

# Police Rehabilitation & Retraining Trust Annual Report and Accounts

For the year ended 31 March 2015



Rehabilitation and  
Retraining Trust

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Police Rehabilitation & Retraining Trust  
Annual Report and Accounts

For the year ended 31 March 2015

*Laid before the Northern Ireland Assembly*

*Under the Audit and Accountability Companies (Public Sector Audit) Order (NI) 2013*

*By the Police Rehabilitation & Retraining Trust*

*on*

*1st July*

*2015*

# THE POLICE REHABILITATION AND RETRAINING TRUST

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# THE POLICE REHABILITATION AND RETRAINING TRUST

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# THE POLICE REHABILITATION AND RETRAINING TRUST

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## Chairman's Foreword

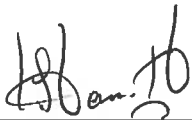
On behalf of the Board of Directors I present the Annual Report and Accounts of the Police Rehabilitation and Retraining Trust (PRRT) for the year ended 31 March 2015. This is the final annual report in respect of the Trust reporting as a 'Company Limited by Guarantee.' With effect from the 1<sup>st</sup> of April 2015 the Trust holds the status of a Non Departmental Public Body (NDPB) which better aligns the governance arrangements for the Trust with those of its sponsor department, the Department of Justice. To reflect the change in status a new Board of Directors has been selected by the Department and appointments made by the Minister. I, and my fellow Directors, wish the new Board well in their work and I know they are assuming responsibility for a highly professional and dedicated cadre of staff who deliver a first class service to the client group of the Trust.

For the clients of the Trust, the change in status will have no impact on the day to day services provided.

On behalf of the Board of Directors, I extend my sincere thanks to all of the staff for their outstanding work and dedication.

It is with considerable pride that I and the Directors of the Trust, both past and present, reflect on the journey of the Trust and its many achievements, with the main achievement being the many officers, both retired and serving, who now enjoy a better quality of life through having made contact with the PRRT. There were many challenges on the journey, including those around funding, and it is a testimony to all who were involved at Board level over the years that the Trust has stood the test of time and now moves into a new era.

I extend my thanks to my fellow Directors and the Chief Executive Officer and his team, for their hard work and invaluable support and guidance to me during the past twelve months.



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**Sheamus Hamill QPM MA FCMI**  
**Chairman of the Board of Directors**

# THE POLICE REHABILITATION AND RETRAINING TRUST

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## Chief Executive's Remarks

The past year has been the final period of the Budget 2010 Comprehensive Spending Review. This has resulted in an extremely challenging few years for the Police Rehabilitation and Retraining Trust (PRRT). Nevertheless, over the past year, we have continued to maintain and build on the successful service delivery, positive outcomes and client satisfaction which we have consistently achieved over the years. This has been made possible due to the commitment and professionalism of staff in all areas across the organisation who have continued to provide high quality front-line services to our clients in an environment of significantly reducing resources.

PRRT continues to focus on how best to effectively and efficiently meet the diverse needs of its client group. The Senior Management Team (SMT) work together on an ongoing basis to continue to develop multi discipline approaches which are cross cutting in terms of the services provided.

The Departmental Reports, which are shown later in this report, will give further details on numbers of clients, the associated work activities and the positive outcomes achieved, however it is worthwhile highlighting a number of key successes:

- As a team, one of our key objectives is to keep waiting lists down to within tightly managed agreed targets and again over the past year I am pleased to say that we have consistently met these targets;
- The demand for PRRT services remains constant and increasing in a number of areas. Despite staff reductions, we continue to provide clients with professional and timely services. Our success has been evidenced by consistently high client satisfaction data across all services;
- At the end of the financial year, PRRT changed its status from a Company limited by guarantee, to an Executive Non Departmental Public Body (NDPB). This has necessitated a significant and demanding increase in workload for the corporate functions of the Trust. The staff involved have carried out this challenging exercise in a professional and timely manner to ensure a smooth and efficient transition of status. We have worked in conjunction with professional, legal and financial advisers and Sponsor Department, the Department of Justice (DoJ) to ensure this has been an effectively governed process.

It is important for me to assure all PRRT stakeholders, in particular, our core client group that the transition to NDPB status will not impact on the services provided and I would be hopeful that it will lead to even more productive and beneficial working relationships with our Sponsor Department.

The original Board of Directors, some of whom founded PRRT, will leave on transition to NDPB. This Board has been responsible for the oversight, development and governance of PRRT and can be very proud of what the organisation has achieved during their tenure as Directors.

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As an NDPB, PRRT will continue to develop an effective working relationship with the DoJ. The reporting, accountability and governance demands can be a challenge for a small organisation whose staff are mainly dedicated to front-line service delivery. This necessitates an efficient and integrated corporate approach by the relevant professional disciplines in the Trust and close liaison with the DoJ as this is key to delivering good governance, clear accountability and best practice.

I have received much positive feedback from clients over the years outlining the positive benefits of the service they have received. This would be impossible without the skills, dedication and commitment of staff at all levels and disciplines. As we look forward to the future in continuing to provide and develop our services in a changing and demanding environment, we can assure all our clients and stakeholders that the focus on providing a quality service, carried out efficiently and effectively, will continue to be our key objective.

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**Eddie Gaw**  
**Chief Executive**



## Departmental Reports

### Psychological Therapies Department

#### Clinical Service

Widely recognised as the leading providers of evidenced based psychological therapies to the police family the Psychological Therapies team at PRRT have had a very productive year. PRRT continues to provide specialist services for Retired Officers, their spouses, partners, children, bereaved parents and widows. Despite seeing a decrease in resources over this reporting period, treatment has continued to be delivered within targets with all patients being seen by a clinician within a maximum of 10 days from initial telephone contact. This ensures that service users' needs are immediately identified and appropriate action taken. During the last quarter due to decreased resources our treatment waiting time following initial assessment for non-urgent cases rose from our 6 week target to 12 weeks.

Taking the step to engage in treatment is a challenging and courageous one and our patients continue to tell us that they feel safe and contained within the treatment process, always moving at their pace towards their individual goals. Our bespoke initial assessment has been designed to ensure that we are able to collect the required information without our patients having to discuss upsetting and distressing material before they are ready to do so.

The complex and chronic presentations to the service have remained constant with team clinicians treating a very wide range of psychological disorders and associated problems relating to police service. We continue to ensure all patients entering treatment formulate individual and tangible treatment goals that are closely monitored and constantly worked towards. Following the achievement of these goals patients are discharged to supported follow up to ensure they maintain their quality of life gains. This ensures that potential environmental triggers such as trauma 'anniversaries' or security threats are managed in a constructive way thus avoiding relapse.

Patient feedback demonstrates that 100% of all respondents were either very satisfied or satisfied with their treatment, with 100% of all patients rating their quality of life as better following treatment.

A sample of written feedback from patients:

*"I am very happy with the way I was treated and would recommend it to anyone."*

*"Treatment was over and above what I expected, rapport was built quickly and easily and helped with my treatment. I believe treatment has given me my life back."*

*"An excellent service. I don't know what I would have done without your help and support."*

*"Big thanks to this service, it has quite literally been a lifeline."*

*"A vitally important service that really does work so well"*

In addition to providing clinical services to the police family the department continues to be the provider of psychological support to the wider DoJ family. All department clinicians have attended professional development training courses throughout this year to ensure that patients are offered the most up to date and effective treatments for their service related conditions.

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### **Partnership working with the Police Service of Northern Ireland's (PSNI) Occupational Health and Wellbeing Service (OHW)**

The department has a long history of working in partnership with PSNI OHW to provide treatment for serving officers. This partnership working has enabled a significant number of serving officers to receive the treatment they require whilst remaining at work. Partnership working has also ensured that referrals following critical incidents are assessed and treated rapidly to optimise positive outcomes. Feedback from serving officer service users has been excellent.

### **Sharing Knowledge and Skills with the PSNI**

Over the past year the service has continued to work closely with our colleagues in the PSNI. A number of specialist training programmes have been designed and delivered to officers focusing on areas such as Trauma Resilience and Managing Individuals with Mental Health Issues during critical incidents. Specialist consultations and contributions to existing PSNI courses have also been taken place with excellent working relationships being maintained.

### **Working in Partnership with DoJ Learning and Development Forum**

We continue to work with the DOJ Learning and Development Forum to design and deliver bespoke training to DoJ staff as part of its Managing Mental Health Strategy. Courses have been designed and delivered to a range of DoJ services in the areas of Understanding Mental Illness, Managing Mental Health for Managers and Conflict Management in Mental Health. Feedback from these courses to date has been excellent and they will continue to be facilitated throughout the coming year.

During the past year the department has had several opportunities to share its skills with the wider DoJ family. Clinical knowledge has been transferred into specialist practical training courses in the areas of Conflict Management, Trauma Resilience, Managing Distressed and Difficult People and Stress Management. Courses have been provided for The Northern Ireland Judiciary, Forensic Service NI, the Police Ombudsman for Northern Ireland, the Northern Ireland Police Fund, the Police Service of Northern Ireland, the Youth Justice Agency and PRRT internal staff.

### **Psychological First Aid**

DOJ staff working in 'front line' services, continue to be supported by the PRRT team in very practical ways. The department continues to provide psychological support to DOJ organisations following significant critical incidents. This specialist support delivered by senior clinicians continues to receive very positive feedback. The support has minimised staff distress and sick leave and has assisted professional teams in the management of traumatic incidents.

### **Knowledge Sharing**

In addition to the above training provision, team clinicians have also taken opportunities to share their knowledge with the wider psychological community. Working partnerships with the PSNI, Statutory Mental Health teams and links with Queen's University have enabled mutual sharing of clinical expertise.

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## Physiotherapy Department

The Physiotherapy team continues to provide a high quality, evidence based service to our clients in order to enable them to maintain and improve their quality of life and functional ability. The core business of the department continues to be one-to-one musculoskeletal physiotherapy delivered at PRRT and through our regional associate practices.

This has been another very busy year for the department. Our new network of associate practices is working well and the telephone triage system continues to offer speedy access to this service. The number of clients attending for treatment at PRRT (in-house) has increased by 6% over the period.

### Group work

Group exercise courses such as Tai Chi and Core Stability continue to be a useful adjunct to our service. Hydrotherapy in Newtownards and Ballymoney is a valuable resource for clients with long term, chronic and often painful conditions.

### Continuous Professional Development (CPD)

Team members have attended various external courses as part of their CPD activities including the Annual National Physiotherapy Conference, Physiotherapy UK. This is an invaluable opportunity to benchmark our service against best practice and clinical evidence.

### Service audit outcomes

The findings from the 2014-15 client satisfaction survey revealed that 97% of clients were very satisfied or satisfied with the service, whilst 95 % of clients felt that they gained moderate to great benefit from the treatment they received. We received 355 completed discharge questionnaires with many positive comments:

*' I feel very fortunate to have been accepted for Physiotherapy at PRRT. The treatment I received from (name) has greatly helped my mobility and improved my quality of life so much. At my Assessment appointment I was in such pain that I could hardly walk and she was very understanding and gave me treatment at a very gentle pace. I felt re-assured that she would provide me with the correct care for my problem'.*

*'The physio and acupuncture sessions have been of great benefit. During treatment, each week my pains gradually abated to a much more bearable level. I can mostly maintain this bearable level in the months since the completion of treatment. I am very grateful to (name) who I found to be most personable & professional. She definitely changed my quality of life for the better. A big thank you'*

*' I found physio service to be fabulous it helped me considerably without it I would have limited mobility'.*

### Links with the Ulster University at Jordanstown (UUJ)

The department hosted two placements this year for final year physiotherapy students. This allows us to maintain links with the UUJ and to share our knowledge and expertise.

### DOJ

The department continues to offer support to the wider DoJ family providing treatment to serving officers through the PSNI's OHW Seapark Scheme, the Youth Justice Agency and the NI Policing Board. This year our clinical lead provided some additional support to PSNI OHW over a 4 month period by conducting fitness for work assessments at Seapark.

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### **Personal Development and Training Department**

The newly merged Personal Development and Training Service is focused on assisting clients in building the confidence, skills and knowledge to succeed in their pursuit of personal and professional goals. The impact of the efficiency savings imposed by the current CSR saw a need for PRRT to make significant financial savings across its services. One of the major changes was the amalgamation of the 'Coaching and Development' and the 'Training and Education' services, which unfortunately resulted in a number of redundancies. The challenge for the newly created service has been to maintain a focus on the needs of clients whilst being cognizant of the impact of a reduction in staff and resources. The most significant change following a review of existing provision, consideration of client and service priorities and available resources was a reduction in vocational and academic courses delivered by PRRT.

Despite a reduction in staffing levels and resources the service has exceeded key targets and transparent processes have been put in place to monitor throughput. Service staff were introduced to a client database towards the end of 2014 which was piloted by healthcare services. This has reduced the requirement for hard copy files and review of effectiveness in capturing and reporting information is ongoing.

#### **Coaching and Development Sessions**

Despite initial concerns amongst the client population regarding a reduction in resources and the potential impact on services, the demand for assistance in preparing for a new future has continued unabated. The service is delivered in Belfast, Enniskillen and Coleraine. Working with a Career and Personal Development Coach has helped hundreds of retiring and retired officers to feel less anxious and concerned about retirement. Many have engaged in training and education to enhance their existing skills to prepare for employment and opportunities in new sectors. The majority of people using the service are serving officers preparing for retirement. During 2014/15 a total of 416 new clients accessed the service and 1284 appointments were provided to assist them in developing employment and retirement goals, writing and reviewing personal CVs, completing application forms and preparing for interviews.

#### **Northern Ireland Prison Service (NIPS) Early Exit Scheme**

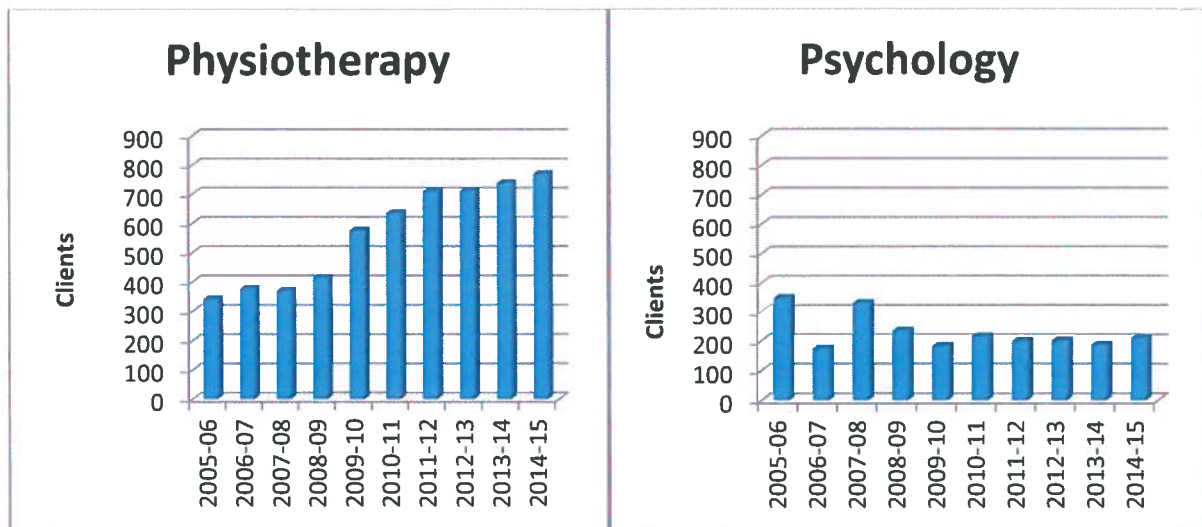
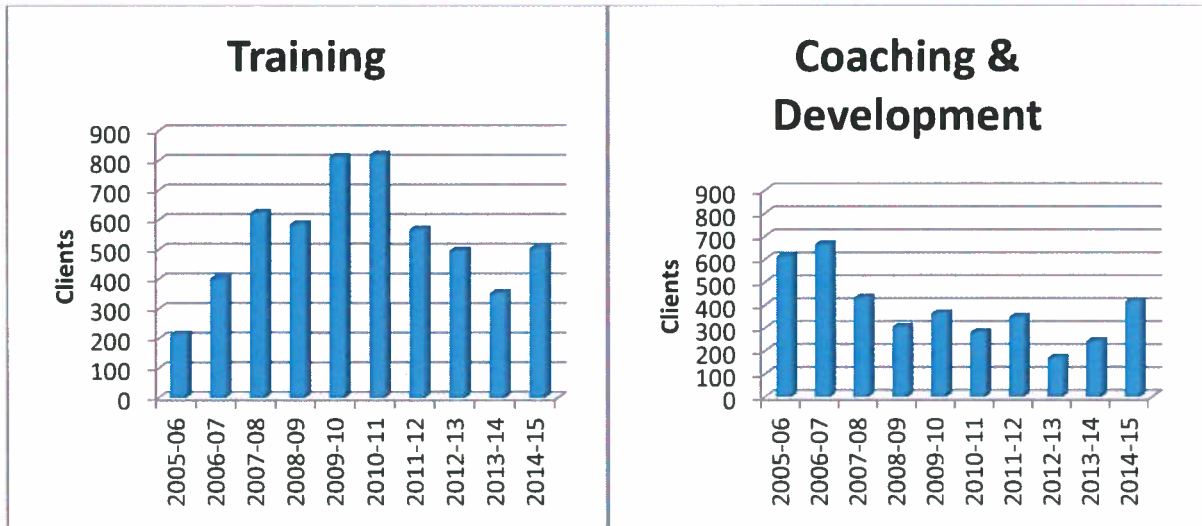
The final group of prison service employees retiring via the NIPS Early Exit Scheme engaged with PRRT for Career and Personal Development Coaching in April 2014. A total of 27 people requested one-to-one coaching and to attend courses in Managing Change, CV Development, Job Search and Interview Skills. Feedback on the services delivered was extremely positive and effective in preparing people for retirement.

#### **Training**

Clients are supported in the development of skills, knowledge and expertise through attending courses delivered by PRRT or by other providers. The portfolio of courses previously delivered by PRRT was reduced due to budgetary constraints. Despite a reduction in the number of courses in 2014/15, 505 clients attended training courses delivered by PRRT which represents a significant increase on the previous year. Focus in the latter part of the year was on the reduction of waiting lists generated by a procurement exercise and the appointment of training providers. The most popular courses were ECDL, Level 3 Education and Training and CV Development.

In addition to course provision, the service received 378 applications from eligible clients for funding support towards courses with other providers.

Client Throughput – 2005/06 to 2014/15



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## Strategic Report

The PRRT presents the Annual Report and the Audited Accounts for the year ended 31 March 2015.

On 12 April 2010, policing and justice functions in Northern Ireland were devolved to the Northern Ireland Assembly and the DoJ came into existence as a new Northern Ireland Department.

Founding legislation for PRRT was passed during 2014/15, by way of the Financial Provisions Act (NI) 2014. The associated Statutory Regulations were laid on 11 June 2014, and came into effect on 10 July 2014.

During the course of 2014/15, PRRT has been working towards a transition from Company status to that of an Executive Non Departmental Public Body (NDPB). The required Financial, Legal and Tax Due Diligence reports have been carried out and approved by the Board. A formal Transfer Agreement has also been completed and signed off by the Board. From the 1 April 2015 PRRT Ltd ceased to trade. Business as usual has carried on for clients and staff and services have not been affected.

The Annual Report and Accounts for the year ended 31 March 2015 will be laid before the Northern Ireland Assembly.

The PRRT complies with the corporate governance and accountability framework arrangements (including '*Managing Public Money Northern Ireland*' (MPMNI)) issued by the Department of Finance and Personnel (DFP) and the DoJ.

### Review of Business

The PRRT has successfully delivered a range of services in support of serving and retired police officers who are preparing for life after leaving the police. This has included the direct provision of services, appropriate support to organisations with similar aims within the wider police family and the development of links in wider society.

### Financial Position at the Year End

The PRRT maintained a steady financial position at the year end, with a balance of £916,665 carried forward on the general reserve account. Sufficient funding is in place to support all expected activities in the coming year.

During the year, an additional £67,002 was invested in fixed assets to further improve the facilities and equipment available for client service delivery.

The financial results of the PRRT operations in 2014-15 are set out in detail within the Financial Statements section.

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In preparing the accounts, the PRRT is required to observe the accounts direction issued by the DoJ, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis.

The Financial Statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted and interpreted by the 2014-15 Government Financial Reporting Manual (FReM) issued by HM Treasury. The accounting policies contained in the FReM comply with IFRS as adapted or interpreted for the public sector context.

### **Business Review Strategy**

The PRRT prepares annual Business Plans. Each area of responsibility monitors performance and reports regularly to the Senior Management Team (SMT) and, on a bi-monthly basis, to the Board on the achievement of targets. Details of the PRRT activities for the year are provided in the Annual Report Departmental Reports.

### **Key Performance Indicators**

The PRRT has specific key performance indicators (KPIs) for each department. These are reported and reviewed on a monthly basis by the senior management team, on a bi-monthly basis by the Board and at the quarterly governance meetings with the DoJ. Key performance indicators for PRRT are listed under each departmental heading below.

### **Psychological Therapies**

- Provide a psychological therapy service for 200 new clients during 2014/15. Total new clients seen during the year was 210.
- Waiting times were on target taking an average of 14 days before being initially assessed.
- Time from initial assessment to treatment was set at 4-6 weeks. On average, for the year, patients commenced treatment within 6 weeks. However the last quarter of the year this target was not met due to limitations on staff resources.
- Satisfaction rates were set at 95%. 88% reported being very satisfied with 12% being satisfied.

### **Physiotherapy**

- A minimum target of 600 new clients was set for 2014/15. Total clients seen during the year was 770, an increase of 4% on the previous year. This has been managed by increased efficiency in the management of our outsourced provision.
- Delivery of 330 clinical sessions per month was exceeded with an average of 354 per month and a total of 4,254 sessions provided for the year.
- Specialist programs delivery providing 500 group places per annum; actual delivery included 761 placed across core stability, tai chi and hydrotherapy groups. Although the number of classes held was reduced by 25% due to staffing issues we were able to maximise attendance by changing our booking processes.
- Assessments have been offered to clients within two weeks of referral.

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- Satisfaction rate of 95% was targeted. 355 clients responded to surveys, 97% were either very satisfied or satisfied.

### **Personal Development and Training**

- Target to provide one-to-one coaching (personal and professional) development sessions to 200 new clients. 416 clients were assisted during 2014/15.
- Target for 14/15 was to provide a minimum of 500 sessions to clients, 1,284 sessions were actually delivered.
- Training courses to be provided to 100 clients. 168 clients received non-accredited training and 337 accredited training. A total of 505 clients.

### **Finance and Shared Services**

- Management accounts to be produced within 15 days of month end. On average this target was met most months of the year.
- Ensure annual accounts, annual report and files were reported within targets set.
- Annual budgets were completed on a timely basis ensuring effective use of reduced funding resources.
- Internal audit points that were noted during the year have been addressed.
- Sickness absence targets were set at 4%. Due to long term sickness PRRT has not met this target but continues to manage absence appropriately.

### **Corporate**

- Quarterly governance meetings were held with Sponsor Branch and action points addressed on a timely basis
- Continuing professional development of staff has been managed to ensure staff are equipped and skilled to deliver a high quality service
- Corporate training is up to date and maintained to ensure a professional delivery of client service.

### **Principal Risks and Uncertainties**

The PRRT continues to be funded by grant in aid from the DoJ. The PSNI FTR Severance Support Programme has been extended to the end of December 2017, via an SLA between PSNI and the PRRT with DOJ having funding responsibility for this contract.

### **Budget and Resources**

During the course of the financial year, PRRT continued to demonstrate sound financial management despite a final year Comprehensive Spending Review budget reduction of £250K. In addition an extra £33K was removed from the opening budget in April 2014 which reduced the core element down to £1,716K. PRRT were however successful in having approved bids to cover statutory redundancy costs of £42K and due to the wind up of the PRRT Company, the department also covered the legal and professional fees associated with this at £40K.

### **Future Development**

PRRT will continue to provide services to police clients and in particular to support the



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severance arrangements for FTR officers leaving PSNI. The PRRT is also committed to sharing the expertise of our staff and clients with other organisations within the DoJ family, and to identifying opportunities for income generation. The company PRRT Ltd will be dissolved during 2015/16. It is not anticipated that this will affect services or clients in any way.

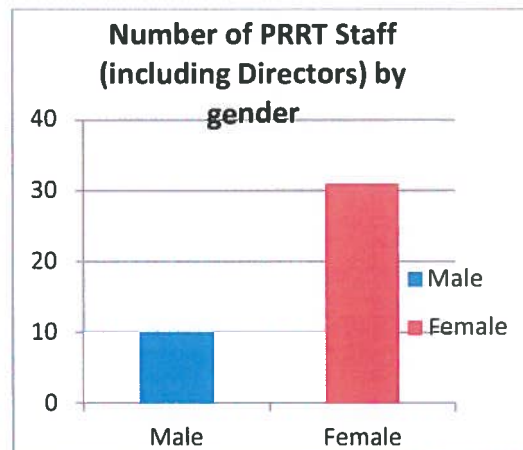
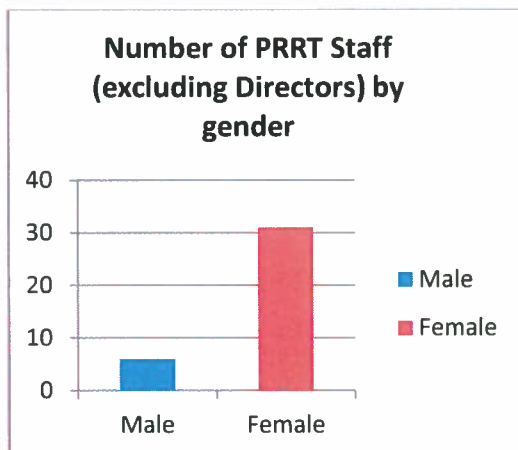
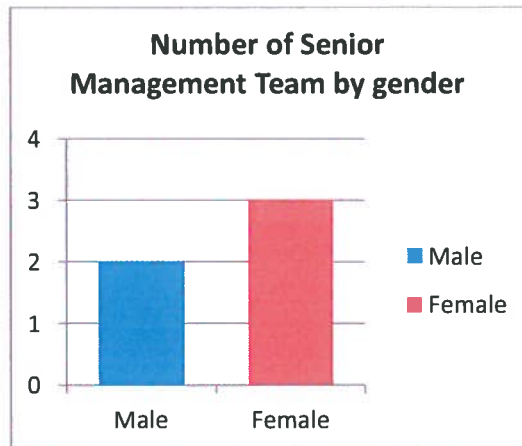
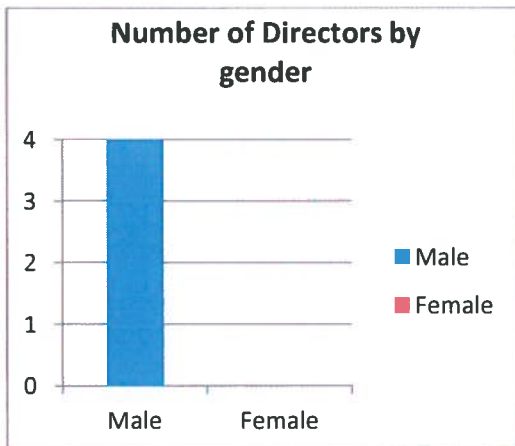
### Data Handling

Personal data includes any information which links one or more identifiable living person with information about them which, if released, would put them at significant risk of harm or distress, any source of information about 1,000 or more identifiable individuals, or other information sourced from the public domain. There were no data breaches during the year.

### Staffing

The key resource within PRRT is the staff it employs. Expenditure on staffing represents the largest area of spend by PRRT. Expenditure on staff during the year was £1,235k (£1,432k 2013/14). Staff numbers fell from 48 in 2013/14 to 41 at the end of March 2015 due to redundancies. Further information in respect of staff costs can be found on pages 47 to 48 in notes 4 and 5 to the Notes to the Accounts.

Staffing at the end of year can be split by gender as detailed below;



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### **Absence Data**

For the year 2014-15 the PRRT measured cumulative absence at 6.14% (2014: 2.73%). This is broken down to 5.07% (2014: 1.58%) for long term absence and 1.07% (2014: 1.15%) for short term absence. Long term absence is managed within the policies and procedures of PRRT. Due to reducing staff numbers any period of absence has a greater and more significant impact on the statistics. Regardless, the target will remain at 4% and PRRT will continue to strive to meet this over the next reporting period.

### **Off Payroll Appointments**

PRRT had no off payroll appointments during the period or in the comparative period.

### **Employment of Disabled Persons**

The PRRT aims to ensure that people with a disability suffer no detriment in recruitment and advancement and that its policies and practices comply with the requirements of the Disability Discrimination Act 1995 and Disability Discrimination (Amendment) Regulations 2003. The consideration and implementation of reasonable adjustments help to ensure that staff with disabilities can fully utilise their skills and abilities.

### **Equal Opportunities and Diversity**

The policy of the PRRT is that all eligible persons shall have equal opportunity for employment and advancement on the basis of their ability, qualifications and aptitude for work. Under the policy, no person must be treated less favourably, in any respect of his/her employment, for a reason related to gender, marital status, religious belief, political opinion, disability, colour, race, ethnic or national origin, age, sexual orientation and having dependants, which should be irrelevant to the treatment or assessment of that individual.

The PRRT is an Equal Opportunity employer and is fully committed to the elimination of all forms of harassment and bullying, discrimination and victimisation. The PRRT recognises the legal obligations under which it operates and ensures working relationships are based on mutual trust, respect and understanding. This allows the maximum potential to be made of the wide variety of skills, abilities and attributes available within the Trust.

### **Complaints Procedure**

The PRRT operates a three stage complaints procedure. All complaints, where possible, will be investigated in a confidential and discreet manner. At times, the information may have to be shared with the individuals against whom the complaint has been made. The first stage is to try and seek resolution with the staff member concerned, failing this the matter moves to stage two where the Head of Department is required to investigate the incident. The final stage is escalation to the Chief Executive.

During 2014-15 the PRRT received 2 complaints (2014: 0).

### **Prompt Payment Practice**

The PRRT is committed to the prompt payment of bills for goods and services received in accordance with the Confederation of British Industry's Prompt Payers Code and Government accounting rules. Unless otherwise stated in the contract, payment is made no later than 10 working days from the presentation of a valid invoice or similar demand which has been appropriately authorised for payment. If invoices are not appropriately approved

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payment may be slightly delayed. During 2014-15, 72% of invoices were paid within 10 days and 100% were paid within 30 days.

The PRRT now pay for the majority of goods and services via BACS. This is efficient and ensures that suppliers receive payments more promptly and directly into their bank accounts. Going forward, all suppliers are now asked to ensure information is provided to enable this method of payment.

### **Sustainability and Environmental Matters**

The PRRT, despite its small scale, is concerned to ensure that it minimises its environmental impact and is committed to continuing its drive on sustainable development by promoting and maintaining a positive and inclusive culture amongst staff and stakeholders. The PRRT recycles paper, plastic, cardboard and cans, which has significantly reduced the amount of waste that is disposed of to landfill.

  
\_\_\_\_\_  
**Eddie Gaw**  
**Accounting Officer**

**Date:**

2/6/15

## Remuneration Report

### Remuneration Policy

The remuneration of senior staff is the responsibility of the Chief Executive, Heads of Department and the Human Resources Manager. PRRT staff are not civil servants and are remunerated in line with external salary scales appropriate to their role and professional background.

Clinical staff are aligned to the National Health Service (NHS) scales, all other staff are on National Joint Council (NJC) scales. The PRRT is not involved in pay negotiations but follow nationally negotiated pay agreements.

The NJC agreement covered the period from April 2014- March 2016 and was notified in November 2014. A pay increase was agreed at 2.2%, with non-consolidated payments to be made in December 2014 and April 2015 rate of pay applicable from 1 January

The NHS agreement negotiated covered only the period April 2014 – March 2015. It was agreed that staff who are due an increment will receive this. All other staff will receive a 1% non-consolidated payment which will not be pensionable. Agreement for April 2015 – March 2016 has not been made.

All remuneration, incremental and cost of living increases are subject to DFP pay remit processes and are submitted to DOJ for approval. The pay remits are then passed to DFP for final approval. Both NJC and NHS pay remits plus one outstanding from 2013/14 are awaiting DFP approval, despite having been submitted a number of months ago.

In reaching its recommendations for the payment of staff the PRRT 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 the effects on the recruitment and retention of staff;
- the funds available to the PRRT as set out in the DoJ's agreed expenditure limits;
- the appropriate sections of the PRRT Management Statement and Financial Memorandum (MSFM).

The PRRT will also take account of the evidence it receives about wider economic considerations and the affordability of its recommendations. Staff performance is appraised by line managers against agreed objectives and targets. The PRRT employees do not receive bonuses.

### Service Contracts

Directors are non-executive and are appointed by the DOJ Minister for a fixed period. The PRRT employees are directly employed and are not civil servants.

## THE POLICE REHABILITATION AND RETRAINING TRUST

### Remuneration and Pension Entitlements

The following sections provide details of the remuneration and pension interests of the Directors and senior officials of the PRRT.

#### Salary

'Salary' includes gross salary, overtime and any other allowance to the extent that it is subject to UK taxation. This report is based on payments made by the PRRT.

#### Benefits in Kind

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

#### Off Payroll Payments

The PRRT did not make any off-payroll payments for engagements costing over £58,200. A number of agency staff were employed on a temporary basis. The cost of this is shown in the Financial Statements at note 5.

#### List of Directors/Senior Staff and Remuneration– AUDITED INFORMATION

	2014-15		2013-14	
Officials	Salary	Benefits in kind (to nearest £100)	Salary	Benefits in kind (to nearest £100)
	£'000		£'000	
Mr W Brown - Director	0 - 5	-	0 - 5	-
Mrs J D'Arcy - Director	0 - 5	-	0 - 5	-
Mr S Hamill - Director	5 - 10	-	5 - 10	-
Mr E Hanna - Director	0 - 5	-	0 - 5	-
Mr D McClurg – Director	0 - 5	-	0 - 5	-
Mr T Spence - Director	-	-	-	-
Mr A Sherrard – Director	0 - 5	-	0 - 5	-
Mr R Walker – Director	0 - 5	-	0 - 5	-
Mr M Lindsay - Director	-	-	-	-
Mr J Stewart – Director	-	-	-	-
Mr T Lewis - Director	0 - 5	-	0 - 5	-
Mrs C Dixon – Director	0 - 5	-	0 - 5	-
Mr D J Watkins – Director	0 - 5	-	0 - 5	-
Mr E Gaw - Chief Executive	60 - 65		60 - 65	

## THE POLICE REHABILITATION AND RETRAINING TRUST

### Pay Multiples – AUDITED INFORMATION

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the median remuneration of the organisation's workforce.

The banded remuneration of the highest-paid official (see previous table) in the financial year 2014-15 was £62,500 (2014: £62,500). This was 2.27 times (2014: 1.92) the median remuneration of the workforce, which was £27,500 (2014: £32,500). In 2014-15, 1 (2014: 1) employee received remuneration in excess of the highest paid official. Remuneration ranged from £5,000 to £70,000 (2014: £5,000 to £70,000).

Total remuneration includes salary, non-consolidated performance-related pay, benefits-in-kind as well as severance payments. It does not include employer pension contributions and the cash equivalent transfer value of pensions.

### Pensions of Senior Management – AUDITED INFORMATION

Officials	Accrued pension at age 60 as at 31/3/14 and related lump sum	Real increase in pension and related lump sum at age 60	CETV at 31/3/15	CETV at 31/3/15	Real increase in CETV	Employer contribution to partnership pension account
	£'000	£'000	£'000	£'000	£'000	Nearest £100
<i>Chief Executive E Gaw</i>	-	-	-	-	-	£9,700

Directors have no pension entitlement from the PRRT. For the PRRT employees, a stakeholder pension arrangement is in place. The employer makes a basic contribution of 6% of basic salary into a personal pension plan, for the majority of employees, with the exception of the Chief Executive. Employees may also make personal contributions.

## THE POLICE REHABILITATION AND RETRAINING TRUST

### Redundancy

During the year, 8 (2014: 5) staff members were made redundant. In the event of staff being made redundant the PRRT follows the statutory rules and guidelines and redundancy payments are made in accordance with statutory entitlements. Staff members made redundant do not receive an enhanced exit package. The table below shows this information with comparative figures for the previous year in brackets.

### Reporting of compensation and exit packages for all staff 2014-15 (2013-14)

Exit package cost band	Number of compulsory redundancies		Number of other departures agreed		Total number of exit packages by cost band	
	2014-15	(2013-14)	2014-15	(2013-14)	2014-15	(2013-14)
<£10,000	4	(3)	4	(2)	8	(5)
£10,000-£25,000	-	(-)	-	(-)	-	(-)
£25,000-£50,000	-	(-)	-	(-)	-	(-)
£50,000-£100,000	-	(-)	-	(-)	-	(-)
£100,000-£150,000	-	(-)	-	(-)	-	(-)
£150,000-£200,000	-	(-)	-	(-)	-	(-)
Total number of exit packages	4	(3)	4	(2)	8	(5)
Total Cost £	£11,499 (£10,729)		£11,383 (£16,886)		£22,882 (£27,615)	

  
 Eddie Gaw  
 Accounting Officer

Date:

2/6/15

## THE POLICE REHABILITATION AND RETRAINING TRUST

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### Statement of Accounting Officer's Responsibilities

The PRRT is required to prepare financial statements in accordance with the Companies Act 2006 and, in addition to its obligations as an Executive Non Departmental Public Body (NDPB), PRRT is required to:

- Follow the accounts direction issued by the DoJ, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- Give a true and fair view of the state of affairs at 31 March 2015 and subsequent financial year-ends, and of the income and expenditure, changes in taxpayers' equity and cash flows for the financial year then ended;
- Provide disclosure of any material expenditure or income that has not been applied to the purposes intended by the NI Assembly or material transactions that have not conformed to the authorities which govern them;
- Comply with the requirements of the FReM that will be necessary for the accounts to give a true and fair view. Any material departure from the FReM will be discussed with the DoJ and DFP.

The DoJ has designated the Chief Executive as Accounting Officer of the PRRT.

The responsibilities of an Accounting Officer includes, responsibility for the propriety and regularity of public finances, for keeping proper records and for safeguarding PRRT's assets, which are set out in Chapter 3 of MPMNI.

  
\_\_\_\_\_  
Eddie Gaw  
Accounting Officer

Date:

2/6/15



# THE POLICE REHABILITATION AND RETRAINING TRUST

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## Directors' Report

The Directors have pleasure in presenting their Annual Report and the Financial Statements of the PRRT for the year ended 31 March 2015.

### Principal activities and business review

The principal activities of the PRRT during the year were to assist former and serving members of the Royal Ulster Constabulary and the Police Service of Northern Ireland with psychological therapies, physiotherapy, personal development and training prior to and following cessation of their service. The PRRT has also provided services to other DoJ bodies.

### Results

The net expenditure for the year amounted to £216,509.

### Events after the Reporting Period

The legal status of PRRT changed on the 1st April 2015 from that of a company limited by guarantee to "body corporate". The financial statements have been prepared on a wind-up basis as the company PRRT will in the forthcoming year be wound up with all trading transferred to the NDPB. This change in legal status does not affect the PRRT's ability as an entity to continue to trade at its normal capacity going forward..

### Directors

The Directors of the company who served the PRRT during the year were as follows:

Mr S Hamill (Chair)	
Mr E Hanna	
Mr D McClurg	
Mr J Stewart	
Mr R Walker	
Mr M Lindsay	– appointed 4 February 2015
Mr T Spence	– resigned 4 February 2015
Mr W Brown	– resigned 30 June 2014
Mrs J D'Arcy	– resigned 30 June 2014
Mrs C Dixon	– resigned 30 June 2014
Mr T Lewis	– resigned 30 June 2014
Mr A Sherrard	– resigned 30 June 2014
Mr D J Watkins	– resigned 30 June 2014

## THE POLICE REHABILITATION AND RETRAINING TRUST

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### **Re-appointment and retirement of Directors**

The PRRT's reclassification to an Executive NDPB, together with the founding legislation, requires all Board appointments to be made in line with the Commissioner for Public Appointments for Northern Ireland's Code of Practice and to be appointed by the Minister for Justice. The current Directors will stand down on completion of the winding up of the PRRT Company Limited. New Directors have been appointed from 1<sup>st</sup> April 2015 to run the PRRT "body corporate".

### **Register of Interests of Board Members**

Directors are required to register all interests, direct or indirect, which members of the public might reasonably think could influence their judgement. This register is open to view by the public. Any significant interests are detailed in note 15: Related Party Transactions.

### **Research and Development**

The PRRT is committed to an on-going programme of research in order to develop and improve service provision.

### **Pension Liabilities**

The PRRT operates a defined contribution pension scheme which is outlined in note 1 of the Financial Statements and the Remuneration Report. Details of pension costs are set out in note 5 to the Financial Statements and also in the Remuneration Report.

### **Auditors**

The PRRT Financial Statements for 2014-15 have been audited by the Northern Ireland Audit Office in accordance with the Companies Act 2006.

The audit of the financial statements for 2014-1 resulted in an audit fee which is estimated at £15,000 and is included in the administration costs in the Statement of Comprehensive Net Expenditure. During the year the auditors did not provide any non-audit services.

### **Disclosure of Audit Information**

The Chief Executive is the Accounting Officer. So far as the Accounting Officer is aware, there is no relevant audit information of which the auditors are unaware. The Accounting Officer has taken all the steps that he ought to have taken to make himself aware of any relevant audit information and to establish that the auditors are aware of that information.

### **Directors' responsibilities**

The Directors are responsible for preparing the Annual Report and the Financial Statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Financial Statements for each financial year. Under that law the Directors have elected to prepare the Financial Statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and interpreted by the 2014-15 Government Financial Reporting Manual (FReM) issued by HM Treasury. Under company law the Directors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the PRRT and of the surplus or deficit of the PRRT for that period. In preparing these Financial Statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;

## THE POLICE REHABILITATION AND RETRAINING TRUST

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- make judgements and estimates that are reasonable and prudent;
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the PRRT transactions and disclose with reasonable accuracy at any time the financial position of the PRRT and enable them to ensure that the Financial Statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the PRRT and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Directors are aware:

- there is no relevant audit information of which the PRRT Auditor is unaware; and
- the Directors and the Accounting Officer have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the Auditor is aware of that information.

Approved by the Directors on 4<sup>th</sup> June 2015.



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**Mr E Hanna**  
**PRRT Secretary**

### Governance Statement

#### Scope of Responsibility

The PRRT as its own entity was established in 1999 to provide members of the RUC / PSNI and their families with assessment, treatment, training, and support prior to and following cessation of their service. The PRRT was formed in the wake of the fundamental review of policing which was initiated in 1994 following a survey of police clients which identified the need to provide healthcare and careers based services for them and their families in a secure environment. The purpose of the PRRT therefore is to enable retired or retiring police clients to achieve and sustain a successful transition into civilian life by providing personal and careers advice and guidance, psychological and physiotherapy therapies and services, education, training and employment support. The PRRT also provides a support service to serving officers. The PRRT as an "internal provider" can offer its services to the wider DoJ family in line with the current public procurement framework. Futures NI Ltd (hereafter called Futures) was a wholly owned subsidiary of the PRRT. Futures carried out a similar scope of work to that of PRRT. Futures delivered services to bodies within the DoJ family and to companies and organisations having similar objects and which were agreed with DOJ. Futures ceased trading on 31 March 2013 and was dissolved on 22 August 2014.

Founding legislation for PRRT was passed during 2014/15, by way of the Financial Provisions Act (NI) 2014. The associated Statutory Regulations were laid on 11 June 2014, and came into effect on 10 July 2014.

During the course of 2014/15, PRRT has been working towards a transition from Company status to that of an Executive Non Departmental Public Body (NDPB). The required Financial, Legal and Tax Due Diligence reports have been carried out and approved by the Board. A formal Transfer Agreement has also been completed and signed off by the Board. From the 1 April 2015 PRRT Ltd ceased trading. Business as usual has carried on for clients and staff and services have not been affected.

The PRRT Corporate Objectives are:

1. To assist clients in managing the transition from police to civilian life through the provision of personal development, careers advice and guidance, training and education, employment support and psychological and physical therapies;
2. To provide these same services (whether directly or on a sub-contracted basis) to non-police bodies within, or funded by, the DoJ.

As Accounting Officer for the PRRT, I have responsibility for maintaining a sound system of internal controls that supports the achievement of the PRRT policies, aims and objectives as set out in the annual Business Plan and agreed with the DoJ, whilst safeguarding the public funds and assets for which I am personally responsible in accordance with responsibilities assigned to me in MPMNI. This includes the effective management of financial and non-financial resources, as set out in good management practice as well as specific guidelines or instructions issued by the DoJ.

During the financial year 2014-15 I was directly accountable to the Accounting Officer of the DoJ. The responsibilities of an Accounting Officer are set out in Chapter 3 of MPMNI.

## THE POLICE REHABILITATION AND RETRAINING TRUST

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### **The Purpose of the Governance Framework**

The term Corporate Governance describes the way in which organisations are directed and controlled. The purpose of a Corporate Governance framework is to facilitate accountability and responsibility for the effective and efficient delivery of an organisations statutory responsibilities or aims and objectives. The Corporate Governance framework provides for the arrangements to ensure that the Trust delivers on its objectives and that it does so in accordance with the requirements placed on all publicly funded bodies regarding the stewardship of resources.

The governance framework comprises the systems, processes and service values by which the PRRT is controlled and directed. This enables the PRRT to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate and cost effective services.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot 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 on-going process designed to identify and prioritise the risks to the achievement of organisational policies, aims and objectives, to evaluate the likelihood of risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The governance framework has been in place at the PRRT during the year ended 31 March 2015 and up to the date of approval of the Annual Report and Accounts and accords with the guidance contained within MPMNI.

### **Governance Framework**

The PRRT recognises the importance of appropriate governance and oversight and has the appropriate organisational structure and supporting robust systems in place to ensure effective governance.

There are a number of key organisational roles and structures defined within the corporate governance arrangements – these are the Board of Directors, the Chief Executive as Accounting Officer, the Senior Management Team (SMT) and the Audit Committee.

### **The Board**

The Board is responsible for setting policy, approving the business strategy, agreeing the operating budget, and overseeing corporate governance. The Chairman is responsible to the Minister of the DoJ. The Chairman is responsible for ensuring that the PRRT's policies and actions support the wider strategic policies of the Department and that the PRRT affairs are conducted with probity.

The Chairman shares corporate responsibilities with other Board members, in particular ensuring that the PRRT fulfils the aims and objectives as agreed with the DoJ and approved by the Minister.

At the June 2014 Board meeting, the decision was taken to reduce the size of the Board to the Chairman and three Directors (remunerated) and two Directors (statutory representatives – non remunerated). This was in response to ongoing budget cuts and was necessary in order to meet demanding savings targets for 2014/15.

## THE POLICE REHABILITATION AND RETRAINING TRUST

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Governance is delivered through the following Board structures:

- Board meetings (monthly)
- Audit Committee meetings (a minimum of four meetings per annum)

The attendance of the Directors at the Board and Committee meetings for the year are as follows:

	<b>BOARD MEETINGS</b>		<b>AUDIT COMMITTEE</b>	
	<i>Total of Meetings</i>	<i>Attendance Rate</i>	<i>Total Meetings</i>	<i>Attendance Rate</i>
B.Brown	3/3	100%		
J.D'Arcy	0/3	0%		
C.Dixon	1/3	33%		
S.Hamill	10/11	91%		
T Hanna	9/11	82%	2/4	50%
T.Lewis	2/3	67%		
D.McClurg	11/11	100%	4/4	100%
A.Sherrard	3/3	100%	1/1	100%
T.Spence	3/9	33%		
J.Stewart	0/11	0%		
R.Walker	11/11	100%	4/4	100%
D.Watkins	2/3	67%		

## THE POLICE REHABILITATION AND RETRAINING TRUST

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### **The Chief Executive, as Accounting Officer**

As Chief Executive, I have been designated as Accounting Officer for the PRRT by the Departmental Accounting Officer of the DoJ. As the Chief Executive and Accounting Officer I am personally responsible for safeguarding the public funds for which I have charge and for ensuring the propriety and regularity in the handling of these public funds and for the day to day operations and management of the PRRT. I am also responsible for ensuring the effective and efficient achievement of the objectives and targets set out in the annual Business Plan in support of the PRRT strategic direction. As the Chief Executive, I am responsible to the Board for executing its policy, providing leadership, stakeholder management, and clinical and corporate governance. I manage the services with a dedicated SMT accountable to me.

### **The Senior Management Team (SMT)**

The SMT supports the Board and me, as Chief Executive, by providing collective leadership and taking ownership of the PRRT performance. The SMT oversees how the PRRT plans, sets, communicates and monitors its corporate objectives. The Business Planning system incorporates the key PRRT objectives and the associated targets required to meet those objectives. The SMT reports on these targets formally on a monthly basis to me and I in turn report to the Board / Committees.

The PRRT has developed systems of internal controls and risk management in line with best practice guidelines. Senior managers have the appropriate and relevant professional skills and competences to provide the assurance that these controls are operating efficiently and effectively

### **The Audit Committee**

As Accounting Officer, I am supported in my role by the Audit Committee. The Audit Committee comprises a Non-Executive Independent Chairman, a number of other Directors, together with observers from Sponsor Branch and internal and external audit. The Chair, along with other Board Members on the Committee, are remunerated for their overall role as Directors of the Board, with the exception of the two statutory representatives who are not remunerated. Audit Committee meetings are convened on a quarterly basis and, both the Chief Executive and the Head of Finance and Shared Services normally attend each meeting. The Audit Committee has an established Terms of Reference. The responsibilities of the Audit Committee include advising the Accounting Officer on the strategic processes for risk, control and governance within the PRRT.

A key factor in good governance is the work of external and internal audit which helps inform management in terms of the identification of weaknesses which may indicate the existence of unknown risks. Audit also ensures that controls in place to manage known risks are operating effectively.

### **Internal Audit**

The Internal Audit work programme is set within a strategic internal audit plan which is designed to give assurance to the Accounting Officer on the effectiveness and efficiency of the operation of the key systems and controls which have been put in place. The Audit Committee approves an Audit Plan on an annual basis and considers the adequacy of the management responses to findings and recommendations contained in audits carried out. The Head of Internal Audit also produces an annual Assurance Report which provides assurances to me as Accounting Officer as to the effectiveness of the Office's overall systems of control. DoJ Internal Audit provided the Internal Audit Service for the PRRT for the year ended 31 March 2015.

## THE POLICE REHABILITATION AND RETRAINING TRUST

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### External Audit

The External Auditor of the PRRT for 2014-15 is the Northern Ireland Audit Office (NIAO). They undertook an audit of the financial statements of the PRRT and provided a Certificate for inclusion in the Annual Report and Accounts. The External Auditors also provide a Report to those Charged with Governance on an annual basis which makes recommendations where matters have come to the attention of the External Auditors during the course of their audit.

### Sponsor Branch (DoJ)

The PRRT operates under a Management Statement / Financial Memorandum (MSFM) with the DoJ. The MSFM sets out the broad framework within which the PRRT operates. As part of the sponsorship arrangements, I meet formally on a quarterly basis with the Head of the Sponsor Branch within the DoJ to discuss the PRRT performance against the objectives and targets set out in the annual Business Plan.

The DoJ is provided with the minutes of Board and Committee meetings and is copied into financial reports and annual accounts. A Departmental representative attends the Audit Committee meetings in an observer capacity.

As an Executive NDBP of the DoJ, the PRRT complies with the '*Corporate Governance in Central Government Departments: Code of Good Practice*' to the extent that it is meaningful and relevant to do so.

### Risk Management and Internal Control

A Risk Policy Framework is in place explaining the underlying approach to risk management and documenting the roles and responsibilities of the Chief Executive, Board and senior managers.

In addition, it also includes details of the monitoring and reporting arrangements. Developments in the approach to managing and reporting risk have been on-going during 2014-15, focussing on managing risk at two key levels:

1. Corporate - The Corporate Risk Register (CRR) continued to focus on the key corporate risks to the PRRT - a number of these were amended due to on-going developments throughout the year. The CRR is reviewed by the Risk Manager, the CEO, on a monthly basis. Any significant movements in risk or changes introduced which will impact on risks are reported to the Audit Committee, who in turn report to the Board. The review of risk management is a standing item on the Audit Committee agenda and risk is formally reviewed by the full Board in April and October.
2. Departmental - To support the CRR, a Departmental Risk Register (DRR) is used on an on-going basis so that the key risks for each department are aligned with departmental Business Plan objectives and targets. The ownership of each risk has been allocated to appropriate staff. The DRR is reviewed on a monthly basis at SMT meetings and any significant movements in risk are reported to the Audit Committee.

Departmental and Corporate Risk Registers will be reviewed during 2015-16, as set out above, and will be informed by internal organisation and wider environmental scanning. This approach ensures:

- the consistent identification, assessment and prioritisation of risk with clear assignment of accountability for management;



## THE POLICE REHABILITATION AND RETRAINING TRUST

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- the implementation of measures to treat the risk;
- the appropriate escalation, monitoring and reporting to ensure information on risks, controls and progress of planned actions are made available on a timely basis;
- that managers provide appropriate assurance that risk management responsibility and processes have been discharged and that risks are being managed as intended.

The Audit Committee is responsible for monitoring the PRRT risk management and internal controls on a regular basis and met regularly during the year. This Committee receives reports from internal and external audit and, in addition, reports presented from the CEO on the risk management process.

Risk management is incorporated into the corporate business planning and decision making processes of the organisation which provides increased assurance that significant risks will be identified, evaluated and appropriately controlled in the organisation.

## THE POLICE REHABILITATION AND RETRAINING TRUST

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### Review of Effectiveness

As Accounting Officer, I have responsibility for conducting, at least annually, a review of the effectiveness of the PRRT governance framework including the system of internal control. The review of the effectiveness is informed by the work of the SMT who have responsibility for the development and maintenance of the governance environment, the Audit Committee's annual report and also by comments made by the External Auditors, the Internal Auditors and other review agencies of the system of internal control.

The Internal Audit review for 2014-15 provided the following assurance levels for the areas audited:

Area	Level of Assurance
Corporate Governance	Substantial
Finance Support Systems	Satisfactory
HR Support Systems	Satisfactory
Internal Audit Final Management Letter - Direct Award Contracts	Substantial

The overall opinion issued by the Internal Auditors was "Substantial" and the report concluded that *"A robust and comprehensive framework of assurance exists in PRRT"*.

An audit implementation schedule is in place and is reviewed at SMT and at Audit Committee meetings on a regular basis.

### Internal Audit Providers

The internal audit provision is provided by the DoJ Internal Audit team. This is governed by a Service Level Agreement and complies with Public Sector Internal Audit Standards (PSIAS).

### External Audit

The PRRT is audited by the Northern Ireland Audit Office (NIAO).

### Information Assurance

There are increasing challenges year on year in the area of information assurance, particularly in light of ongoing information assurance failures within the wider public sector over the past number of years. In response to this, data handling and information security has been considered and managed as a separate risk within the organisational risk register. There have been no data breaches during the year.

My review of the effectiveness of the PRRT system of internal control is therefore informed by:

- The work of the Internal Auditors: during the year DoJ Internal Audit team provided an internal audit service in accordance with the standards defined in the Government Internal Audit Manual. They submitted regular reports together with recommendations for improvement.
- Operations and Finance Committee: ensures that the PRRT is meeting its key objectives and targets as set out in the Business Plan.

## THE POLICE REHABILITATION AND RETRAINING TRUST

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- SMT: the SMT meets on a weekly basis and reviews the on-going operation of PRRT. Monthly standing item on Finance, Business Planning, Risk Management and Audit inform me on a timely basis of the effectiveness of the system of internal control.
- Quarterly governance meetings with DoJ Sponsor Branch representatives.
- Comments made by External Auditor in the Report to those charged with Governance.
- Completed Board evaluation questionnaire, issued by the National Audit Office (NAO).
- Completed Audit Committee evaluation questionnaire entitled "*Audit Committee Best Practice Checklist – Short Version*" issued by DoJ Internal Auditors.

### Significant Internal Control Issues Identified

#### Internal Audit

No significant internal control issues identified.

#### External Audit

No significant internal control issues identified.

### Accounting Officer Statement on Assurance

In providing my statement on assurance I am informed by assurance given to me from a range of sources. These include the Annual Internal Audit Assurance Report which encompasses the substantial assurance in relation to risk management and corporate governance, the Audit Committee Annual Report and the system of risk management within the PRRT. I consider that the overall system of controls, governance and risk management are adequate and operate effectively to provide satisfactory assurance to me in relation to the ability of the PRRT to effectively and efficiently meet its objectives.

---

Eddie Gaw  
Accounting Officer

Date:

2/6/15

# Police Rehabilitation & Retraining Trust Annual Report and Accounts

For the year ended 31 March 2015



Rehabilitation and  
Retraining Trust

**THE POLICE REHABILITATION AND  
RETRAINING TRUST**

**FINANCIAL STATEMENTS**

**31 MARCH 2015**

**Company Registration Number NI035737**

**The Board of Directors**

Mr S Hamill (Chair)  
Mr W Brown \*  
Mrs J D'Arcy \*  
Mrs C Dixon \*  
Mr E Hanna  
Mr T Lewis \*  
Mr D McClurg  
Mr A Sherrard \*  
Mr T Spence \*\*  
Mr J Stewart  
Mr R Walker  
Mr D J Watkins \*

**Secretary**

Mr E Hanna

\* Six members left due to "downsizing" of the Board on 30 June 2014 and were not replaced.

\*\* Mr T Spence retired 4 Feb 2015 and was replaced by Mark Lindsay

**Registered Office**

Maryfield Complex  
100 Belfast Road  
Holywood  
Co. Down  
BT18 9QY

**Auditor**

Comptroller and Auditor General for NI  
Northern Ireland Audit Office  
106 University Street  
Belfast  
BT1 5BN

**Bankers**

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

**Solicitors**

Edwards and Co.  
28 Hill Street  
Belfast  
BT1 2LA

**Registration Number**

NI035737

## **POLICE REHABILITATION AND RETRAINING TRUST**

### **THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE MEMBERS OF THE POLICE REHABILITATION AND RETRAINING TRUST**

I certify that I have audited the financial statements of the Police Rehabilitation and Retraining Trust for the year ended 31 March 2015 under the Companies (Public Sector Audit) Order (Northern Ireland) 2013. These comprise the Statement of Comprehensive Net Expenditure, Statement of Financial Position, Statement of Cash Flows, Statement of Changes in Equity and the related notes. These financial statements have been prepared under the accounting policies set out within them. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards as adopted by the European Union. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

#### **Respective responsibilities of directors and auditor**

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Chief Executive as 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, certify and report on the financial statements in accordance with the Companies (Public Sector Audit) Order (Northern Ireland) 2013. I conducted my audit in accordance with International Standards on Auditing (UK and Ireland). Those standards require me and my staff to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition I read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my certificate.

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

#### **Opinion on regularity**

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

#### **Opinion on financial statements**

In my opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2015 and of its total comprehensive net expenditure, cash flows and changes in equity for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards as adopted by the European Union; and

- have been prepared in accordance with the Companies Act 2006.

#### **Emphasis of Matter – Going Concern**

In forming my opinion on the financial statements, which is not modified, I have considered the adequacy of the disclosure made in note 1 to the financial statements concerning the preparation of the financial statements on a basis other than going concern. The legal status of the Police Rehabilitation and Retraining Trust changed on 1<sup>st</sup> April 2015 from that of a company limited by guarantee to a body corporate. Details of the circumstances relating to this are described in note 1 and note 20. My opinion is not qualified in this respect.

#### **Opinion on other matters**

In my opinion:

- the part of the Remuneration Report to be audited has been properly prepared in accordance with the Government Financial Reporting Manual; and
- the information given in the Directors' Report 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 and the part of the Remuneration Report to be audited are not in agreement with the accounting records; or
- I have not received all of the information and explanations I require for my audit; or
- the Governance Statement does not reflect compliance with Department of Finance and Personnel's guidance.

#### **Report**

I have no observations to make on these financial statements.

  
KJ Donnelly  
Comptroller and Auditor General  
Northern Ireland Audit Office  
106 University Street  
Belfast  
BT7 1EU

Date 19 June 2015



# THE POLICE REHABILITATION AND RETRAINING TRUST

## Statement of Comprehensive Net Expenditure Year ended 31 March 2015

	Note	2015 £	2014 £
<b>Expenditure</b>			
Direct costs		(1,329,507)	(1,858,233)
Staff costs		(414,238)	(478,407)
Depreciation		(81,614)	(50,485)
Other expenditures		(453,305)	(518,399)
		<u>(2,278,664)</u>	<u>(2,905,524)</u>
<b>Income</b>			
Grant in aid		1,700,000	2,153,183
Income from activities	2	365,720	577,933
		<u>2,065,720</u>	<u>2,731,116</u>
<b>Net (expenditure) /income</b>	3	(212,944)	(174,408)
Corporation tax expense	7	<u>(3,565)</u>	<u>(3,240)</u>
<b>Total Comprehensive Net (Expenditure)/Income for the year ended 31 March 2015</b>		<u>(216,509)</u>	<u>(177,648)</u>

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

The notes on pages 45 to 55 form part of these Financial Statements.

# THE POLICE REHABILITATION AND RETRAINING TRUST


## Statement of Financial Position

Year ended 31 March 2015

	Note	2015 £	2014 £
<b>Non-current assets:</b>			
Property, plant and equipment	8	1,026,205	1,068,249
Intangible assets	9	<u>5,796</u>	<u>11,595</u>
<b>Total non-current assets</b>		<b>1,032,001</b>	<b>1,079,844</b>
<b>Current assets:</b>			
Trade and other receivables	10	43,115	83,041
Cash and cash equivalents	11	<u>150,032</u>	<u>345,025</u>
		<b>193,147</b>	<b>428,066</b>
<b>Total current assets</b>		<b><u>1,225,148</u></b>	<b><u>1,507,910</u></b>
<b>Current liabilities:</b>			
Trade and other payables	12	<u>(308,483)</u>	<u>(374,736)</u>
<b>Total current liabilities</b>		<b><u>(308,483)</u></b>	<b><u>(374,736)</u></b>
<b>Total assets less current liabilities</b>		<b>916,665</b>	<b>1,133,174</b>
<b>Non-current liabilities:</b>			
		<u>-</u>	<u>-</u>
<b>Total assets less liabilities</b>		<b><u>916,665</u></b>	<b><u>1,133,174</u></b>
<b>Taxpayer's Equity</b>			
General Reserve		<u>916,665</u>	<u>1,133,174</u>
		<b><u>916,665</u></b>	<b><u>1,133,174</u></b>

It is the view of the Board that an exemption from the audit requirements of Part 16 of the Companies Act 2006 is available under section 482 of that Act, since the company meets the Department of Finance and Personnel's definition of a non-profit making company and is subject to a public sector audit under the Companies (Public Sector Audit)(Northern Ireland) Order 2013, being an order issued under Article 5(3) of the Audit and Accountability (Northern Ireland) Order 2003. The Board therefore claims this exemption. The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and preparation of accounts.

The notes on pages 45 to 55 form part of these Financial Statements. The Financial Statements have been approved by the Board of Directors and are signed on 4<sup>th</sup> June 2015 on its behalf by:

  
 \_\_\_\_\_  
 Mr S Hamill  
 Chairman  
 Company Registration Number: NI035737

# THE POLICE REHABILITATION AND RETRAINING TRUST

## Statement of Cash Flows

Year ended 31 March 2015

		2015	2014
	Note	£	£
<b>Cash Flows from operating activities</b>			
Net (expenditure)/income		(216,509)	(177,648)
Depreciation	3	99,450	108,586
Amortisation	3	5,799	8,956
Loss on Disposal of Fixed Assets		6,396	48
Decrease/(Increase) in trade and other receivables	10	39,926	12,693
Increase/(Decrease) in trade and other payables	12	(66,253)	32,693
<b>Net cash outflow from operating activities</b>		<b>(131,191)</b>	<b>(14,672)</b>
<b>Cash flows from investing activities</b>			
Purchase of property and equipment	8	(67,002)	(61,551)
Income from disposal of fixed assets		3,200	
Purchase of intangible assets	9	-	(17,392)
<b>Net cash outflow from investing activities</b>		<b>(63,802)</b>	<b>(78,943)</b>
<b>Net increase/(decrease) in cash and cash equivalents in the period</b>		<b>(194,993)</b>	<b>(93,615)</b>
<b>Cash and cash equivalents at the beginning of the period</b>	11	<b>345,025</b>	<b>438,640</b>
<b>Cash and cash equivalents at the end of the period</b>	11	<b>150,032</b>	<b>345,025</b>

# THE POLICE REHABILITATION AND RETRAINING TRUST

## Statement of Changes in Taxpayers' Equity

Year ended 31 March 2015

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	<b>General Reserve</b>	<b>Total Taxpayers' Equity</b>
<b>Balance at 1 April 2013</b>	<u>1,310,822</u>	<u>1,310,822</u>
<b>Comprehensive expenditure for the year</b>	<u>(177,648)</u>	<u>(177,648)</u>
<b>Balance at 31 March 2014</b>	<u>1,133,174</u>	<u>1,133,174</u>
<b>Changes in Taxpayers' Equity 2014-15</b>		
Comprehensive Expenditure for the year	<u>(216,509)</u>	<u>(216,509)</u>
<b>Balance at 31 March 2015</b>	<u>916,665</u>	<u>916,665</u>

# THE POLICE REHABILITATION AND RETRAINING TRUST

Notes forming part of the Financial Statements

Year ended 31 March 2015

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## 1. Accounting policies

### Basis of accounting

The Financial Statements have been prepared under the historical cost convention modified to account for the revaluation of property, plant and equipment.

The Financial Statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted and interpreted by the 2014-15 Government Financial Reporting Manual (FReM) issued by HM Treasury. The accounting policies contained in the FReM comply with 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 PRRT for the purpose of giving a true and fair view has been selected. The particular policies adopted by the PRRT are described below. They have been applied consistently in dealing with items that are considered material to the accounts.

### Going Concern

The legal status of PRRT changed on the 1<sup>st</sup> April 2015 from that of a company limited by guarantee to a body corporate NDPB. The financial statements have been prepared to reflect the change in status as the company will be dissolved in 2015-16 with all trading transferred to the NDPB. This change in legal status does not affect the ability of PRRT as an entity to continue trading at a normal capacity.

### Impending application of newly issued accounting standards not yet effective

Certain new standards, interpretations and amendments to existing standards have been published that are mandatory for accounting periods beginning on or after 1 April 2015 but which have not been adopted early. The PRRT considers that these standards are not relevant to its operations and are unlikely to have a significant impact on the financial statements in the period of the initial application.

### Critical accounting estimates

The Company prepares its financial statements in accordance with the FReM, the application of which often requires judgments to be made by management when formulating the Company's financial position and results. Under IFRS, the directors are required to adopt those accounting policies most appropriate to the Company's circumstances for the purpose of presenting fairly the Company's financial position, financial performance and cash flows. In determining and applying accounting policies, judgment is often required in respect of items where the choice of specific policy, accounting estimate or assumption to be followed could materially affect the reported results or net asset position of the Company should it be later be determined that a different choice would be more appropriate. Management considers the accounting estimate and assumptions discussed below to be its critical accounting estimates and provide an explanation accordingly. Management has discussed its critical accounting estimates and associated disclosures with the Company's Audit Committee.

### Income

Income included in the accounts represents amounts invoiced in respect of services provided during the year exclusive of VAT.

# THE POLICE REHABILITATION AND RETRAINING TRUST

Notes forming part of the Financial Statements continued

Year ended 31 March 2015

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## Grant-in-aid and Government grants

Grant-in-aid is treated as a contribution from the Sponsoring Department to finance the needs of the PRRT and allow it to meet its statutory obligations. All government grants are recognised as income and included along with Grant-in-Aid in the Statement of Comprehensive Net Expenditure. The treatment of Government Grants under the Financial Reporting Manual (FRM) is to credit the Grant-in-Aid directly to the General Reserve.

## Property, Plant and Equipment

Property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the item.

## Intangible Assets

Intangible assets are stated at historical cost less accumulated amortisation and accumulated impairments. Historical cost includes expenditure that is directly attributable to the acquisition of the item.

## Depreciation

Depreciation is calculated so as to write off the cost, less their estimated residual value, over the expected useful economic lives of the assets concerned as follows:

Building Improvements	- 4%	Straight Line
Plant and Machinery	- 25%	Straight Line
Fixtures and Fittings	- 20%	Straight Line
Computer Equipment	- 33 <sup>1/3</sup> %	Straight Line

FRM requires that fair value should be used, however it is noted that revaluation would not have materially affected the figures and therefore the fixed assets have not been revalued.

## Amortisation

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

Software	- 33 <sup>1/3</sup> %	Straight Line
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## Operating lease agreements

Rentals applicable to operating leases, where substantially all of the benefits and risks of ownership remain with the lessor, are charged against income on a straight line basis over the period of the lease.

## Pension costs

The PRRT operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the PRRT. The annual contributions payable are charged to the Statement of Comprehensive Net Expenditure.

## Taxation

Corporation tax expense represents the sum of the current tax and deferred tax.

The charge for current tax is based on the result for the year adjusted for items which are non-assessable or disallowed. It is calculated using tax rates that have been enacted or substantively enacted by the reporting date. Current and deferred tax is recognised in the Statement of Comprehensive Net Expenditure unless the item to which the tax relates was

# THE POLICE REHABILITATION AND RETRAINING TRUST

## Notes forming part of the Financial Statements continued

Year ended 31 March 2015

recognised outside the income statement being other comprehensive income or equity. The tax associated with such an item is also recognised in other comprehensive income or equity respectively.

### 2. Income

An analysis of income is given below:

	2015	2014
	£	£
PRRT	<b>365,720</b>	577,933

### 3. Net Income

Net income is stated after charging:

	2015	2014
	£	£
Depreciation of owned plant and equipment	<b>99,450</b>	108,586
Amortisation of intangible assets	<b>5,799</b>	8,956
Loss on disposal of plant and equipment	<b>6,396</b>	48
Operating lease cost of plant and equipment	<b>17,773</b>	25,750
Auditor's remuneration	<b>15,000</b>	16,600
Fines and penalties	-	750

### 4. Employees

The staff breakdown for the PRRT at 31 March 2015 analysed by category was as follows:

Physiotherapy	5	(2014: 4)
Psychology	7	(2014: 8)
Clinical Administration	5	(2014: 5)
Personal Development & Training	5	(2014: 9)
Business Development	0	(2014: 1)
Management and admin	4	(2014: 5)
Corporate Services	2	(2014: 2)
Finance	4	(2014: 4)
Maintenance	1	(2014: 1)
Housekeeping	2	(2014: 4)
Full Time Reserve	1	(2014: 1)
NI Prison Service	1	(2014: 1)

The majority of staff were considered to be permanently employed at the year end.

# THE POLICE REHABILITATION AND RETRAINING TRUST

Notes forming part of the Financial Statements continued

Year ended 31 March 2015

## 5. Particulars of employees

The average number of persons employed by the PRRT during the financial year, including the Directors, amounted to 42 (2014: 58). The majority of staff were considered to be permanently employed at the year end.

The aggregate payroll costs of the above were:

	Permanently employed staff	Other - agency staff	2015 £ Total	2014 £ Total
Wages and salaries	1,053,730	12,557	1,066,287	1,263,702
Social Security costs	103,926	-	103,926	94,780
Other Pension costs	68,525	-	68,525	73,130
	<u>1,226,181</u>	<u>12,557</u>	<u>1,238,738</u>	<u>1,431,612</u>

## 6. Directors' remuneration

The Directors' aggregate remuneration in respect of qualifying services was:

	2015 £	2014 £
Remuneration receivable	<u>30,001</u>	<u>55,000</u>

## 7. Tax Expense

### (a) Analysis of charge in the year

	2015 £	2014 £
Current tax		
UK Corporation tax based on the results for the year at 20% (2014: 20%)	3,565	3,240
Total current tax	<u>3,565</u>	<u>3,240</u>

### (b) Factors affecting current tax charge

The tax assessed on the income on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 20% (2014: 20%).



# THE POLICE REHABILITATION AND RETRAINING TRUST

Notes forming part of the Financial Statements continued

Year ended 31 March 2015

	2015 £	2014 £
(Expenditure)/Income on ordinary activities before taxation	<u>(212,944)</u>	<u>(174,408)</u>
(Expenditure)/Income on ordinary activities by rate of tax	<b>(42,589)</b>	(34,882)
Small company rate relief		-
Unrelieved tax losses		(921)
Marginal Tax relief		-
Other Adjustments	<b>46,154</b>	32,563
Total current tax (note 7(a))	<u><u>3,565</u></u>	<u><u>3,240</u></u>

## 8. Property, Plant and Equipment

	Building Improvements £	Plant & Machinery £	Fixtures & Fittings £	Computer Equipment £	Total £
<b>Cost</b>					
At 1 April 2014	1,561,704	205,641	360,602	128,301	2,256,248
Additions		5,830	59,181	1,991	67,002
Disposals	(15,000)	-	-	-	(15,000)
<b>At 31 March 2015</b>	<b>1,546,704</b>	<b>211,471</b>	<b>419,783</b>	<b>130,292</b>	<b>2,308,250</b>
<b>Depreciation</b>					
At 1 April 2014	553,855	204,425	324,785	104,934	1,187,999
Charge for the period	62,464	1,919	17,231	17,836	99,450
On Disposals	(5,404)	-	-	-	(5,404)
<b>At 31 March 2015</b>	<b>610,915</b>	<b>206,344</b>	<b>342,016</b>	<b>122,770</b>	<b>1,282,045</b>
<b>Net book value</b>					
<b>At 31 March 2015</b>	<b>935,789</b>	<b>5,127</b>	<b>77,767</b>	<b>7,522</b>	<b>1,026,205</b>
At 31 March 2014	1,007,849	1,216	35,817	23,367	1,068,249

# THE POLICE REHABILITATION AND RETRAINING TRUST

Notes forming part of the Financial Statements continued

Year ended 31 March 2015

## 9. Intangible Assets

	<b>Software</b>
<b>Cost</b>	<b>£</b>
At 1 April 2014	166,024
Additions	
Disposals	-
<b>At 31 March 2015</b>	<b>166,024</b>
<b>Depreciation</b>	
At 1 April 2014	154,429
Amortisation for the period	5,799
On Disposals	
<b>At 31 March 2015</b>	<b>160,228</b>
<b>Net book value</b>	
<b>At 31 March 2015</b>	<b>5,796</b>
	<hr/>
At 31 March 2014	11,595

## 10. Trade receivables and other current assets

	2015	2014
	£	£
Trade receivables	17,110	55,524
Other receivables	165	650
Prepayments and accrued income	25,840	26,867
	<hr/>	<hr/>
	<b>43,115</b>	<b>83,041</b>

### Intra-Government Balances

	2015	2014
	£	£
Balances with other central government bodies	17,213	56,278
Balances with local authorities	-	452
Balances with NHS Bodies	-	150
Balances with public corporations and trading funds	394	-
	<hr/>	<hr/>
Intra-government balances	17,607	56,880
Balances with bodies external to government	25,508	26,161
	<hr/>	<hr/>
Total receivables	<b>43,115</b>	<b>83,041</b>

# THE POLICE REHABILITATION AND RETRAINING TRUST

Notes forming part of the Financial Statements continued

Year ended 31 March 2015

## 11. Cash and Cash Equivalents

	2015 £	2014 £
Cash and cash equivalents	<u>150,032</u>	<u>345,025</u>

Cash and cash equivalents are all held as either cash-in-hand or as deposits with commercial banks.

## 12. Trade payables and other current liabilities: Amounts falling due within one year

### Trade Payable and other current liabilities

	2015 £	2014 £	2014 £
Trade payables	35,040	98,745	
Corporation tax	3,565	3,240	
Other taxation and social security	-	-	
Other payables	<u>89,405</u>	<u>128,010</u>	217,855
Accruals and deferred income	<u>180,473</u>	<u>115,870</u>	156,881
	<u>308,483</u>	<u>308,483</u>	<u>374,736</u>

### Intra Government Balances

	2015 £	2014 £
Balances with other central government bodies	70,715	92,775
Balances with local authorities	452	-
Balances with NHS Bodies	-	-
Balances with public corporations and trading funds	236	272
Intra-government balances	<u>71,403</u>	93,047
Balances with bodies external to government	<u>237,080</u>	281,689
Total receivables	<u>308,483</u>	<u>374,736</u>

# THE POLICE REHABILITATION AND RETRAINING TRUST

## Notes forming part of the Financial Statements continued

Year ended 31 March 2015

### 13. Commitments under operating leases

At 31 March 2015 there was a total future minimum lease payments under operating leases as set out below:

	2015 £	2014 £
Obligations under operating leases comprise:		
<b>Buildings</b>		
Not later than one year	111,000	111,000
Later than one year and not later than five years	-	-
Later than five years	-	-
	<u>111,000</u>	<u>111,000</u>
<b>Other</b>		
Not later than one year	17,773	25,751
Later than one year and not later than five years	-	14,841
Later than five years	-	-
	<u>17,773</u>	<u>40,592</u>

The above commitments will be honoured by the new NDPB.

### 14. Capital Commitments

At 31 March 2015 authorised future capital expenditure amounted to £Nil (2014: £Nil). The PRRT has committed to £Nil expenditure on capital. (2014: £8,724).

### 15. Related party transactions

The PRRT was under the control of the Board of Directors throughout both the current and prior year. The DoJ is regarded as a related party. During the year, the PRRT has had a number of material transactions with DoJ.

Mr E Hanna, a Director, is also Chairman of the Audit Committee of the Northern Ireland Police Fund (NIPF).

Mr T Spence resigned as a Director in February 2015. At that date Mr T Spence was a Director of The NIPF and the Harp & Crown Credit Union, Chairman of the Police Federation for Northern Ireland and also the Police Dependants Trust. He is Vice Chairman at the RUCGC-PSNI Benevolent Fund. Mr T Spence is a Trustee of the National Police Memorial Day.

Mr J Stewart, a Director, is also a Director of HR in the PSNI. He is also a Vice Chairman and a Director of the RUC Athletic Association, a private company / charity. PSNI Occupational Health Service has a contract with PRRT to provide Clinical Services to serving officers. This is a demand led service and payments totalled £48,708 in 2014-15

# THE POLICE REHABILITATION AND RETRAINING TRUST

## Notes forming part of the Financial Statements continued Year ended 31 March 2015

(2014:£50,000).

Ms C Dixon, a Director, is also the owner/partner of J Rodgers and Co, Solicitors.

Mr R Walker, a Director, is a partner in an enterprise called "New Futures" which provides training services.

Mr W Brown resigned as a Director of PRRT in June 2014. At that time he was Assistant Secretary for Northern Ireland Retired Police Officers Association (NIPROA).

Mr S Hamill, a Director, is the proprietor of Hamill Consultants (Sole Trader). Mr Hamill was also the Chair of the Board of Futures (NI) Limited until 28 August 2014.

Mr M Lindsay, a Director, is also a Director of The NIPF. Mr M Lindsay is Chairman of the Police Federation for Northern Ireland. He is a Trustee of the Police Treatment Centres and the Police Dependants Trust.

The PRRT received service charges and other charges totalling £50,250 (2014: £42,091) from NIPF and charges of £275 (2014: £22,393) from NIRPOA during the year. At the year-end the PRRT was owed £Nil (2014: £1,821) from NIPF, and £49 (2014: £553) from NIRPOA.

The PRRT received payments of £Nil (2014: £10,807) from Futures (NI) Limited and made payments of £Nil (2014: £660) to Futures (NI) Limited. The balance owed to the company at 31 March 2015 from Futures (NI) Limited is £Nil (2014: £Nil), whilst the amount owed to Futures (NI) Limited was £Nil (2014: £Nil).

No other transactions with related parties were undertaken such as are required to be disclosed under International Accounting Standard 24.

### 16. Company limited by guarantee

PRRT is a company limited by guarantee not having a capital divided into shares. The liability of the members of the company is limited to £1 per member.

### 17. Income and expenditure account

	2015	2014
	£	£
Balance brought forward	1,133,174	1,310,822
Net income/(expenditure) for the financial year	(216,509)	(177,648)
Balance carried forward	<u>916,665</u>	<u>1,133,174</u>

# THE POLICE REHABILITATION AND RETRAINING TRUST

Notes forming part of the Financial Statements continued

Year ended 31 March 2015

## 18. Fees and charges

An analysis is shown below of the services for which a fee is charged, where the amount of the income and the full cost of the service are material to the financial statements.

In each of the services below, the financial objective is to recover direct costs.

Service	Income £	Full cost £	Surplus/(deficit) £
Healthcare	76,979	67,270	9,709
Training	196,903	501,524	(304,621)

The information provided above is for fees and charges purposes.

## 19. Additional disclosures to comply with FReM

HM Treasury's Financial Reporting Manual (FReM) requires grant in aid, whether for revenue or capital purposes, to be treated as contributions from controlling parties giving rise to a financial interest in the residual interest of the reporting entity. As such, under FReM, grant in aid is to be credited to the income and expenditure reserve and not through the statement of comprehensive net expenditure.

As the PRRT now complies with FReM for reporting to DoJ, the following is the effect of this compliance:

	2014-15 £000	2013-14 £000
<b>Expenditure</b>		
Staff costs	1,235	1,432
Depreciation	105	118
Other costs	939	1,356
	<u>2,279</u>	<u>2,906</u>
<b>Income</b>		
Income from activities	366	578
Other Income	-	-
Income	<u>366</u>	<u>578</u>
<b>Net Expenditure</b>	<u>(1,913)</u>	<u>(2,328)</u>
Interest payable/receivable	-	-
<b>Net Expenditure after interest</b>	<u>(1,913)</u>	<u>(2,328)</u>

# THE POLICE REHABILITATION AND RETRAINING TRUST

Notes forming part of the Financial Statements continued

Year ended 31 March 2015

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## 20. Events after the Reporting Date

There were no events after the reporting date which would require adjustment to the Financial Statements. The legal status of PRRT changed on the 1<sup>st</sup> April 2015 from that of a company limited by guarantee to NDPB. This change in legal status has not affected the ability of PRRT as an entity to continue its operations at a normal capacity.

## Date of authorisation for issue

The Annual Report and Financial Statements were authorised by the Accounting Officer to be issued on

2nd June 2015

**THE POLICE REHABILITATION AND RETRAINING TRUST**

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**The following pages provide the detailed net expenditure account.**



# THE POLICE REHABILITATION AND RETRAINING TRUST

## Notes forming part of the Financial Statements

Year ended 31 March 2015

Direct costs	2015		2014
	£	£	£
PD & Training - Associates	725		10,794
Marketing/ Public Relations	1,497		4,246
Training - Catering	14,051		23,352
Training - Educational & Training Costs	77,371		91,627
Training - Discretionary Awards	51,531		126,952
PD & Training - Other Costs	22,942		20,337
Clinical Administration- Other costs	2,689		1,916
Physiotherapy - Muscular costs	69,540		74,330
Physiotherapy - Other Costs	23,774		12,545
Psychology - Associates	8,580		38,928
Psychology - Other Costs	18,939		18,458
Direct Wages - PD, Training	163,071		222,606
Direct Wages - Clinical Administration	69,527		73,996
Direct Wages - Physiotherapy	155,473		166,041
Direct Wages - Psychology	248,186		258,817
Employers NIC on direct wages	70,790		61,410
Pension contributions - direct wages	42,051		44,161
Catering Costs	1,921		5,379
Projects- other costs	191,783		408,821
Projects direct wages	68,835		112,815
Project - redundancy costs	-		6,797
Employers NIC on project direct wages	1,159		3,318
Pension contributions on project direct wages	1,437		3,244
Depreciation of computer equipment	17,836		58,101
Amortisation	5,799	1,329,507	8,956
<b>Staff Costs</b>			1,857,947
Directors salaries	30,001		55,000
Directors national insurance contributions	282		318
Wages and salaries	312,905		346,813
Staff NIC	31,696		29,733
Staff pension contributions	25,036		25,725
Redundancy costs	6,581		20,818
Agency Staff Costs	7,737	414,238	-
<b>Depreciation</b>			478,407
Depreciation of building improvements	62,464		32,296
Depreciation of plant and machinery	1,919		2,723
Depreciation of fixtures and fittings	17,231	81,614	15,466
Carried forward		1,825,359	2,386,839

# THE POLICE REHABILITATION AND RETRAINING TRUST

## Detailed Net Expenditure Account

Year ended 31 March 2015

	2015		2014	
	£	£	£	£
Brought forward		1,825,359		2,386,839
<b>Other Expenditures: Establishment Expenses</b>				
Rent	111,567		108,876	
Water rates, heat and light	48,584		62,916	
Insurance	25,408		22,914	
Repairs and maintenance	18,289		10,903	
Security	39,974		80,817	
	<u>243,822</u>		<u>286,426</u>	
<b>General expenses</b>				
Travel and subsistence	687		705	
Loss on Disposal of Fixed Assets	6,396		48	
Telephone and fax - adj for leases	15,522		12,128	
Office expenses - adj for leases	13,380		9,517	
Advertising, printing, stationery and postage	5,783		6,580	
Computer expenses	58,853		84,026	
Staff training	12,712		7,447	
Sundry expenses	525		1,943	
Health & Safety	750		443	
Entertaining	523		151	
Legal and professional fees	38,099		18,924	
Recruitment and assoc. personnel costs	4,409		5,400	
Auditors remuneration	15,000		16,600	
Quality Standards	-		1,252	
Database / website development	2,580		720	
Fines and Penalties	-		750	
Procurement costs	13,499		25,084	
	<u>188,718</u>		<u>191,718</u>	
<b>Financial Costs</b>				
Bad debts written off	-		-	
Operating lease: Equipment	17,773		25,750	
Bank Charges and finance charges	2,992		3,071	
	<u>20,765</u>		<u>28,821</u>	
		<u>453,305</u>		<u>506,965</u>
		<u>2,278,664</u>		<u>2,893,804</u>
Carried forward		2,278,664		2,893,804

# THE POLICE REHABILITATION AND RETRAINING TRUST

## Detailed Net Expenditure Account

Year ended 31 March 2015

		2015	2014
	£	£	£
Brought forward		2,278,664	2,893,804
<b>Income</b>			
Grant in Aid	1,700,000		2,153,183
Catering and room hire income	7,596		30,770
Healthcare income	76,979		99,825
Miscellaneous income	40,120		1,819
Service Charges	50,346		88,638
Training income	62,279		124,314
NI Prison Service	128,400		201,696
Futures Dividend	-		19,151
		<u>2,065,720</u>	<u>2,719,396</u>
<b>Net (Expenditure)/income</b>		<b>(212,944)</b>	<b>(174,408)</b>
Corporation Tax (expense)		<b>(3,565)</b>	<b>(3,240)</b>
<b>Total Comprehensive Expenditure</b>		<b><u>(216,509)</u></b>	<b><u>(177,648)</u></b>