasury

requirement to value assets by reference to current costs. No depreciation is provided on land since it has unlimited or very long estimated useful life. Useful lives are normally in the following ranges:

Land	- Freehold	Not depreciated
	- Leasehold	Not depreciated
Buildings	- Freehold	Individually assessed
	- Leasehold	Period of lease
Furniture and Fittings		10 years
Plant and machinery		5 years
Computer equipment		3-7 years
Intangible Assets – Software licences		3 years
Computer Software		3 years
Motor vehicles		3 years
Antiques (non-operational)		Not depreciated

Additions to assets will be depreciated from the month of acquisition. Disposals from assets will not be depreciated in the month of disposal.

Antiques (non-operational) are included in the furniture and fittings section in the property plant and equipment note.

## 1.6 Inventory

Inventory of consumable stores held by the Department are not considered material and are written off in the operating cost statement as they are purchased.

Assets seized by the Enforcement of Judgments Office are not included in inventories on the basis that they are not owned by the Department, but are held for resale in settlement of third party creditors. Third party assets held by the Enforcement of Judgments Office at the year-end are disclosed in Note 28.

## 1.7 Operating Income

Operating income is income that relates directly to the operating activities of the Department. Operating income comprises fees and charges for services provided to external customers, rents receivable, and miscellaneous receipts. It includes operating income appropriated-in-aid of the Estimate.

Income is accrued and accounted for in the period in which it is earned in the operating cost statement. Operating income is stated net of VAT.

## 1.8 Administration and Programme Expenditure

The Operating Cost Statement is analysed between administration and programme income and expenditure. The classification of expenditure and income as administration or as programme follows the definition of administration costs set by HM Treasury.

## 1.9 Capital Charge

A charge, reflecting the cost of capital utilised by the Department, is included in operating costs. The charge is calculated at the real rate set by HM Treasury (currently 3.5%) on the average carrying amount of all assets less liabilities except for:

- Property, plant and equipment and intangible assets where the cost of capital charge is based on opening values, adjusted pro-rata for in-year:
  - additions at cost
  - disposals as valued in the opening statement of financial position (plus any subsequent capital expenditure prior to disposal)
  - impairments at the amount of the reduction of the opening statement of financial position value (plus any subsequent capital expenditure)
  - depreciation of property, plant and equipment and amortisation of intangible assets.
- amounts to be surrendered to the Consolidated Fund and cash balances with the Office of the Paymaster General, where the charge is nil.

### **1.10 Operating Leases**

Rentals under operating leases are charged to the operating cost statement on a straight line basis over the lease term.

### **1.11 Pensions**

Past and present employees are covered by the provisions of the Principal Civil Service Pension Schemes (PCSPS (NI)) that are described at Note 8. The defined benefit elements of the schemes are unfunded and are non-contributory, except in respect of dependants' benefits. The Department recognises the expected cost of these elements on a systematic and rational basis, over the period during which it benefits from employees' services, by payment to the PCSPS (NI) of amounts calculated on an accruing basis. Liability for payment of future benefits is a charge on the PCSPS (NI). In respect of the defined contribution schemes, the Department recognises the contributions payable for the year.

### **1.12 Early Departure Costs**

The Department meets the additional costs of benefits beyond the normal PCSPS (NI) benefits in respect of employees who retire early by paying the required amounts annually to the PCSPS (NI), over the period between early departure and normal retirement date. The Department provides for this in full, when the early retirement programme becomes binding on the Department, by establishing a provision for the estimated payments discounted by the Treasury discount rate.

Pension liabilities may arise in respect of provisions for lump sum early departure costs and the balance of any unpaid ASLC.

### **1.13 Value Added Tax (VAT)**

Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of non-current assets. Where output tax is charged or input VAT is recoverable, the amounts are stated net of VAT.

#### **1.14 Private Finance Initiative (PFI) Transactions.**

PFI transactions have been accounted for in accordance with IFRIC 12 Concession Arrangements as required by the FReM. Where the balance of the risks and rewards of ownership of the PFI property are borne by the PFI operator, the PFI payments are recorded as an operating cost. Where the Department has contributed assets, a prepayment for their fair value is recognised and amortised over the life of the PFI contract.

Where the balance of risks and rewards of ownership of the PFI property is borne by the Department, the property is recognised as a non-current asset and the liability to pay for it is accounted for as a finance lease. Contract payments are apportioned between an imputed finance lease charge and a service charge.

Further details of current ongoing agreements are shown in Note 22 to the accounts.

#### **1.15 Grants Payable**

Grants payable are recorded as expenditure in the period that the underlying event or activity giving entitlement to the grant occurs. Receipt of a claim for funding acts as the underlying event in normal circumstances. Grants related to activity occurring over a specific time period, usually a financial year, are recorded as expenditure for that period.

#### **1.16 Provisions**

The Department provides for legal or constructive obligations, which are of uncertain timing or amount at the statement of financial position date, on the basis of the best estimate of the expenditure required to settle the obligation. Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are discounted using the real rate set by HM Treasury (currently 2.2%).

#### **1.17 Contingent Liabilities**

In addition to contingent liabilities disclosed in accordance with IAS 37, the Department discloses for parliamentary reporting and accountability purposes, certain statutory and non-statutory contingent liabilities where the likelihood of a transfer of economic benefit is remote, but which have been reported to Parliament in accordance with the requirements of Managing Public Money.

Where the time value of money is material, contingent liabilities, which are required to be disclosed under IAS 37, are stated at discounted amounts and the amount reported to Parliament separately noted. Contingent liabilities that are not required to be disclosed by IAS 37 are stated at the amounts reported to Parliament.

#### **1.18 Third Party Assets**

Third Party assets are assets for which the Department acts as custodian or trustee, but in which neither the Department nor government more generally has a direct beneficial interest in them. Third Party assets are not public assets, and hence are not recorded in the primary financial statements. In the interests of general disclosure and transparency, details of the Departments third party assets are provided in note 28.



### **1.19 Critical accounting estimates and key judgements**

The preparation of financial statements in conformity with IFRS requires the use of accounting estimates and assumptions. It also requires management to exercise its judgement in the process of applying the Department's accounting policies. We continually evaluate our estimates, assumptions and judgements based on available information and experience. As the use of estimates is inherent in financial reporting, actual results could differ from these estimates. The estimates and assumptions which have the most significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are discussed below.

#### (i) - Depreciation of property, plant and equipment

Depreciation is provided in the consolidated accounts so as to write-down the respective assets to their residual values over their expected useful lives and as such the selection of the estimated useful lives and the expected residual values of the assets requires the use of estimates and judgements. Details of the estimated useful lives are as shown in Note 1.5.

#### (ii) - Impairment of property, plant and equipment

Where there is an indication that the carrying value of items of property, plant and equipment may have been impaired through events or changes in circumstances, a review will be undertaken of the recoverable amount of that asset.

#### (iii) - Pension and other post retirement benefits

The Department accounts for pension and other post retirement benefits in accordance with IAS 19. In determining the pension cost and the defined benefit obligation of the pension schemes a number of assumptions are used which include the discount rate, salary growth, price inflation, the expected return on the schemes' investments and mortality rates. Further details are contained in Note 18.

### **1.20 Financial Instruments**

A financial instrument is defined as any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

A financial instrument is recognised when, and only when, the entity becomes a party to the contractual provisions of the instrument. A previously recognised financial asset is derecognised when, and only when, either the contractual rights to the cash flows from that asset expire, or the entity transfers the asset such that the transfer qualified for derecognition. A financial liability is derecognised when, and only when, it is extinguished.

#### Financial Assets

The Department has financial instruments in the form of trade receivables, cash and cash equivalents.

In accordance with IAS 39 Financial Instruments: Recognition and Measurement, trade receivables, cash and other receivables are classified as "loans and receivables". Loans

and receivables are non-derivative non-current assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method less any impairment.

Financial assets within trade and other receivables are initially recognised at fair value, and subsequently carried at amortised cost using the effective method less provisions for doubtful receivables.

Cash and cash equivalents comprise cash in hand and current balances with banks which are readily convertible to known amounts of cash which are subject to insignificant risk of changes in value and have an original maturity of 3 months or less.

The Department assesses at each statement of financial position date whether there is any objective evidence that a financial asset or group of financial assets classified as loans and receivables is impaired.

The amount of the loss is calculated as the difference between the carrying amount of the asset and the present value of estimated future cash flows from the asset discounted at the effective interest rate of the instrument at initial recognition.

Impairment losses are assessed individually for financial assets that are individually significant and individually or collectively for assets that are not individually significant. In making collective assessment of impairment, financial assets are grouped into portfolios on the basis of similar risk characteristics. Future cash flows from these portfolios are estimated on the basis of the contractual cash flows and historical loss experience for assets with similar risk characteristics.

Impairment losses are recognised in the Operating Cost Statement and the carrying amount of the financial asset or group of financial assets reduced by establishing an allowance for impairment losses. If in a subsequent period the amount of the impairment loss reduces and the reduction can be ascribed to an event after the impairment was recognised, the previously recognised loss is reversed by adjusting the allowance.

When a financial asset is deemed unrecoverable the amount of the asset is reduced directly and the impairment loss is recognised in the Operating Cost Statement to the extent that a provision was not previously recognised.

#### Financial Liabilities

The Department also has financial instruments in the form of trade payables that are classified in accordance with IAS 39 as “other financial liabilities”. These are initially measured at fair value, net of transaction costs, and subsequently measured at amortised cost using the effective interest method.

### **1.21 Employee Benefits including Pensions**

Under the requirements of IAS 19 Employee Benefits legislation, all staff costs must

be recorded as an expense as soon as the organisation is obligated to pay them. This includes the cost of any untaken leave as at the year end. This cost has been estimated using average staff numbers and costs applied to the average untaken leave balance determined from the results of a survey to ascertain leave balances as at 31 March 2009. It is not anticipated that the level of untaken leave will vary significantly from year to year.

The department has recognised both annual and flexi leave entitlements that have been earned by the year end but not yet taken. These are included in current liabilities for both administration and programme staff across the Court Service.

### **1.22 Accounting standards, interpretations and amendments to published standards adopted in the year ended 31 March 2010**

The Department implemented IFRS 1 First-time Adoption of International Financial Reporting Standards (IFRS) with the date of transition to IFRS being 1 April 2008 for the purposes of preparing the opening IFRS statement of financial position.

The following has a material impact on the financial statements:

- IAS 19 Employee Benefits
- IFRIC 12 Service Concession Arrangements

Details of the financial impact of these standards are contained in Note 2. Any adjustments arising from differing accounting policies from the application of IFRS for the first time have been taken through the General Fund.

The Department has reviewed the standards, interpretations and amendments to published standards that became effective during 2009-10 and which are relevant to its operations. The Department considers that the adoption of these standards has not had a significant impact on its results or financial position.

### **1.23 Accounting standards, interpretations and amendments to published standards not yet effective**

Certain new standards, interpretations and amendments to existing standards have been published that are mandatory for the Department's accounting periods beginning on or after 1 April 2010 or later periods, but which the Department has not adopted early. The Department does not anticipate that the adoption of these standards will have a material impact on the Department's accounts in the period of initial application.

## 2. First-time adoption of IFRS

### 2.1 Reconciliation of UK GAAP reported taxpayers' equity to IFRS at the date of transition 1 April 2008

	General Fund £000	Revaluation Reserve £000	Total £000
Taxpayers' equity at 31 March 2008 under UK GAAP	67,387	110,093	177,480
Adjustments for:			
IAS 19 Employee Benefits	(522)	-	(522)
IFRIC 12 Concession Arrangements	(890)	-	(890)
<b>Taxpayers' equity at 1 April 2008 under IFRS</b>	<b>65,975</b>	<b>110,093</b>	<b>176,068</b>

### 2.2 Reconciliation of UK GAAP reported taxpayers' equity to IFRS at the end of final UK GAAP reporting period 31 March 2009

	General Fund £000	Revaluation Reserve £000	Total £000
Taxpayers' equity at 31 March 2009 under UK GAAP	65,509	141,786	207,295
Adjustments for:			
IAS 19 Employee Benefits	(544)	-	(544)
IFRIC 12 Concession Arrangements	(786)	(112)	(898)
<b>Taxpayers' equity at 1 April 2009 under IFRS</b>	<b>64,179</b>	<b>141,674</b>	<b>205,853</b>

### 2.3 Reconciliation of UK GAAP reported net operating cost to IFRS for year ended 31 March 2009

	£000
Net operating cost for 2008-2009 under UK GAAP	149,930
Adjustments for:	
IAS 19 Employee Benefits	22
IFRIC 12 Concession Arrangements	(104)
<b>Net operating cost for 2008-2009 under IFRS</b>	<b>149,848</b>

In line with HM Treasury advice, Prior Period Adjustments (PPAs) arising from the adoption of IFRS were not included in spring Supplementary Estimates for 2009-10 on the basis that the PPA numbers could have been misleading, particularly where transactions may well have pre-dated the 2001-02 cut off point for reporting PPAs, as only part of an obligation would have been included. PPAs arising from a change in accounting policy related to other than IFRS were included in the Estimates in line with conventional arrangements.

### 3. Analysis of net resource outturn by section

	2009-10 £000						Estimate		2008-09 £000
	Outturn			Gross Resource Expenditure			Net Total	Net Total Compared with Estimate	Prior-year outturn
	Admin	Other Current	Grants	Expenditure	A in A	Net Total	Net Total	Estimate	
Request for resources 1: Supporting the effective and efficient administration of justice in Northern Ireland									
Central Government spending									
Court and other legal services	13,675	63,154	-	76,829	(26,693)	50,136	58,391	8,255	53,595
Legal Services Commission	-	-	103,000	103,000	-	103,000	101,500	(1,500)	86,983
Judicial Appointments Commission	-	-	1,600	1,600	-	1,600	1,600	-	1,472
<b>Total</b>	<b>13,675</b>	<b>63,154</b>	<b>104,600</b>	<b>181,429</b>	<b>(26,693)</b>	<b>154,736</b>	<b>161,491</b>	<b>6,755</b>	<b>142,050</b>
<b>Resource Outturn</b>	<b>13,675</b>	<b>63,154</b>	<b>104,600</b>	<b>181,429</b>	<b>(26,693)</b>	<b>154,736</b>	<b>161,491</b>	<b>6,755</b>	<b>142,050</b>

The main reasons for the variance in spending on Court and other legal services were:

- Expenditure on staff costs was under spent by £80k;
- Expenditure on other costs was under spent by £4,669k;
- Expenditure on non cash costs was £2,313k less than the estimate; and
- Income was £307k less than estimated.

#### 4. Reconciliation of outturn to net operating cost and against Administration Budget

##### 4.1 Reconciliation of net resource outturn to net operating cost

	Note	Outturn	Supply Estimate	2009-10 £000 Outturn compared with Estimate	2008-09 £000 Outturn Restated
<b>Net Resource Outturn</b>	3	<b>154,736</b>	<b>161,491</b>	<b>6,755</b>	<b>142,050</b>
IFRS Adjustments	31	-	-	-	(82)
Non-supply income (CFERs)	6	-	-	-	-
Non-supply expenditure		7,591	7,700	109	7,880
<b>Net operating cost</b>		<b>162,327</b>	<b>169,191</b>	<b>6,864</b>	<b>149,848</b>

##### 4.2 Outturn against final Administration Budget

	Budget	2009-10 £000 Outturn	2008-09 £000 Outturn Restated
Gross Administration Budget	26,426	13,675	16,305
Income allowable against the Administration Budget	-	-	-
<b>Net outturn against final Administration Budget</b>	<b>26,426</b>	<b>13,675</b>	<b>16,305</b>

#### 5. Reconciliation of net resource outturn to net cash requirement

	Note	Estimate £000	Outturn £000	Net total outturn compared with estimate: saving/(excess) £000
<b>Resource Outturn</b>	3	<b>161,491</b>	<b>154,736</b>	<b>6,755</b>
Capital				
Acquisition of property, plant and equipment Investments	13, 14	6,000	4,886	1,114
Non operating A in A				
Proceeds of fixed asset disposals	13	-	-	-
Accruals adjustments				
Non-cash items	9, 10	(17,940)	(16,105)	(1,835)
Changes in working capital other than cash		-	2,985	(2,985)
Changes in payables falling due after more than one year	17	-	723	(723)
Use of provision	18	-	366	(366)
Excess cash receipts surrendered to the Consolidated Fund	6	-	-	-
<b>Net cash requirement</b>		<b>149,551</b>	<b>147,591</b>	<b>1,960</b>

Explanation of the variance between Estimate net cash requirement and Outturn net cash requirement:

The over/underspend in the net cash requirement is due to:

1. Resource Outturn – underspend against RfR1 estimate as detailed and explained in Note 3;
2. Non-cash items – underspend is due to actual depreciation and cost of capital being less than the estimated;
3. Changes in working capital other than cash – this reflects the movement in trade receivables less than one year (note 15) and trade payables due less than one year (note 17); and
4. Changes in payables falling due after more than one year – this relates to the movement in the imputed finance lease element of the PFI Contract as detailed in note 17.

## 6. Analysis of income payable to the Consolidated Fund

In addition to Appropriations in Aid, the following income relates to the Department and is payable to the Consolidated Fund (cash receipts being shown in italics):

	Note	Forecast 2009-10 £000		Outturn 2009-10 £000	
		Income	Receipts	Income	Receipts
Operating income and receipts - excess A in A	7	-	-	-	-
Other operating income and receipts not classified as A in A	7	-	-	-	-
		-	-	-	-
Non-operating income and receipts - excess A in A		250	250	-	-
Other non-operating income and receipts not classified as A in A		-	-	-	-
Other amounts collectable on behalf of the Consolidated Fund		5,250	5,250	7,950	7,950
Excess cash surrenderable to the Consolidated Fund	5	-	-	-	-
<b>Total income payable to the Consolidated Fund</b>		<b>5,500</b>	<b>5,500</b>	<b>7,950</b>	<b>7,950</b>

## 7. Reconciliation of income recorded within the Operating Cost Statement to operating income payable to the Consolidated Fund

	Note	2009-10 £000	2008-09 £000
Operating income	11	26,693	24,772
Adjustments for transactions between RfRs		-	-
Gross income		26,693	24,772
Income authorised to be appropriated-in-aid		(26,693)	(24,772)
<b>Operating income payable to the Consolidated Fund</b>	6	-	-

## 8. Staff numbers and related costs

### Staff costs comprise:

	2009-10		2008-09		
	£000		£000		
	Permanently Total employed staff	Others	Ministers	Special advisors	Total Restated
Wages and salaries	20,272	19,588	684	-	18,392
Social security costs	1,145	1,138	7	-	1,109
Other pension costs	3,415	3,415	-	-	3,357
<b>Sub Total</b>	<b>24,832</b>	<b>24,141</b>	<b>691</b>	<b>-</b>	<b>22,858</b>
Less recoveries in respect of Outward secondments	(912)	(912)	-	-	(846)
<b>Total net costs *</b>	<b>23,920</b>	<b>23,229</b>	<b>691</b>	<b>-</b>	<b>22,012</b>

\* Of the total, £Nil has been charged to capital

The Principal Civil Service Pension Scheme (PCSPS) is an unfunded multi-employer defined benefit scheme but the Northern Ireland Court Service is unable to identify its share of the underlying assets and liabilities. A full actuarial valuation was carried out at 31 March 2007. 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 2009-10, employers' contributions of £3,373k were payable to the PCSPS (2008-09: £3,292k) at one of four rates in the range 16.7% to 24.3% (2008-09: 17.1% to 25.5%) of pensionable pay, based on salary bands. The scheme's Actuary reviews employer contributions every four years following a full scheme valuation from 2010-11 the rates will be in the range 16.7% to 24.3%. The contribution rates are set to meet the cost of the benefits accruing during 2009-10 to be paid when the member retires and not the benefits paid during this period to existing pensioners.

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employer contributions are age-related and range from 3% to 12.5% of pensionable pay. Employers also match employee contributions up to 3% of pensionable pay. In addition, employer contributions of 0.8% of pensionable pay were payable to the PCSPS to cover the cost of the future provision of lump sum benefits on death in service and ill health retirement of these employees. During 2009-10, no employees of the Department opted for a partnership pension account.

Judicial office holders are mainly covered by the provisions of the Judicial Pensions Scheme. The terms of most of the pension arrangements are set out in (or in some cases are analogous to), the provisions of two Acts of Parliament, the Judicial Pensions Act 1981 and the Judicial Pensions & Retirement Act 1993 (JUPRA).

The Judicial Pension Scheme (JPS) is an unfunded public service scheme, providing pensions and related benefits for members of the judiciary. Participating Judicial Appointing or Administering Bodies make contributions known as accruing superannuation



liability charges (ASLCs), to cover the expected cost of benefits under the JPS. ASLCs are assessed regularly by the Scheme's Actuary – The Government Actuary's Department.

The contribution rate required from the Judicial Appointing or Administering Bodies to meet the cost of benefits accruing in the year 2009-10 has been assessed as 32.15% of the relevant judicial salaries. This includes an element of 0.25% as a contribution towards the administration costs of the scheme. A contribution rate of 32.15% has been recommended for the year commencing 1 April 2010.

The liability for future payment is not chargeable to the Northern Ireland Court Service but is a charge on the Judicial Pension Scheme. The Northern Ireland Court Service is unable to identify its share of the underlying assets and liabilities. There is a separate scheme statement for the JPS as a whole and a full actuarial valuation was carried out as at 31 March 2005. Details of the Resource Accounts of the Ministry of Justice: Judicial Pensions Scheme can be found on the Ministry of Justice website ([www.justice.gov.uk](http://www.justice.gov.uk)).

### Average number of persons employed

The average number of whole-time equivalent persons employed during the year was as follows:

Departmental Strategic Objective	Total	Permanent staff	Others	Ministers	2009-10	2008-09
					Number	Number
					Special advisors	Total
1	29	26	3	-	-	28
2	62	61	1	-	-	39
3	705	687	18	-	-	670
4	17	16	1	-	-	16
<b>Total</b>	<b>813</b>	<b>790</b>	<b>23</b>	<b>-</b>	<b>-</b>	<b>753</b>

## 9. Other Administration Costs

	Note	2009-10		2008-09	
		£000	£000	£000	£000
				Restated	Restated
<b>Rentals under operating leases:</b>					
Hire of plant and machinery		41		30	
Rentals for accommodation		308		1,053	
			<b>349</b>		<b>1,083</b>
<b>PFI service charges</b>					
Service element of PFI contracts		292		25	
Interest charges: Finance leases		13		510	
			<b>305</b>		<b>535</b>
<b>Non-cash items</b>					
Depreciation	13	1,930		812	
Amortisation	14	521		184	
Profit/loss on disposal of property, plant and equipment		-		-	
Permanent diminution in value	13, 14	-		76	
Cost of capital charge		1,845		1,831	
Decrease in bad debt provision		(16)		-	
Auditors' remuneration and expenses		70		54	
Provision provided for in year	18	277		1,980	
Provision no longer required	18	(639)		-	
Unwinding of discount on provisions	18	-		12	
			<b>3,988</b>		<b>4,949</b>
<b>Other expenditure</b>					
Court Security		77		27	
Information Technology		281		-	
Building Rates		135		241	
Legal Claims & Costs		323		813	
Consultancy		1,049		1,578	
Other Costs		647		1,403	
			<b>2,512</b>		<b>4,062</b>
<b>Total</b>			<b>7,154</b>		<b>10,629</b>

## 10. Programme Costs

	Note	2009-10 £000	2008-09 £000
			Restated
<b>Publicly funded legal services:</b>			
Grant		95,490	80,022
Grant in Aid		7,510	6,961
		<b>103,000</b>	<b>86,983</b>
Criminal Appeals		2,403	1,032
<b>NI Judicial Appointments Commission:</b>		<b>1,600</b>	<b>1,472</b>
<b>Queen's University of Belfast</b>		<b>25</b>	<b>25</b>
<b>Rentals under operating leases</b>			
Hire of plant and machinery		106	54
Rentals for accommodation		556	450
		<b>662</b>	<b>504</b>
<b>PFI service charges:</b>			
Interest charges: Finance leases		1,554	183
Service element of PFI contracts		4,542	7,512
		<b>6,096</b>	<b>7,695</b>
<b>Non-cash items</b>			
Depreciation	13	5,230	8,403
Amortisation	14	1,150	1,326
Permanent diminution		-	12
Loss on disposal of property, plant and equipment		257	-
Cost of capital charges		4,942	4,906
Auditors remuneration and expenses		33	-
Provision provided for in year	18	305	325
Interest	18	200	100
		<b>12,117</b>	<b>15,072</b>
<b>Other expenditure</b>			
Court Security		5,280	5,100
Information Technology		1,421	-
Building Rates		2,531	2,302
Consultancy		234	483
Other		7,437	7,089
		<b>16,903</b>	<b>14,974</b>
<b>Judicial costs (Non-consolidated fund)</b>			
Judicial costs		4,812	3,897
Judicial pensions		2,737	2,693
		<b>7,549</b>	<b>6,590</b>
<b>Consolidated Fund standing services</b>			
Judicial wages and salaries		6,812	6,848
Judicial social security costs		779	784
		<b>7,591</b>	<b>7,632</b>
<b>Total</b>		<b>157,946</b>	<b>141,979</b>

## 11. Income

	2009-10		2008-09
	RfR1	£000	£000
	Total	Total	Total
Income from external customers		25,491	23,384
Income from other departments		1,202	1,388
		<b>26,693</b>	<b>24,772</b>

An analysis of fees and charges from civil business services provided to external and public sector customers is as follows:

	2009-10			2008-09		
	Income £000	Full Cost £000	Surplus/ (deficit) £000	Income £000	Full Cost £000	Surplus/ (deficit) £000
Court Service	22,710	(21,836)	874	22,440	(22,725)	(285)
- Civil Business						
	<b>22,710</b>	<b>(21,836)</b>	<b>874</b>	<b>22,440</b>	<b>(22,725)</b>	<b>(285)</b>

Income shown is in respect of civil fee earning business and has been accounted for in accordance with HM Treasury Fees and Charges Guide.

The Department is committed to achieving full cost recovery for the services it provides in respect of civil court business. The income for 2009-10 represents 103% of cost recovery. Further information on the Civil Fees Review can be found in the Management Commentary.

The civil business fee recovery target, above is based on expenditure net of exemptions and remissions. Applicants in receipt of certain means-tested benefits are entitled to automatic fee exemption. Remission of fees is considered on an individual basis and is granted in cases of hardship. Total fees remitted during 2009-10 amounted to £2.3k (2008-09: £4.5k).

## 12. Analysis of net operating cost by spending body

	Estimate	2009-10		2008-09
		£000	£000	£000
		Outturn	Outturn	Outturn
<b>Spending body:</b>				
Core Department	66,091	57,727		61,368
Legal Services Commission	101,500	103,000		86,983
Judicial Appointments Commission	1,600	1,600		1,472
Queen's University of Belfast	-	-		25
	<b>169,191</b>	<b>162,327</b>		<b>149,848</b>

### 13. Property, Plant and Equipment

	Land £000	Buildings £000	Information Technology £000	Plant & Machinery £000	Furniture & Fittings £000	Total £000
<b>Cost or valuation</b>						
At 1 April 2009	41,780	195,404	12,432	565	2,830	253,011
Additions	-	1,738	246	1,594	42	3,620
Disposals	-	(270)	-	-	-	(270)
Revaluations	(2,925)	(22,668)	2,445	3	8	(23,137)
<b>At 31 March 2010</b>	<b>38,855</b>	<b>174,204</b>	<b>15,123</b>	<b>2,162</b>	<b>2,880</b>	<b>233,224</b>
<b>Depreciation</b>						
At 1 April 2009	-	-	10,758	297	1,778	12,833
Charged in year	-	5,193	1,627	131	209	7,160
Disposals	-	(13)	-	-	-	(13)
Revaluations	-	-	2,116	2	5	2,123
<b>At 31 March 2010</b>	<b>-</b>	<b>5,180</b>	<b>14,501</b>	<b>430</b>	<b>1,992</b>	<b>22,103</b>
<b>Net book value at 31 March 2010</b>	<b>38,855</b>	<b>169,024</b>	<b>622</b>	<b>1,732</b>	<b>888</b>	<b>211,121</b>
<b>Net book value at 31 March 2009</b>	<b>41,780</b>	<b>195,404</b>	<b>1,674</b>	<b>268</b>	<b>1,052</b>	<b>240,178</b>
<b>Asset financing:</b>						
Owned	38,855	129,628	622	1,732	888	171,725
PFI contracts	-	39,396	-	-	-	39,396
<b>Net book value at 31 March 2010</b>	<b>38,855</b>	<b>169,024</b>	<b>622</b>	<b>1,732</b>	<b>888</b>	<b>211,121</b>

	Land £000	Buildings £000	Information Technology £000	Plant & Machinery £000	Furniture & Fittings £000	Total £000
						Restated
<b>Cost or valuation</b>						
At 1 April 2008	42,375	217,200	12,007	431	2,590	274,603
Additions	-	6,167	596	111	183	7,057
Disposals	-	-	-	-	-	-
Permanent diminution	-	-	(91)	-	-	(91)
Revaluations	(595)	(27,963)	(80)	23	57	(28,558)
<b>At 31 March 2009</b>	<b>41,780</b>	<b>195,404</b>	<b>12,432</b>	<b>565</b>	<b>2,830</b>	<b>253,011</b>
<b>Depreciation</b>						
At 1 April 2008	-	52,931	9,217	216	1,484	63,848
Charged in year	-	7,296	1,599	70	250	9,215
Disposals	-	-	-	-	-	-
Permanent diminution	-	-	(35)	-	-	(35)
Revaluations	-	(60,227)	(23)	11	44	(60,195)
<b>At 31 March 2009</b>	<b>-</b>	<b>-</b>	<b>10,758</b>	<b>297</b>	<b>1,778</b>	<b>12,833</b>
<b>Net book value at 31 March 2009</b>	<b>41,780</b>	<b>195,404</b>	<b>1,674</b>	<b>268</b>	<b>1,052</b>	<b>240,178</b>
<b>Net book value at 31 March 2008</b>	<b>42,375</b>	<b>164,269</b>	<b>2,790</b>	<b>215</b>	<b>1,106</b>	<b>210,755</b>
<b>Asset financing:</b>						
Owned	41,780	149,679	1,080	268	1,052	193,859
PFI contracts	-	45,725	594	-	-	46,319
<b>Net book value at 31 March 2009</b>	<b>41,780</b>	<b>195,404</b>	<b>1,674</b>	<b>268</b>	<b>1,052</b>	<b>240,178</b>

## Notes

IAS 16 requires measurement of assets at fair value. The Department considers open market value to be the best available estimation of fair value.

Land and buildings were valued as at 31 March 2009 by the Land and Property Service (LPS). The valuation was carried out by the LPS in accordance with the RICS Appraisal and Valuation Manual. Indices for assets other than land and buildings were obtained from ONS MM17 Price Index Numbers for Current Cost Accounting as at March 2010.

In 2008-09 the revaluation carried out at 31 March 2009 was solely reflected within the cost element of the fixed asset disclosures, in the current year the disclosure of land and buildings has been restated to show the impact of the revaluation. The accumulated depreciation for buildings has been reduced to zero to reflect the assets being re-valued leading to the cost also being reduced by this amount. The adjustment was carried out to show the true nature of the transaction and has had nil effect on the net book value of the buildings.

Antiques have been included in the Furniture and Fittings classification and are professionally valued every five years. The valuation was carried out at the 31 March 2009 by Hugh Boyd BSc (Econ.) M.I.P.A.V. The market value was £73,775.

Under IFRS requirements, the off-balance sheet PFI contract was brought on balance sheet, resulting in a £2,582k net impact on non-current assets in 2008-09, of which £1,522k relates to property, plant and equipment and £1,060k relates to intangible assets.

In line with IFRS, software, with a net book value of £479k (2007-08: £1,530k), was reclassified from property, plant and equipment to intangible assets.

#### 14. Intangible Assets

Intangible assets comprise purchased computer software for the Department.

	£000
<b>Cost or valuation</b>	
At 1 April 2009	11,827
Additions	1,266
Disposals	-
Revaluations	2,324
<b>At 31 March 2010</b>	<b>15,417</b>
<b>Amortisation</b>	
At 1 April 2009	9,695
Charged in year	1,671
Revaluations	1,908
<b>At 31 March 2010</b>	<b>13,274</b>
<b>Net book value at 31 March 2010</b>	<b>2,143</b>
<b>Net book value at 31 March 2009</b>	<b>2,132</b>

	£000 Restated
<b>Cost or valuation</b>	
At 1 April 2008	10,905
Additions	1,074
Disposals	-
Permanent diminution	(96)
Revaluations	(56)
<b>At 31 March 2009</b>	<b>11,827</b>
<b>Amortisation</b>	
At 1 April 2008	8,250
Charged in year	1,510
Revaluations	-
Permanent diminution	(65)
<b>At 31 March 2009</b>	<b>9,695</b>
<b>Net book value at 31 March 2009</b>	<b>2,132</b>
<b>Net book value at 31 March 2008</b>	<b>2,655</b>

## 15. Trade receivables and other current assets

### 15.1 Analysis by type

	2009-10 £000	2008-09 £000	2007-08 £000
<b>Amounts falling due within one year:</b>			
Trade receivables	-	-	-
Deposits and advances	5	6	6
Value Added Tax	698	1,069	837
Other receivables	1,178	1,115	1,022
Prepayments and accrued income	4,493	4,187	2,662
<b>Total</b>	<b>6,374</b>	<b>6,377</b>	<b>4,527</b>

Included within trade receivables is a provision for bad debt of £16k (2008-09 £32k), as this is a provision, and therefore a non cash movement, it has been excluded from the movement in trade receivables for inclusion within the Statement of Cash Flow.

There are no receivable amounts falling due after more than one year.

There are no amounts included within receivables that will be due to the Consolidated Fund.

### 15.2 Intra-Government Balances

	Amounts falling due within one year £000			Amounts falling due after more than one year £000		
	2009-10	2008-09	2007-08	2009-10	2008-09	2007-08
Balances with other central government bodies	2,636	1,595	2,626	-	-	-



	Amounts falling due within one year £000			Amounts falling due after more than one year £000		
	2009-10	2008-09	2007-08	2009-10	2008-09	2007-08
Balances with local authorities	-	-	-	-	-	-
Balances with NHS Trusts	-	-	-	-	-	-
Balances with public corporations and trading funds	-	-	-	-	-	-
<b>Subtotal: intra-government balances</b>	<b>2,636</b>	<b>1,595</b>	<b>2,626</b>	-	-	-
Balances with bodies external to government	3,738	4,782	1,901	-	-	-
<b>Total receivables at 31 March</b>	<b>6,374</b>	<b>6,377</b>	<b>4,527</b>	-	-	-

## 16. Cash and cash equivalents

	2009-10 000	2008-09 £000	2007-08 £000
Balance at 1 April	3,913	8,996	3,191
Net change in cash and cash equivalent balances	(1,072)	(5,083)	5,805
<b>Balance at 31 March</b>	<b>2,841</b>	<b>3,913</b>	<b>8,996</b>

The following balances at 31 March were held at:

	2009-10 000	2008-09 £000	2007-08 £000
Office of HM Paymaster General	2,446	3,571	8,655
Commercial banks and cash in hand	395	342	341
<b>Balance at 31 March</b>	<b>2,841</b>	<b>3,913</b>	<b>8,996</b>

## 17. Trade payables and other current liabilities

### 17.1 Analysis by type

	2009-10 000	2008-09 £000 Restated	2007-08 £000 Restated
<b>Amounts falling due within one year</b>			
VAT	-	-	-
Other taxation and social security	-	-	-
Trade payables	59	60	203
Other payables	230	770	630
Early departure costs	-	-	116
Accruals and deferred income	11,595	12,254	11,129
Current part of imputed finance lease element of PFI contracts	642	2,446	1,594
Amounts issued from the Consolidated Fund for supply but not spent at year end	1,960	2,382	8,248
Consolidated Fund extra receipts due to be paid to the Consolidated Fund received	881	1,531	749
receivable			
	<b>15,367</b>	<b>19,443</b>	<b>22,669</b>
<b>Amounts falling due after more than one year</b>			
Other payables, accruals and deferred income	-	-	-
Imputed finance lease element of PFI contracts	21,004	21,727	24,696
	<b>36,371</b>	<b>41,170</b>	<b>47,365</b>

## 17.2 Intra-Government Balances

	Amounts falling due within one year £000			Amounts falling due after more than one year £000		
	2009-10	2008-09	2007-08	2009-10	2008-09	2007-08
		Restated	Restated		Restated	Restated
Balances with other central government bodies	4,151	5,786	11,621	-	-	-
Balances with local authorities	9	1	9	-	-	-
Balances with NHS Trusts	4	-	1	-	-	-
Balances with public corporations and trading funds	-	-	-	-	-	-
<b>Subtotal: intra-government balances</b>	<b>4,164</b>	<b>5,787</b>	<b>11,631</b>	<b>-</b>	<b>-</b>	<b>-</b>
Balances with bodies external to government	11,203	13,656	11,038	21,004	21,727	24,696
<b>Total payables at 31 March</b>	<b>15,367</b>	<b>19,443</b>	<b>22,669</b>	<b>21,004</b>	<b>21,727</b>	<b>24,696</b>

## 18. Provisions for liabilities and charges

	Early departure				Total £000
	costs £000	Legal claims £000	Pensions £000	Other £000	
Balance at 1 April 2009	1,712	398	367	3,100	5,577
Provided in the year	70	207	-	305	582
Provisions not required written back	(42)	(230)	(367)	-	(639)
Provisions utilised in the year	(303)	(63)	-	-	(366)
Provision settled from the Consolidated Fund	-	-	-	(105)	(105)
Interest	-	-	-	200	200
Actuarial Gain	-	-	-	(500)	(500)
<b>Balance at 31 March 2010</b>	<b>1,437</b>	<b>312</b>	<b>-</b>	<b>3,000</b>	<b>4,749</b>

	Early departure				Total £000
	costs £000	Legal claims £000	Pensions £000	Other £000	
Balance at 1 April 2008	118	15	367	3,000	3,500
Provided in the year	1,582	398	-	325	2,305
Provisions not required written back	-	-	-	-	-
Provisions utilised in the year	-	(15)	-	(77)	(92)
Provision settled from the Consolidated Fund	-	-	-	(248)	(248)
Interest	-	-	-	100	100
Unwinding of discount	12	-	-	-	12
<b>Balance at 31 March 2009</b>	<b>1,712</b>	<b>398</b>	<b>367</b>	<b>3,100</b>	<b>5,577</b>

## Analysis of expected timing of discounted flows

	Early departure costs £000	Legal claims £000	Other £000	Total £000
Between 2011 and 2016	1,289	312	1,300	2,901
Between 2016 and 2021	148	-	1,000	1,148
Thereafter	-	-	700	700
<b>Balance at 31 March 2010</b>	<b>1,437</b>	<b>312</b>	<b>3,000</b>	<b>4,749</b>

### 18.1 Early departure costs

The Department meets the additional costs of benefits beyond the normal PCSPS benefits in respect of employees who retire early by paying the required amounts annually to the PCSPS over the period between early departure and normal retirement date. The Department provides for this in full when the early retirement programme becomes binding by establishing a provision for the estimated payments discounted by the Treasury discount rate.

### 18.2 Legal claims

Provision has been made for various legal claims against the Department. The provision reflects all known claims where legal advice indicates that it is more than 50% probable that the claim will be successful and the amount of the claim can be reliably estimated. The amount provided is on a percentage expected probability basis. Expenditure is likely to be incurred over a period of 5 years. The provision is based on the estimated cash flow. No reimbursement will be received in respect of any of these claims. Legal claims, which may succeed but are less likely to do so or cannot be estimated reliably, are disclosed as contingent liabilities in Note 25.

### 18.3 Pension Liability

Previously, the Department was responsible for the administration of an individual personal pension determination in respect of one judicial office-holder. Defined benefits accrued in line with the PCSPS in an approved scheme. These benefits were then enhanced by one third through an unapproved scheme. The pension provision was unfunded and non-contributory, except in respect of dependants benefits.

On 4 April 2006, the judicial office-holder transferred to the Judicial Pensions Scheme. The provision represents the value of the pension liability at that date, based on the calculation prepared by the Government Actuary's Department (GAD) in April 2006. This provision is no longer required and was released during 2009-10.

### 18.4 Other

Provision has been made for a long service award for members of the judicial pension scheme. The purpose of the long service award is that, subject to any future changes in legislation, the award will compensate for any tax or National Insurance charges on lump sums payable from the deregistered judicial pension schemes on retirement, whatever the personal circumstances of the judge or his other pension benefits.

## 19. Notes to the Statement of Operating Costs by Departmental Strategic Objectives

Resources per cost centre have been allocated to strategic objectives based on information obtained from managers within the Department. Common overheads have been apportioned to departmental cost centres on the basis of staff numbers.

Programme grants and other current expenditure have been allocated as follows:

	2009-10 £000	2008-09 £000 Restated
Objective 1 – To deliver responsive customer service	429	15,122
Objective 2 – To improve access to justice	3,775	797
Objective 3 – To promote confidence in the justice system	65,738	54,381
Objective 4 - Supporting an independent judiciary	-	-
Publicly funded legal services	105,403	88,015
<b>Total</b>	<b>175,345</b>	<b>158,315</b>

## Capital Employed by Departmental Strategic Objectives at 31 March 2010

	2009-10 £000	2008-09 £000 Restated
Objective 1 – To deliver responsive customer service	-	-
Objective 2 – To improve access to justice	375	82
Objective 3 – To promote confidence in the justice system	180,984	205,771
Objective 4 – Supporting and independent judiciary	-	-
	<b>181,359</b>	<b>205,853</b>

## 20. Capital commitments

	2009-10 £000	2008-09 £000
Contracted capital commitments at 31 March 2010 for which no provision has been made	-	-

## 21. Commitments under leases

### 21.1 Operating leases

Total future minimum lease payments under operating leases are given in the table below for each of the following periods.

	2009-10 £000	2008-09 £000
<b>Obligations under operating leases comprise:</b>		
<b>Land:</b>		
Not later than one year	-	-
Later than one year and not later than five years	-	-

	2009-10 £000	2008-09 £000
Later than five years	-	-
<b>Buildings:</b>		
Not later than one year	976	995
Later than one year and not later than five years	3,004	3,595
Later than five years	2,776	3,958
	<b>6,756</b>	<b>8,548</b>
<b>Other:</b>		
Not later than one year	51	47
Later than one year and not later than five years	36	54
Later than five years	-	-
	<b>87</b>	<b>101</b>

## 21.2 Finance leases

The Department had no finance leases operating during the year.

## 22. Commitments under PFI contracts

### 22.1 IS/IT Services

In January 2000, the Department entered into a 10 year IS/IT Service Provision Agreement with Fujitsu Services. The contract expired on 31st December 2009. The estimated capital value of the agreement was £8m at 1999 prices. The agreement was based on Private Finance Initiative and enabled the Court Service to develop modern information systems to support the administration of justice. The following services were successfully delivered –

- a new IT network and infrastructure;
- corporate desktop service with Internet and e-mail access to all user staff;
- a Court Service Intranet;
- the migration to the new infrastructure and continued support for 9 existing legacy systems;
- the development of a static website; and
- application databases to support the operations of the Office of Care & Protection and the Enforcement of Judgments Office.

Significant progress was made in the development of the Integrated Court Operations System (ICOS) that supports the business processes across all court tiers. The application was rolled out in a modular and incremental manner; with the following modules becoming operational

- Small Claims- November 2002

- Jurors Notice - February 2003
- Jurors Management - July 2003
- County Court Civil - July 2004
- Fees Collection - July 2004
- High Court Queens Bench Division - July 2004
- Chancery Division - November 2004
- Probate Office - November 2004
- Matrimonial Office - January 2005
- County Court Divorce - February 2005
- Wardship & Adoption - February 2005
- Criminal Module – May 2006
- Family Module – November 2006

The scheme also included the provision of hardware and software support services, training services, legacy support services and help desk support services.

The agreement provided for technology refresh between years 3 and 5 of the agreement. The technology refresh was completed in July 2005.

The PFI property is included in the Department's accounts as Property Plant and Equipment and Intangible assets. The liability to pay for the property is in substance a finance lease obligation. Contractual payments therefore comprise two elements, imputed finance lease charges and service charges. The imputed finance lease obligation is as follows:-

	2009-10 £000	2008-09 £000
<b>Total obligations under PFI contracts for the following periods comprises:</b>		
Not later than one year	-	1,992
Later than one year and not later than five years	-	-
Later than five years	-	-
	-	<b>1,992</b>
Less interest element	-	(113)
<b>Total</b>	-	<b>1,879</b>

## 22.2 Laganside Complex

During February 1999, the Department entered into a Public Private Partnership (PPP) agreement with a private sector provider for the provision and maintenance of a high quality new court complex in Belfast

In accordance with the agreement, service charges became payable with effect from February 2002 to December 2026 and these are charged to the operating cost statement. The new court complex has been accounted for as an asset of the Department.

The PFI property is included in the Department's accounts as Property Plant and Equipment. The liability to pay for the property is in substance a finance lease obligation.

Contractual payments therefore comprise two elements, imputed finance lease charges and service charges. The imputed finance lease obligation is as follows:-

	2009-10 £000	2008-09 £000
<b>Imputed finance lease obligations under PFI contracts comprises:</b>		
Not later than one year	2,013	2,012
Later than one year and not later than five years	8,063	8,058
Later than five years	23,731	25,755
	<b>33,807</b>	<b>35,825</b>
Less interest element	(12,161)	(13,531)
<b>Total</b>	<b>21,646</b>	<b>22,294</b>

### 22.3 Charge to the Operating Cost Statement and future commitments

The total amount charged in the operating cost statement in respect of the service element of PFI transactions was £6,401k (2008-09:£ 8,230k); and the payments to which the Department is committed during 2010-11, analysed by the period during which the commitment expires, are as follows.

	2009-10 £000	2008-09 £000
Not later than one year	-	8,079
Later than one year and not later than five years	-	-
Later than five years	3,878	3,919
	<b>3,878</b>	<b>11,998</b>
<b>Total</b>	<b>3,878</b>	<b>11,998</b>

### 23. Other financial commitments

There are no contracted non-capital commitments at 31 March 2010 for which no provision has been made.

### 24. Financial instruments

IAS 32 Financial Instruments: Presentation, and IFRS 7 Financial Instruments: Disclosures, requires disclosure that enables evaluation of the significance of financial instruments for the Department's financial position and performance, the nature and extent of risks arising from financial instruments to which the Department is exposed during the period and at the reporting date, and how the Department manages those risks. As a result of the non-trading nature of its activities and the way in which Government Departments are financed, the Northern Ireland Court Service is not exposed to the degree of financial risk faced by business entities.

The Department has no powers to borrow or invest surplus funds. Financial assets and liabilities are generated by day-to-day operational activities and are not held to change risks facing the Department in undertaking its activities.

### **Classification of financial instruments**

All departmental financial instruments are measured at amortised cost. The Department's financial assets are classified as receivables and comprise trade and other receivables (Note 15) and cash at bank and in hand (Note 16). The Department's financial liabilities comprise trade payables excluding tax assets, accruals and deferred income (Note 17). The carrying value of these financial assets and liabilities, as disclosed in the notes to the accounts, approximates to fair value because of their short maturities. The Department recognises the components of net gain/loss through the Operating Cost Statement.

### **Risk Management**

Financial risks include credit risk, liquidity risk and market risks (interest rate and currency).

#### **Credit risk**

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Department is not exposed to significant credit risk and manages its exposure via credit risk management policies which require review of the credit history of the organisations that the department wishes to trade with. Publicly available credit information from recognised providers is utilised for this purpose where available. The maximum exposure to credit risk is represented by the carrying amounts of the trade receivables carried in the statement of financial position.

#### **Liquidity risk**

The Department's net revenue resource requirements are financed by resources voted annually by Parliament, as is its capital expenditure. It is not, therefore, exposed to significant liquidity risks.

The Department's financial assets of £2,841,185 (2008-09: £3,912,949), found in note 16, are non-interest bearing financial assets and comprise of cash and cash equivalents. Cash and cash equivalents are held in sterling and are available on demand.

#### **Currency Risk**

Currency risk is the risk that the fair value of future cashflows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Department acts as an agent in transferring funds from HM Treasury to the Northern Ireland Consolidated Fund in respect of European Union (EU) grants. However payments are only made by the Department based on the sterling value of funding received and there was therefore no exposure to currency risk. The Department does not have the authority to manage currency risk through hedging.



### Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. All of the Department's financial assets and liabilities carry nil or fixed rates of interest. The Department is therefore not exposed to any interest rate risk.

### Embedded Derivatives

In accordance with IAS 39, Financial Instruments: Recognition and measurement, the Department has reviewed all contracts for embedded derivatives that are required to be separately accounted for if they do not meet certain requirements set out in the standard. In relation to the departments Laganside PFI contract there is a payment mechanism that determines the charge the department will pay from 2009 to 2026 which is based on the UK retail price index (RPI) and UK Gross Domestic Product Index (GDP). The embedded derivative is deemed to be closely related to the host contract as the amounts charged are in relation to the economic environment within which the department operates.

### 25. Contingent liabilities disclosed under IAS 37

There is an estimated contingent liability of £1,014k.

	2009-10 £000
Legal cases pending	158
Criminal appeals	856
	<u>1,014</u>

The amount for criminal appeals represents the amount of claims before the Taxing Master pending judicial direction. The Taxing Master is a Supreme Court judge and has complete discretion in deciding how much should be paid out in respect of claims put before him. As each case is assessed on an individual basis, it is not possible to predict the financial outcome of these claims. The department has therefore treated these as contingent liabilities in accordance with IAS 37.

There are further contingent liabilities upon which it is not possible to put a value. In particular, claims have been made under past contracts. It is the Department's assertion that these claims are unsubstantiated.

### 26. Losses and special payments

During the year, there were no losses or special payments that required disclosure.

### 27. Related-party transactions

During the year the Department provided funding to the Northern Ireland Legal Services Commission (NILSC) and the Northern Ireland Judicial Appointments Commission (NIJAC). These bodies are regarded as related parties with which the Department has had various material transactions during the year.

In addition, the Department has had a small number of transactions with other government departments and other central government bodies.

No minister or other related parties have undertaken any material transactions with the Department during the year.

Finance Director and Board Member, David Thompson, was an appointee, recruited via Interchange from PricewaterhouseCoopers (PWC). The total amount paid to PWC in 2009-10 for services in addition to the services of the Finance Director amounted £649,445 (excl. vat). This includes £18,370 paid by the Northern Ireland Court Service on behalf of the Northern Ireland Legal Services Commission.

Head of Criminal Policy and Board Member Geraldine Fee's husband was a Lay Magistrate for NICTS during the period. As a Lay Magistrate he received payments totalling £782.

Head of Tribunal Reform and Board Member Siobhan Broderick's husband is a solicitor employed by Morrison and Broderick Solicitors. Morrison & Broderick Solicitors received payments in the 2009-10 financial year totalling £2,170.

## 28. Third-party assets

The Department holds as custodian or trustee certain assets belonging to third parties.

The Court Service, through the Court Funds Office, continues to provide a banking and investment service for funds that are deposited in court. The investment service is carried out by an external service provider. Examples of the types of funds include monies held for minors until they attain the majority, certain assets of some mental health patients, and payments into court in satisfaction of a claim as well as statutory deposits and unclaimed balances in court.

These are not departmental assets and are not included in the accounts. The assets held at the statement of financial position date to which it was practical to ascribe monetary values, comprised monetary assets such as bank balances and monies on deposit, and listed securities. They are set out in the table immediately below:

	<b>31 March 2009 £000</b>	<b>Gross inflows £000</b>	<b>Gross outflows £000</b>	<b>31 March 2010 £000</b>
Monetary assets such as bank balances and monies on deposit	146,145	7,387	(50,187)	103,345
Listed securities	84,515	61,876	(1,292)	145,099

The Official Solicitor may be appointed to act as a financial controller for persons deemed by the courts to be incapable of managing their financial affairs and assets. In such capacity the Official Solicitor acts as custodian of a number of property assets. Title deeds for property may also be held by the court service as security or bails in relation to legal actions.

Other significant assets held at the balance sheet date to which it was not practical to ascribe monetary values comprised:

	31 March 2010 Number	31 March 2009 Number
Property assets	230	161

## 29. Entities within the departmental boundary

The departmental boundary incorporates only the core department of the Northern Ireland Court Service.

During the year the Department held responsibility for the granting of funds to the Northern Ireland Legal Services Commission (NILSC) and the Northern Ireland Judicial Appointments Commission (NIJAC). As executive NDPB's the NILSC and NIJAC are outside the departmental boundary for the purposes of these resource accounts.

The funds invested by the Court Funds Office are specifically excluded from the departmental boundary, following HM Treasury guidance. Third party monies are similarly excluded.

The Northern Ireland Legal Services Commission, Northern Ireland Judicial Appointments Commission and Court Funds Office publish separate audited financial accounts.

## 30. Criminal Injuries Compensation Appeals Panel Northern Ireland

The administrative functions of the Criminal Injuries Compensation Appeals Panel Northern Ireland (CICAPNI) transferred from the Secretary of State for Northern Ireland (SOSNI) to the Secretary of State for Justice (SOSJ) in the 2007/08 financial year and were delivered by a Machinery of Government letter on 1st December 2007. A PES transfer from NIO to Court Service provides the funding for the tribunal.

The SOSJ has directed a statement of accounts in accordance with the 2002 Order and the Scheme, requiring that he only requires a simple statement providing the full cost of CICAPNI for the year, given as a Note to the Court Service accounts.

This direction is in accordance with The Criminal Injuries (NI) Order 2002 ("the 2002 Order") and with the Northern Ireland Criminal Injuries Compensation Scheme 2002 ("the Scheme") which established the CICAPNI. Both the 2002 Order and the Scheme provide that the Secretary Of State may direct the accounts of the CICAPNI.

This accounting note has been prepared in accordance with the accounts direction issued by the Secretary of State for Justice on 22 February 2008.

**CICAPNI STATEMENT OF ACCOUNT AS AT 31 MARCH 2010**

	2009-10		2008-09	
	£	£	£	£
Income		-		-
<b>Staff Costs</b>				
Staff Payroll costs	(211,375)		(212,439)	
Judicial Payroll costs	(232,974)		(210,033)	
<b>Total Payroll costs</b>		(444,349)		(422,472)
<b>Other operating costs</b>		(217,681)		(279,514)
<b>Net cost of operations</b>		<b>(662,030)</b>		<b>(701,986)</b>

**31. Corresponding amounts**

During the financial year 2009-10, the following changes took place:

**1. International Financial Reporting Standards (IFRS)**

The Department previously prepared its Resource Accounts in line with UK Generally Accepted Accounting Practice (UK GAAP) contained within the *Government Financial Reporting Manual* (FRM) prepared by Treasury. From 2009-10 onwards, Treasury has determined that all departments, agencies and non departmental bodies must prepare accounts in accordance with IFRS.

The Department implemented IFRS 1 *First-time Adoption of International Financial Reporting Standards* with the date of transition to IFRS being 1 April 2008 for the purposes of preparing the opening IFRS statement of financial position.

The following standards had a material impact on the financial statements:

- IAS 19 - Employee Benefits; and
- IFRIC 12 - Service Concession Arrangements.

Any adjustments arising from differing accounting policies resulting from the application of IFRS for the first time have been taken through the General Fund. Further details are contained in Note 2.

**2. Reclassifications**

The Department has also taken the opportunity to reclassify a number of balances contained within the Statement of Financial Position to better reflect circumstances and improve the overall quality of reporting within the Accounts.

There is a nil effect on the Operating Cost Statement and Statement of Financial Position as a result of these reclassifications.

**Impact on Financial Statements**

The tables below summarise the overall impact of the above on corresponding amounts in the Operating Cost Statement and Statement of Financial Position. Comparative figures in the Statement of Parliamentary Supply and Note 3 have not been restated as, for the purposes of Parliamentary Control, these figures are indelible.

**Statement of Financial Position as at 1 April 2008**

	2007-08 Published Resource Accounts £000	International Financial Reporting Standards £000	Reclassifi- cation £000	1 April 08 £000 Restated
<b>Non-current assets:</b>				
Property, plant and equipment	210,763	1,522	(1,530)	210,755
Intangible assets	65	1,060	1,530	2,655
<b>Current assets:</b>				
Trade and other receivables	4,527	-	-	4,527
Cash and cash equivalents	8,996	-	-	8,996
<b>Liabilities:</b>				
Trade and other payables	(20,555)	(2,114)		(22,669)
Provisions	(3,133)		(367)	(3,500)
Pension Liability	(367)		367	-
Other payables	(22,816)	(1,880)		(24,696)
	<b>177,480</b>	<b>(1,412)</b>	-	<b>176,068</b>
<b>Taxpayer's Equity:</b>				
General Fund	67,387	(1,412)	-	65,975
Revaluation Reserve	110,093	-	-	110,093
	<b>177,480</b>	<b>(1,412)</b>	-	<b>176,068</b>

**Operating Cost Statement for the year ended 31 March 2009**

	2008-09 Published Resource Accounts £000	International Financial Reporting Standards £000	Reclassifi- cation £000	2008-09 £000 Restated
<b>Administration costs</b>				
Staff costs	5,663	13	-	5,676
Other administration costs	10,533	96	-	10,629
Operating Income	(24,772)	-	-	(24,772)
<b>Programme costs</b>				
Staff costs	16,327	9	-	16,336
Programme costs	142,179	(200)	-	141,979
<b>Net Operating Cost</b>	<b>149,930</b>	<b>(82)</b>	<b>-</b>	<b>149,848</b>

**Statement of Financial Position as at 31 March 2009**

	2008-09 Published Resource Accounts £000	International Financial Reporting Standards £000	Reclassifi- cation as at 31 March 2009 £000	2008-09 £000 Restated
<b>Non-current assets:</b>				
Property, plant and equipment	241,277	(620)	(479)	240,178
Intangible assets	53	1,600	479	2,132
<b>Current assets:</b>				
Trade and other receivables	6,377	-	-	6,377
Cash and cash equivalents	3,913	-	-	3,913
<b>Liabilities:</b>				
Trade and other payables	(17,021)	(2,422)	-	(19,443)
Provisions	(5,210)	-	(367)	(5,577)
Pension Liability	(367)	-	367	-
Other payables	(21,727)	-	-	(21,727)
	<b>207,295</b>	<b>(1,442)</b>	<b>-</b>	<b>205,853</b>
<b>Taxpayer's Equity:</b>				
General Fund	65,509	(1,330)	-	64,179
Revaluation Reserve	141,786	(112)	-	141,674
	<b>207,295</b>	<b>(1,442)</b>	<b>-</b>	<b>205,853</b>

### **32. Events after the reporting period**

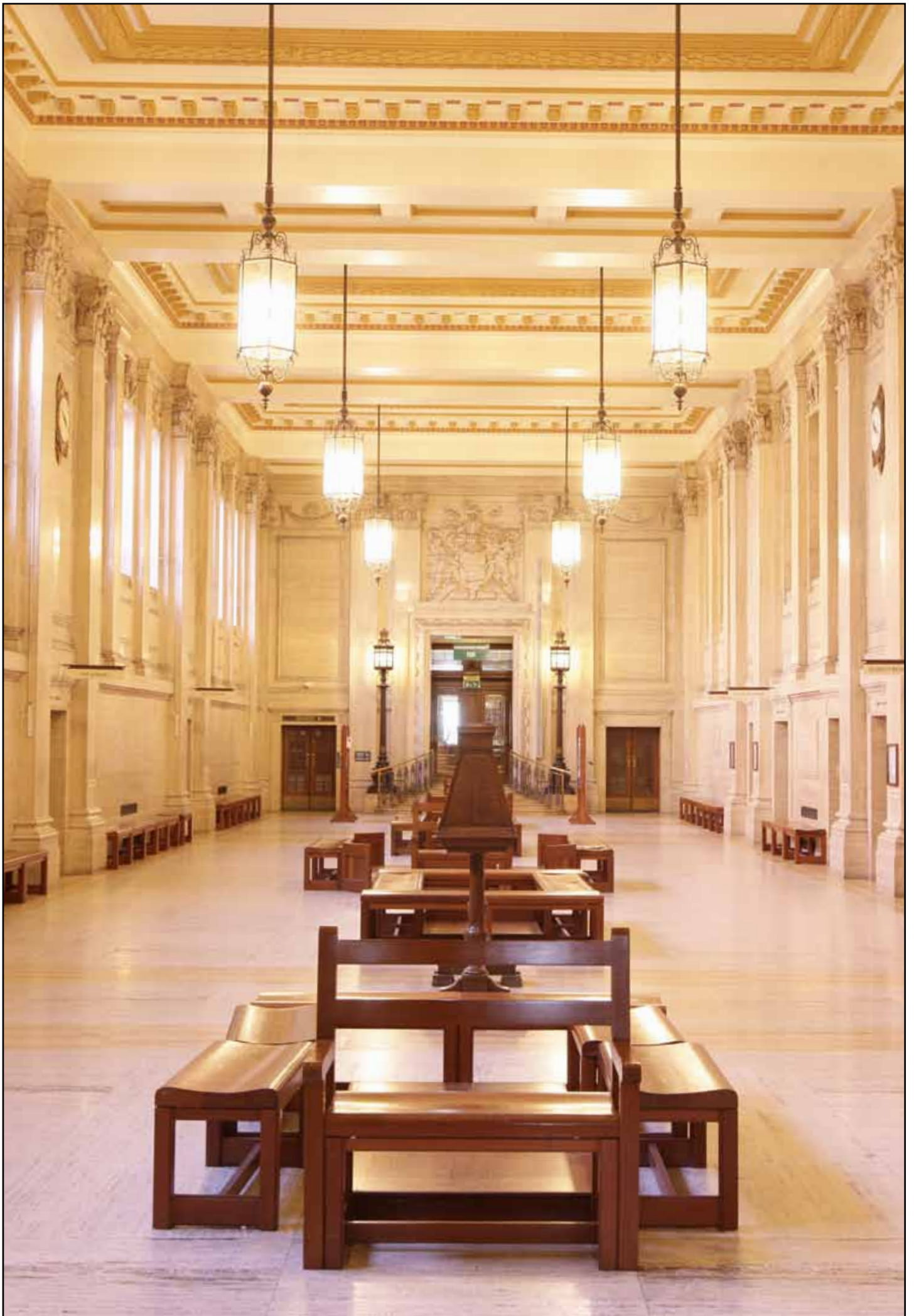
On 12 April 2010, policing and justice functions in Northern Ireland were devolved to the Northern Ireland Assembly and the Department of Justice came into existence as a new Northern Ireland Department. From this date, the lead policy responsibility for the Northern Ireland Court Service transferred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

The 2009-10 financial statements have been prepared on the basis that the Northern Ireland Court Service was the Lord Chancellor's department in Northern Ireland 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.

There was no other material events post the statement of financial position, for the year ended 31 March 2010.

The Accounting Officer authorised these financial statements for issue on 15 July 2010.



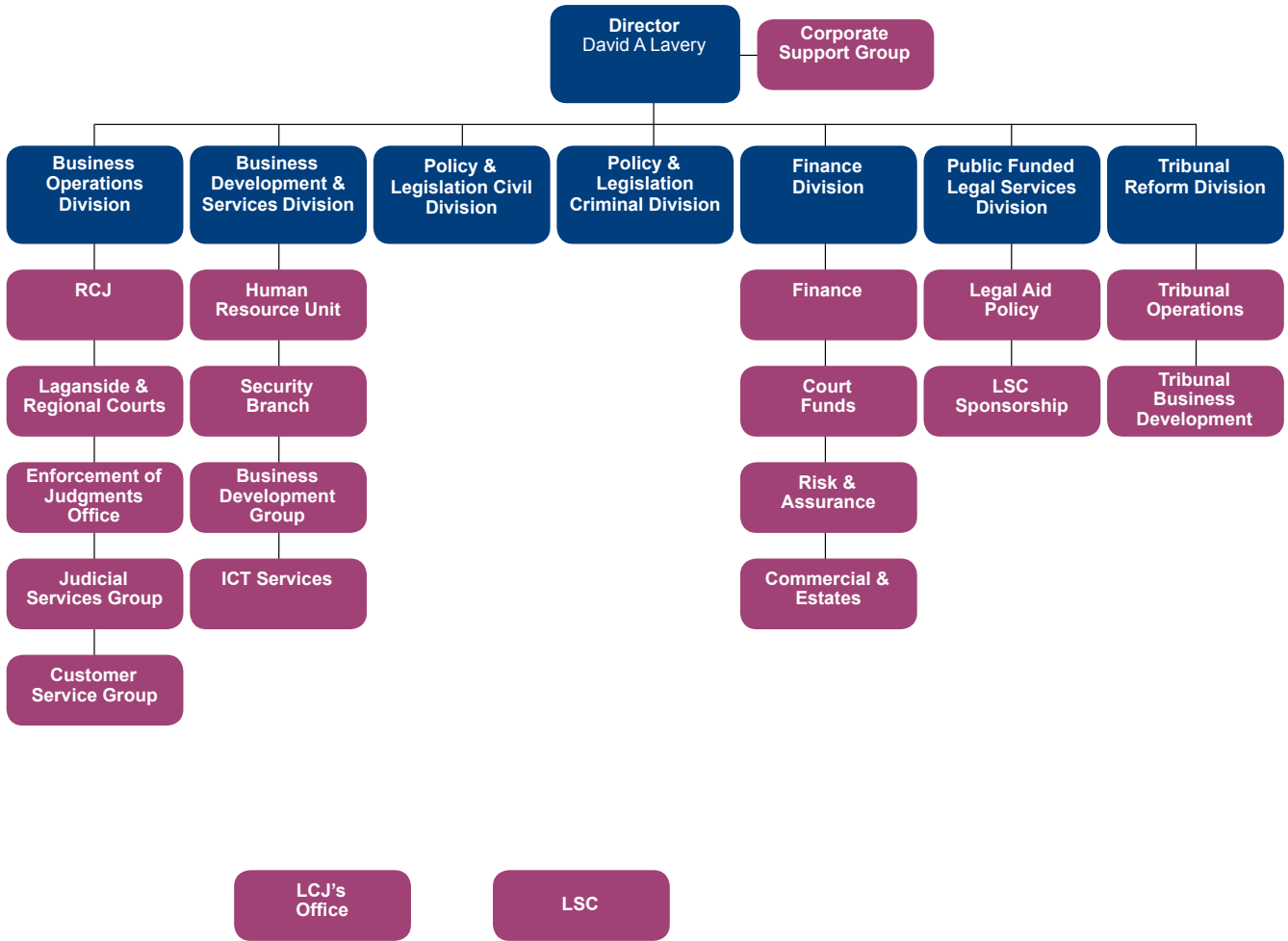




# APPENDICES

## PART 5 APPENDICES

### Annex A Organisational Chart



LCJ's Office

LSC

## Annex B

### Staffing

At the end of March 2010, the Court Service staffing complement was 799 posts, the majority of whom work within our core business of delivering front-line services at each of our 21 courthouses.

Staff Complement	
Business Operations Division	538
Business Development & Services Division	56
Civil Policy Division	13
Criminal Policy Division	12
Finance Division	77
Public Legal Services Division	25
Tribunal Reform Division	17
Office of the Lord Chief Justice	30
Management Board Secretariat/Personal Secretaries/Communications Group	23
Management Board	8
<b>Total</b>	<b>799</b>

The majority of our staff joins the department at the entry grade of administrative officer.

Specialised posts are advertised as required throughout the year. These would include professionally qualified legal and accountancy appointments.

Staff Complement	
Administrative Officer	362
Executive Officer	229
Staff Officer	90
Deputy Principal	57
Principal Officer	43
Grade 6	9
Grade 5	8
Grade 3	1
<b>Total</b>	<b>799</b>

## Annex C

### Public Bodies 2009/10

The Court Service has responsibility for the following Non Departmental Public Bodies (NDPBs).

#### Executive NDPBs

- Northern Ireland Legal Services Commission
- Northern Ireland Judicial Appointments Commission

The Legal Services Commission was established in November 2003 and is responsible for the provision of publicly funded legal services under the Legal Aid Scheme.

The Judicial Appointments Commission was established in June 2005 and is responsible for appointments up to and including High Court Judge.

There were a total of 177 staff employed in the two Executive NDPBs at 31 March 2010 and the combined expenditure for 2009/10 was approximately £104.6m.

#### Advisory NDPBs

8 Advisory Committees on Justices of the Peace

The Advisory Committees on Justices of the Peace advise the Lord Chancellor on the appointment of Justices of the Peace in Northern Ireland.

#### Tribunal NDPBs

Criminal Injuries Compensation Appeals Panel for Northern Ireland

The Panel's role is to determine appeals against reviewed decisions made by the Compensation Agency arising from claims for criminal injuries compensation for incidents that occurred on or after 1 May 2002.

Total Appointees	Total Male Appointees	Total Female Appointees	Total Disabled Appointees	Total Ethnic Minority Appointees
95	59 (62.1%)	36 (37.9%)	1 (1.1%)	0

Please note: No ethnicity or disability information is held in respect of the Advisory NDPB's.

## Annex D

### Court Performance Standards 2009/10

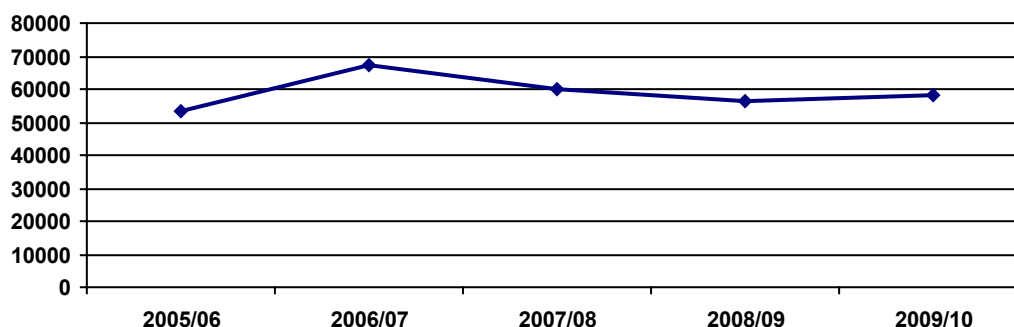
#### Criminal Business

To facilitate the efficient disposal of criminal business<sup>1</sup>

- 90% of Court of Appeal defendants will have their case listed within three weeks;  
**(In 2009/10 we achieved 100%)**
- 80% of Crown Court defendants will be arraigned within six weeks of committal;  
**(In 2009/10 we achieved 93%)**
- 80% of Crown Court defendants will start their trial within 18 weeks of committal;  
**(In 2009/10 we achieved 81%)**
- 80% of Crown Court defendants will be sentenced within six weeks of a plea or finding of guilt;  
**(In 2009/10 we achieved 81%)**
- 80% of magistrates' courts adult defendants will have their case disposed of within nine weeks of first listing; and  
**(in 2009/10 we achieved 79%)**
- A finding will be reached within 12 weeks from first listing for 80% of youth court defendants.  
**(In 2009/10 we achieved 77%)**

The chart below shows the levels of criminal business received over the past 5 years.

Figure 1. Criminal Business Received



<sup>1</sup> These Performance Standards for Criminal cases are set by the Lord Chief Justice.

## Criminal Court Business – Volumes, Disposals and Performance

<b>Business Volumes Received</b>	<b>2009/10</b>	<b>% difference*</b>
Total Criminal business	58,229	4%
Crown Court cases	1,347	8%
Magistrates' adult defendants	53,856	3%
Magistrates' youth defendants	3,026	4%
<b>Business Volumes disposed</b>		
Total criminal business	57,319	4%
Crown Court cases	1,259	-9%
Magistrates' adult defendants	52,963	4%
Magistrates' youth defendants	3,097	3%
<b>Sittings</b>		
Total criminal sittings	6,421	-5%
Crown Court	2,440	-11%
Magistrates' adult	3,431	-1%
Magistrates' youth	550	0%
<b>Performance against a target of 80% compliance</b>		
Crown Court <sup>2</sup>	81%	5%
Magistrates' adult	79%	2%
Magistrates' youth	77%	9%

\* compared to equivalent data for the 2008/09 period

<sup>2</sup> Committal to hearing target

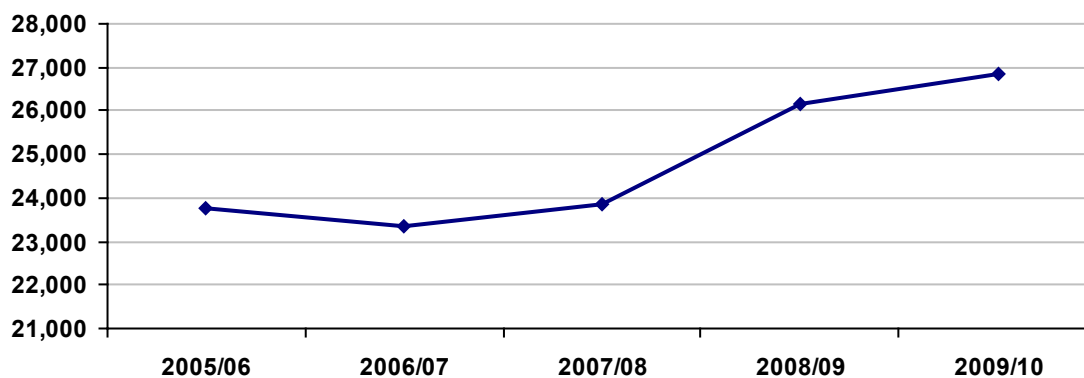
## Civil Business

To facilitate the efficient disposal of civil business –

- 98% of Queens Bench writs set down will be listed for hearing within three months of being set down;  
**(In 2009/10 we achieved 99%)**
- 98% of civil bills will be listed for hearing within 18 weeks of receiving a Certificate of Readiness;  
**(In 2009/10 we achieved 100%)**
- 97% of small claims default decrees will be issued within five working days of application or notice of acceptance of liability;  
**(In 2009/10 we achieved 96%)**
- 97% of mortgage applications will be listed for hearing within six weeks; and  
**(In 2009/10 we achieved 58%)**
- 97% of creditors' petitions will be listed for hearing within six weeks.  
**(In 2009/10 we achieved 97%)**

The chart below shows the levels of civil business received over the past 5 years.

**Figure 2. Civil Business Received**



## Civil Court Business – Volumes, Disposals and Performance

<b>Business Volumes Received</b>	<b>2009/10</b>	<b>% difference*</b>
Total civil business	26,840	3%
Civil Bills (Notice of Intentions to Defend)	7,401	5%
Small Claims	13,701	-2%
Writs set down	2,080	79%
Mortgages received	3,658	-6%
<b>Business Volumes disposed</b>		
Total civil business	30,250	13%
Ordinary Civil Bills	11,604	12%
Small Claims	11,829	2%
Writs disposed	3,806	53%
Mortgages disposed	3,011	23%
<b>Sittings</b>		
Total civil sittings	3,002	-6%
County Court	2,285	-2%
Queen's Bench	525	-19%
Chancery	192	-11%
<b>Performance against a target of compliance</b>		
Civil Bills (98%)	100%	1%
Small Claims (97%)	96%	15%
Writs set down (98%)	99%	1%
Mortgages received (97%)	58%	-42%
Creditors Petitions (97%)	97%	n/a

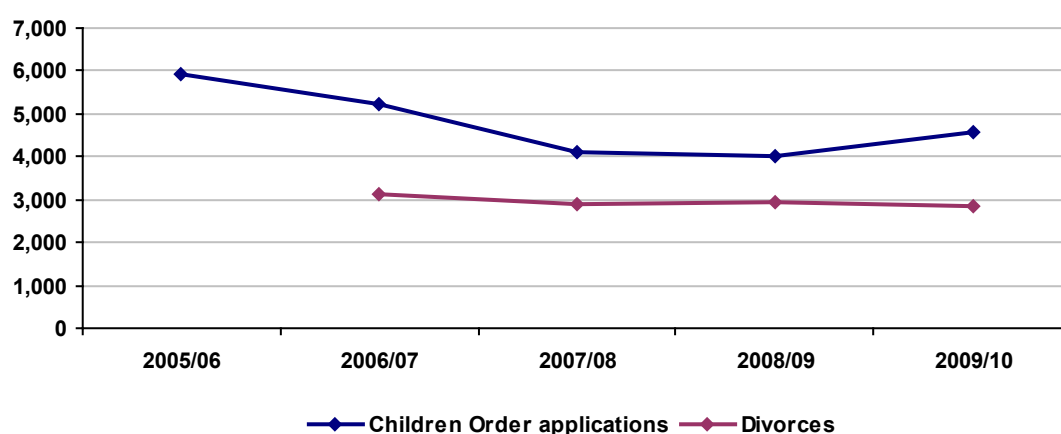


## Family Business

To facilitate the efficient disposal of family business –

- 98% of Children Order application will be listed for hearing within ten weeks of receipt;  
**(In 2009/10 we achieved 100%)**
- 95% of Office of Care and Protection annual case reviews will be carried out within six weeks of receipt of complete Controllers' accounts;  
**(In 2009/10 we achieved 50%)**
- 95% of applications under the Mental Health Order will be listed within five weeks of receipt; and  
**(In 2009/10 we achieved 95%)**
- 97% of divorces will be listed for hearing within six weeks of correct pleadings being lodged.  
**(In 2009/10 we achieved 93%)**

The chart below shows the levels of family business received over the past 5 years.



### Family Court Business – Volumes, Disposals and Performance

Business Volumes Received	2009/10	% difference*
Children Order applications	4,585	14%
Divorces received	2,862	-3%
Business Volumes disposed		
Children Order applications	3,758	3%
Divorces disposed	2,346	-15%
Sittings		
Children Order	1,809	5%
Performance against a target of 98% compliance		
Children Order	100%	0%

## Coroners Service Business

To facilitate the efficient disposal of Coroners Service business –

- 97% of all non autopsy deaths will be dealt with within three days of a Coroner's decision to proceed by that means;  
**(In 2009/10 we achieved 99%)**
- 95% of Office of Care and Protection annual case reviews will be carried out within six weeks of receipt of complete Controllers' accounts;  
**(In 2009/10 we achieved 50%)**
- 92% of all natural deaths that require an autopsy, but not an inquest, will be passed to the appropriate Coroner within three days of the receipt of a post-mortem report; and  
**(In 2009/10 we achieved 97%)**
- 90% of inquests will have the date of hearing fixed within 28 days of the Coroner's direction to list.  
**(In 2009/10 we achieved 96%)**

## Enforcement of Judgments Office

Our targets for the Enforcement of Judgments Office were to –

- Issue 95% of Notices of intention within three days of receipt: **91% issued**
- Accept 90% of taxation applications within 22 days: **95% accepted**
- Complete 98% of register searches within one day of receipt: **100% completed**
- Issue 95% of taxation assessments within 13 days: **95% issued**
- Accept 90% of enforcement applications within eight days of receipt: **90% accepted**
- Complete 85% of repossessions within 100 days of allocation to an enforcement officer: **90% completed.**

## Tribunal Business

To facilitate the efficient disposal of tribunal business –

- 95% of Northern Ireland Valuation Tribunal cases will be listed within eight weeks of representations from all parties being received;  
**(In 2009/10 we achieved 100%)**
- 98% of applications for leave to appeal to the Social Security Commissioner will be listed within eight weeks of a direction;  
**(In 2009/10 we achieved 100%)**
- 90% of Pension Appeals will be listed for hearing within 25 weeks of receipt of the statement of case;  
**(In 2009/10 we achieved 90%)**
- 99% of Traffic Penalties Tribunal postal/in person applications will be listed within 40 days of receipt of appeal papers; and  
**(In 2009/10 we achieved 100%)**
- 90% of CICAPNI cases will be listed within 13 weeks of agreed papers being received.  
**(In 2009/10 we achieved 99%)**

## Appendix 1

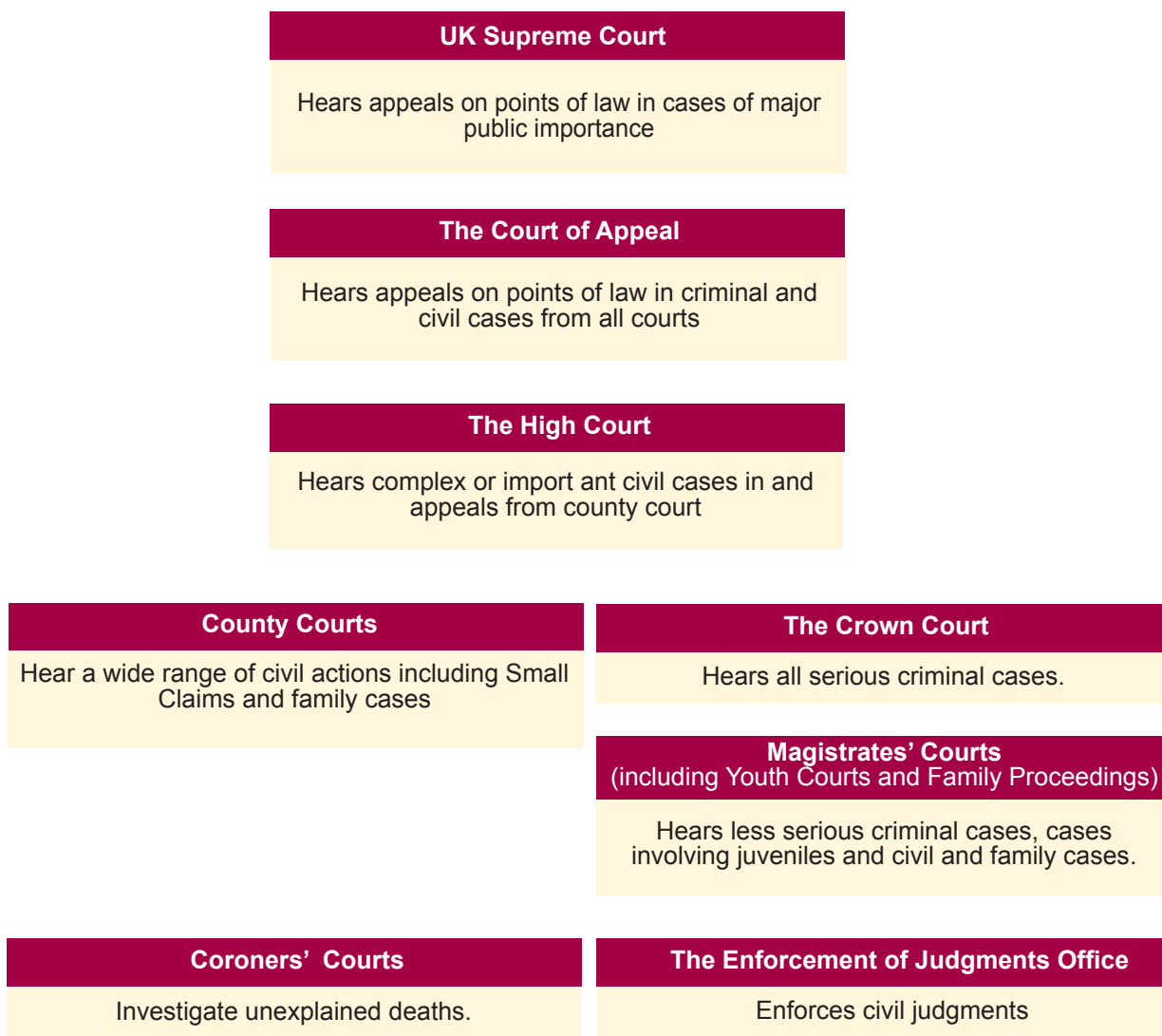
## Court Divisions &amp; Map



Division	County Court Division	Petty Sessions District
<b>Belfast</b>	Belfast	Belfast and Newtownabbey
<b>Londonderry</b>	Londonderry	Londonderry, Magherafelt, Limavady
<b>Craigavon</b>	Craigavon	Craigavon, Lisburn
<b>Antrim</b>	Antrim	Antrim, Ballymena, Larne, North Antrim
<b>Armagh</b>	Armagh	Armagh, Banbridge (sitting at Newry), Newry and Mourne
<b>Omagh</b>	Omagh	East Tyrone, Fermanagh, Omagh, Strabane
<b>Newtownards</b>	Newtownards	Ards, North Down, Castlereagh, Down

Appendix 2

# Court Structure in Northern Ireland



## Appendix 3

## Judicial Complement in Northern Ireland

**Judicial complement of salaried judicial officers in Northern Ireland as at 31 March 2010:**

Lord Chief Justice	1
Lord Justices of Appeal	3
High Court Judges	10
County Court Judges	17
District Judges (Magistrates' Courts)*	21
District Judges (County Court)	4
High Court Masters	7
Coroners	4
Social Security and Child Support Commissioners	2
Lands Tribunal Member	1
Appeal Tribunal Commissioners	2
Total	72
Lay Magistrates	209
Number of Deputy and fee paid Judicial Officers	57
Fee Paid Tribunal members	389

\* Includes two part-time

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