

*Annual Report
& Accounts
Year Ended
31st March 2016*

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The Northern Ireland Police Fund
(a company limited by guarantee)
Annual report and financial statements
for the year ended 31 March 2016

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

Annual report for the year ended 31 March 2016

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

Directors and advisers

The Board of Directors

Dr Richard Bryans (resigned 31 March 2016)
Mr Colin Burrows (resigned 31 March 2016)
Mrs Margaret Hunter (resigned 31 March 2016)
Mr Charles Jenkins (resigned 31 March 2016)
Mr Ken Lindsay (resigned 31 March 2016)
Mr Mark Lindsay (appointed 14 May 2015)
Mr George Clarke
Mrs Deirdre Ann Kenny
Mr Brian McCargo
Mr Richard Miller (resigned 22 December 2015)
Dr Michael Wardlow (appointed 1 April 2016)
Ms Kelly Robinson (appointed 1 April 2016)
Mr Daniel Anderson (appointed 1 April 2016)

Company secretary

Mr Charles Jenkins (resigned 31 March 2016)

Registered office

100 Belfast Road
Holywood
BT18 9QY

Solicitors

DSO
Victoria Hall
12 May Street
Belfast
BT1 4NL

Bankers

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

Statutory auditor

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

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

Directors' report and Management Commentary for the year ended 31 March 2016

The Directors present their annual report and the audited financial statements of the company for the year ended 31 March 2016.

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

Principal activity

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

Results

The company's net income after interest and taxation is £27,385 (2015: net income £14,300).

History

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

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

Business review

Nature of the Fund

The remit of the Fund is to provide care and financial assistance to police officers and ex officers who have been injured or disabled as a result of terrorism, and to the widows and families of police officers injured or killed through terrorism.

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

Current and future development and performance

The Company received £1,481,000 (2015: £1,627,000) from the DoJ by way of grant-in-aid for its core activities in the year ended 31 March 2016.

In 2015/16 the Fund made 347 grants to individual clients covering disability and bereavement support, disability adaptations, educational bursaries, chronic pain management, regular payments to those on very low incomes, respite breaks for carers. It made a further 501 recognition payments to eligible clients of the Fund. It also supported four police support voluntary bodies where their activities were of benefit to the clients of the Fund. The Fund continues to look at how best it might meet its clients' needs in the future and especially how it needs to develop and adopt new schemes to meet the dual challenges of ageing and disability.

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

Directors' report and Management Commentary for the year ended 31 March 2016 (continued)

Principal risks and uncertainties

The Fund's policy for managing risk is set out in section 4 of the Governance Statement. The principal risks faced by the Fund are changing government priorities affecting funding, increased pressures to meet the growing requirements of departmental oversight and the complexities of corporate finance and governance from within very limited resources and the possibility of fraud in grant applications.

Going concern

In the Directors' view there are no known reasons why the work of the Fund would not continue. This view was reinforced when, prior to the devolution of Policing and Justice in April 2010, the Fund was independently reviewed on behalf of the Northern Ireland Office and in the overall conclusions it was reported that the need for the Fund would continue substantially over the next 10 years.

However following devolution there are several actions currently ongoing, which could impact upon the status and/or the financial landscape of the Fund. These include the establishment of the Fund on a statutory footing through founding legislation. A review of the Fund was recommended to be undertaken in 2014. This did not take place given the dynamic environment in which the Fund was currently operating. This included its consideration of its application for charitable status to the Charity Commission for Northern Ireland and the prospect of transitioning to a new body formed by statutory regulation. The Fund's application was denied by the Charity Commission on the basis the Fund has not satisfied the legal requirements to be registered as a charity.

Until 31 March 2016 NIPF operated as a Company Limited by Guarantee, the Fund was governed by company law. As such, the Company's Articles of Association sets out that the Fund's Board is responsible for its own appointments. The appointment of Chair and reappointment of Directors during the year was in accordance with the Articles. However as an Executive NDPB Board appointments are, by virtue of the Fund being listed as a body on Schedule 2 of the Commissioner for Complaints Order 1996, regulated by the Commissioner for Public Appointments Northern Ireland (CPANI). The Fund has sought to ensure compliance in this regard.

The Fund continues to adopt the going concern basis in the preparation of the financial statements.

During the course of 2015/16 NIPF 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 1 April 2016 NIPF ceased to trade. Business as usual has carried on for clients and staff and services have not been affected.

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

Directors' report and Management Commentary for the year ended 31 March 2016 (continued)

Environmental matters

Throughout the year the Fund participated in a recycling scheme for toner cartridges and, where possible, uses paper products that have a low environmental impact. In April 2012 the fund extended its recycling to include printed and office paper, tin and metal products, envelopes, cardboard and plastics, and this practice continues.

Sickness absence data

The reported average number of working days lost due to sickness per employee for 2015/16 was 5 days (2014/15: 5 days).

Data handling

The NI Police Fund has had a case of unauthorised destruction of personal data during the current year. This was investigated by the Fund's internal auditor who advised that further investigation was not warranted. No data was lost outside the Fund.

Directors

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

Donations

The company made no charitable donations during the year (2015: £nil).

Share capital

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

Employee policy

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

In particular the company:

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

Related parties

Details of the company's related parties are set out in Note 17 to the financial statements.

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

Directors' report and Management Commentary for the year ended 31 March 2016 (continued)

Prompt payment practice

Managing Public Money NI requires departments, agencies and NDPBs to pay invoices accurately and on time and within 30 days of receipt of an undisputed invoice. The Fund also seeks to comply with the Northern Ireland Executive's commitment to pay suppliers whenever possible, within 10 working days. For the year ended 31 March 2016, the Fund has paid 100% of its suppliers within 30 days (2015: 99%).

Statement of Directors' and Chief Executive's Responsibilities

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations. Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

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

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

Statement of disclosure of information to auditor

So far as each of the Directors in office and the Accounting Officer at the date of approval of these financial statements is aware:

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

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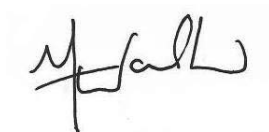
Directors' report and Management Commentary for the year ended 31 March 2016 (continued)

Auditor

Prior to the devolution of policing and justice functions in Northern Ireland the Financial Statements were audited by the Comptroller and Auditor General who heads the National Audit Office who reported to Parliament. Financial statements for 2010-11 onwards are audited by the Comptroller and Auditor General for Northern Ireland (C&AG) who heads the Northern Ireland Audit Office and is appointed by statute and reports to Northern Ireland Assembly. His certificate and report is produced at pages 18 to 19.

The audit fee for the work performed by the staff of the C&AG during the reporting period, and which relates solely to the audit of these Financial Statements, was £10,000. The C&AG may also undertake other statutory activities that are not related to the audit of the body's Financial Statements such as Value for Money reports. No such activity took place during the year.

On behalf of the Board:



Dr M Wardlow
Chairman
Date: 20 December 2016



RG Pedlow
Chief Executive
Date: 20 December 2016

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

Remuneration report for the year ended 31 March 2016

Remuneration policy

The salaries of seconded civil servants in the Fund are based on a review of grading completed in 2005 and the level of pay settlements in the Northern Ireland Civil Service. Bonuses may be awarded either directly from the Fund or through the DoJ agreed performance and bonus arrangements.

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

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

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

Service contracts

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

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

Further information about the work of the Civil Service Commissioners can be found at www.civilservicecommissioners.gov.uk

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

Remuneration (including salary) and pension entitlements (audited information)

The following sections provide details of the remuneration and pension interests of the most senior officials of the Fund. The Chairman is the only Director receiving remuneration.

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

Remuneration report (audited information) for the year ended 31 March 2016 (continued)

Remuneration (salary and payments in kind)

Officials		2015/16				2014/15			
		Total £'000	Salary £'000	Bonus payments £'000	Benefits in kind (to nearest £100)	Total £'000	Salary £'000	Bonus payments £'000	Benefits in kind (to nearest £100)
Mr C Burrows <i>Chairman</i>	Appointed as Chair 13 December 2012	5-10	5-10	-	-	5-10	5-10	-	-
Mr M Boyle <i>Chief Executive</i>	Appointed as Chief Executive 11 March 2015	50-55	50-55	-	-	50-55	50-55	-	-
Mr R Pedlow <i>Chief Executive</i>	Appointed as Chief Executive 31 March 2016	0-5	0-5 (50-55 full year equivalent)	-	-	-	-	-	-
Band of Highest Paid Director's Total remuneration		50-55	50-55	-	-	50-55	50-55	-	-
Median Total Remuneration		26,699	26,699	-	-	26,699	26,699	-	-
Ratio		2.0	2.0	-	-	2.0	2.0	-	-

Public bodies are required to disclose the relationship between the remuneration of the highest paid director in the organisation and the median remuneration of the workforce.

The Chairperson of the Fund is the only Director in receipt of remuneration. The banded remuneration of the Chairperson in the financial year 2015-16 was £6k. The ratio of Directors remuneration to workforce salary is 2.0

No employee received remuneration in excess of the Chief Executive during either the year ended 31 March 2016 or the prior year ended 31 March 2015. The Chief Executive is the highest paid officer in the organisation with a full year equivalent of £50-55K.

Total remuneration includes salary. It does not include employer pension contribution and the cash equivalent transfer value of pensions.

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

Remuneration report for the year ended 31 March 2016 (continued)

Salary

'Salary' includes gross salary; performance pay or bonuses; overtime; reserved rights to London weighting or London allowances; recruitment and retention allowances; private office allowances and any other allowance to the extent that it is subject to UK taxation. This report is based on payments made by the Fund and thus recorded in these accounts.

Benefits in kind

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

Bonuses

No bonuses were paid in respect of the year to 31 March 2016.

Pension benefits (audited information)

Officials	Accrued pension at age 60 as at 31/3/16 and related lump sum	Real increase in pension and related lump sum at age 60	CETV at 31/3/15	CETV at 31/3/16	Real increase in CETV	Employer contribution to partnership pension account
	£'000	£'000	£'000	£'000	£'000	Nearest £'000
Michael Boyle <i>Chief Executive:</i> <i>Appointed 11/3/14</i>	Accrued pension: 15-20 Lump sum: 50-55	Pension: 0-2.5 Lump sum: 0-2.5	369	400	0-5	-
Ronnie Pedlow <i>Chief Executive:</i> <i>Appointed 31/3/16</i>	Accrued pension: 0-5 Lump sum: 5-10	Pension: 0-5 Lump sum: 0-5	40-45	40-45	0-5	-

Civil Service Pensions

Pension benefits are provided through the Northern Ireland Civil Service pension arrangements which are administered by Civil Service Pensions (CSP). Staff in post prior to 30 July 2007 may be in one of three statutory based 'final salary' defined benefit arrangements (classic, premium and classic plus). These arrangements are unfunded with the cost of benefits met by monies voted by the Assembly each year. From April 2011 pensions payable under classic, premium, and classic plus are increased annually in line with changes in the Consumer Prices Index (CPI). Prior to 2011, pensions were increased in line with changes in the Retail Prices Index (RPI). New entrants joining on or after 1 October 2002 and before 30 July 2007 could choose between membership of premium or joining a good quality 'money purchase' stakeholder arrangement with a significant employer contribution (partnership pension account). New entrants joining on or after 30 July

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

Remuneration report for the year ended 31 March 2016 (continued)

Civil Service Pensions (continued)

2007 were eligible for membership of the nuvos arrangement or they could have opted for a partnership pension account. Nuvos is a 'Career Average Revalued Earnings' (CARE) arrangement in which members accrue pension benefits at a percentage rate of annual pensionable earnings throughout the period of scheme membership. The current rate is 2.3%. CARE pension benefits are increased annually in line with increases in the CPI.

A new pension scheme, alpha, was introduced for new entrants from 1 April 2015. The majority of existing members of the NICS pension arrangements have also moved to alpha from that date. Members who on 1 April 2012 were within 10 years of their normal pension age will not move to alpha and those who were within 13.5 years and 10 years of their normal pension age were given a choice between moving to alpha on 1 April 2015 or at a later date determined by their age. alpha is also a 'Career Average Revalued Earnings' (CARE) arrangement in which members accrue pension benefits at a percentage rate of annual pensionable earnings throughout the period of scheme membership. The rate will be 2.32%. CARE pension benefits are increased annually in line with increases in the CPI.

Increases to public service pensions are the responsibility of HM Treasury. Pensions are reviewed each year in line with the cost of living. Increases are applied from April and are determined by the CPI figure for the preceding September. The CPI in September 2015 was negative (-0.1%) and HM Treasury has announced that there will be no increase to public service pensions from April 2016. Therefore public service pensions will remain at their current level.

Benefits in classic accrue at the rate of 1/80th of pensionable salary for each year of service. In addition, a lump sum equivalent to three years' pension is payable on retirement. For premium, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike classic, there is no automatic lump sum (but members may give up (commute) some of their pension to provide a lump sum). Classic plus is essentially a variation of premium, but with benefits in respect of service before 1 October 2002 calculated broadly as per classic.

The partnership pension account is a stakeholder pension arrangement. The employer makes a basic contribution of between 3% and 14.7% (depending on the age of the member) into a stakeholder pension product chosen by the employee. The employee does not have to contribute but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.5% of pensionable salary to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement).

The accrued pension quoted is the pension the member is entitled to receive when they reach pension age, or immediately on ceasing to be an active member of the scheme if they are at or over pension age. Pension age is 60 for members of classic, premium, and classic plus and 65 for members of nuvos. The normal pension age in alpha is linked to the member's State Pension Age but cannot be before age 65. Further details about the NICS pension arrangements can be found at the website <https://www.finance-ni.gov.uk/topics/working-northern-ireland-civil-service/civil-service-pensions-ni>.

Cash equivalent transfer values

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies. The CETV figures, and from 2003-04 the other pension details, include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the NICS pension arrangements. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated in accordance with The Occupational Pension

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Remuneration report for the year ended 31 March 2016 (continued)

Cash equivalent transfer values (continued)

Schemes (Transfer Values) (Amendment) Regulations 2008 and do not take account of any actual or potential benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

Real increase in CETV

This reflects the increase in CETV effectively funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period. The actuarial factors used to calculate CETVs changed during the 2015-16 year and, consequently, CETV figures increased even without any further pension accrual. However, the real increase calculation uses common actuarial factors at the start and end of the period so that it disregards the effect of any changes in factors and focuses only on the increase that is funded by the employer.

Compensation for loss of office

No payments were made by the Northern Ireland Police Fund during 2015-16 regarding compensation for loss of office.



Dr M Wardlow
Chairman
Date: 20 December 2016



RG Pedlow
Chief Executive
Date: 20 December 2016

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

Governance Statement for the year ended 31 March 2016

1. Scope of responsibility

1.1. The Northern Ireland Police Fund (the Fund) was set up in late 2001 as a government response to the Independent Commission on Policing for Northern Ireland, Patten Recommendation 87, as reviewed by John Steele. Its principal activity throughout the year was the provision of financial assistance, advice, support and care to members and former members of the Royal Ulster Constabulary, the Royal Ulster Constabulary Reserve, the Police Service of Northern Ireland and the Police Service of Northern Ireland Reserve who have been injured or disabled as a direct result of terrorism. It also provides support to the widows, families and dependants of police officers who have been injured or killed as a direct result of terrorist attack.

1.2. It has as its mission statement:

Alleviating suffering resulting from terrorist attacks on police officers by providing continuing support for them and their families.

1.3. The core business of the Fund centres on client services. The needs of clients are at the heart of the Fund's schemes and services. Client needs change and develop over time and therefore the Fund's schemes are regularly reviewed and evolve to meet need and demand.

1.4. The Fund's services extend past grant making however, and include referrals to, and collaborative work with, other agencies within the police family to provide a package of care which best meets clients' needs. The Fund's assessment team also aims to visit, personally, all clients at least once every 18 months which provides the opportunity to assess changing client need, react appropriately, and inform clients about opportunities available to them, through the Fund.

1.5. The Fund is a Company Limited by Guarantee and, on 1 April 2005, it was classified as an Executive Non Departmental Public Body (NDPB). The Company received £1,481,000 from the Department of Justice (DoJ) by way of grant-in-aid for its core activities in the year ended 31 March 2016. The legal status of NIPF changed on 1st April 2016 from that of a company limited by guarantee to a body corporate NDPB.

1.6. In implementing all schemes, the Fund strives to ensure a high quality client based service balanced by efficient use of its budget, which meets Governance and Accounting requirements.

2. Purpose of the Governance Framework

2.1. The governance framework provides a system to monitor and record the stewardship of the organisation to supplement the accounts and to provide a sense of how successfully the Fund has coped with the challenges it faces.

2.2. The framework comprises the systems and processes by which the Fund is directed and controlled. It enables the Fund to support and monitor the achievement of its objectives and targets while ensuring that public funds are effectively directed towards meeting the business need.

2.3. The internal control system underpins the governance framework and is designed to ensure that risks are managed appropriately in line with the Fund's risk appetite. It cannot eliminate all risks but rather is designed to provide reasonable and not absolute assurance of effectiveness. It is based on an ongoing process designed to identify and prioritise the risks to the achievement of the company policies, objectives and targets, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

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

Governance Statement for the year ended 31 March 2016 (continued)

3. Governance Framework

- 3.1. The Directors are committed to operating the company in a responsible manner and the governance framework forms an integral part of this approach in order to safeguard public funds. A robust governance framework, as described below, supports the Board in discharging its corporate governance responsibilities.
- 3.2. The Corporate Governance Framework has been in place in the Fund for the year ended 31 March 2016 and up to the date of the annual report and accounts and in accordance with DFP Guidance. The Fund complied with the 2014 Corporate Governance Code.
- 3.3. The Fund by virtue of its status as a company limited by guarantee is not subject to the disclosure requirements under the Freedom of Information Act 2000. There have been no Ministerial directions during the course of the year

3.4. Corporate Accountability

- 3.4.1. The Fund is a Company Limited by Guarantee and a Non-Executive Public Body of the Department of Justice (DoJ). The Chief Executive is a seconded Grade 7 civil servant and the Accounting Officer for the Fund. He is responsible for the operational management of the Fund and delivery of Board policy. He reports directly to the Chairman.
- 3.4.2. The Accounting Officer's responsibilities are delegated from the Permanent Secretary of the DoJ, to the Chief Executive, who as the Fund's Accounting Officer is accountable for the effective, efficient and economic use of resources provided to the Fund, for the propriety and regularity of its expenditure, the safety and security of staff and for ensuring that the requirements of Managing Public Money NI are met.
- 3.4.3. As a Company and an NDPB, the CEO and the Board pay careful attention to its overarching Company Memorandum and Articles of Association and to the Management Statement and Financial Memorandum agreed with the Departmental Sponsor.

3.5. Board of Directors

- 3.5.1. The Chief Executive is supported by and reports to a Board of Directors and Chairman who govern the conduct of the Fund through formal reporting and decision making. Board membership comprises a mixture of members providing a balance of skills and abilities ranging from strong ties with the policing family through to experience of the specialisms required to fulfil the Board functions which range from decisions affecting client grants to governance and oversight of performance.
- 3.5.2. The Board meets monthly and at the corporate and strategic level Directors regularly review progress and performance against the objectives and targets set in the Business Plan. This includes the ongoing monitoring of corporate risks and the oversight of the performance and risks at the operational level.

3.6. Supporting Committees

- 3.6.1. The Board of Directors and Accounting Officer are supported in their roles by the Audit and Risk Committee which usually meets at least four times a year and monitors the corporate governance and control systems within the Fund. It considers progress against assurance plans, adequacy of the risk management framework and risk register and any proposed risk mitigation, adherence to procurement policies and guidelines, internal and external audit strategies and management response to audit recommendations. The Audit Committee is chaired independently from the Board and has full access to all audit reports, risk registers and management reports. The Committee is attended by representatives from internal and external audit and Departmental sponsor.

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

Governance Statement for the year ended 31 March 2016 (continued)

3.6.2. The Directors may also convene an ad hoc Finance and General Purposes Committee to carry out specific items of work as required by the Board. This Committee was convened four times during the year.

3.6.3. Depending on the level of funding application grants to clients are awarded through delegated authority to the CEO and/or through Case Conferences which comprise a quorum of Directors. Client appeals are heard at Board Meetings. Case Conferences are convened on a need basis as determined by the level and value of claims at any given time. There were seven case conferences during the year.

3.7. Annual Report and Accounts

3.7.1. Each year the Fund prepares an annual report and financial statement in accordance with the Companies Act 2006, the Financial Reporting Manual (FRM) and DFP guidance. This is presented to the Minister prior to being presented to the Assembly. The accounts are also filed in Companies House.

3.8. Departmental Sponsor

3.8.1. Ongoing governance oversight of the Fund is achieved through quarterly governance meetings with the Departmental Sponsor and through regular Departmental governance and financial reports and returns.

3.9. Policies and Procedures

3.9.1. The Fund has internal controls in place which are supported by policies and procedures which are adhered to throughout the company.

3.9.2. The Fund also has a system of signed authorisation forms and tiered approval processes which are an effective internal control system and delegates a level of individual accountability throughout the Fund.

4. Risk Management and Internal Control

4.1. The Fund's internal control and risk management processes act as enablers for the delivery of effective governance and to demonstrate that adequate internal controls are in place and operating effectively.

4.2. To assist in the risk management process the Fund has developed a risk management policy which sets out the Fund's methodology for identifying, assessing and managing risk in line with the risk appetite, outlines the key aspects of the risk management process and identifies the reporting procedures. A risk register is maintained and reviewed on a quarterly basis by the Board and the register, along with a summary of changes made in the intervening period is submitted to each Audit and Risk Committee meeting and governance meeting with the sponsor.

4.3. The Fund adheres to specific financial arrangements, delegated from the Department to the Accounting Officer in relation to the principles within Managing Public Money Northern Ireland (MPMNI) for the expenditure, regularity, propriety and value for money which applies to all public expenditure.

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

Governance Statement for the year ended 31 March 2016 (continued)

- 4.4. The Fund implements and adheres to relevant DoJ and DFP policies where they are appropriate to the Fund including financial, procurement and accounting policies and procedures, information security policy, policies on fraud and anti-bribery, and whistleblowing, a requirement to declare conflicts of interest and a gifts and hospitality policy.

5. Review of Effectiveness of the Governance Framework

- 5.1. As Accounting Officer I have responsibility for reviewing the effectiveness of the governance framework and the system of internal control. This has been informed through a number of elements within the Fund.

5.1.1. The Fund's Board has a vital role in ensuring that the Fund has an effective system of internal control. It met on 11 separate occasions during the year to discuss and make decisions relating to, but not limited to: strategy, governance, performance, financial planning and monitoring, budget proposals, risk, security, policies and procedures. The Board again acknowledges the significant improvement in the quality of data presented in management information reports during the year, particularly financial data, which has enabled the board to have a fuller corporate overview of performance within the Fund. This includes but is not limited to: cumulative data on client based activities, spend, prompt payments statistics and security and fraud matters. Board attendance has in the main been good with seven Directors attending nine or more meetings.

5.1.2. The Audit and Risk Committee also keeps governance issues under review. It met once during the year to consider significant aspects within the governance framework including, but not limited to: reports from internal and external audit on systems and procedural reviews, the annual report to those charged with governance and the management response, quarterly risk register reviews from the Board and procurement issues.

5.1.3. In accordance with the National Audit Office 'Good Practice Self-Assessment Checklist' for public sector Audit Committees, the Audit and Risk Committee undertook a workshop in August 2013 to review its own performance against recommended best practice. The outcome gave assurance that best practices were being followed in key areas.

5.1.4. The Fund meets quarterly with the Departmental sponsor to discuss governance issues and agree actions for improvement.

5.1.5. In addition to this, the Fund also makes a significant number of formal monthly, six monthly and annual returns to the Department. These include but are not limited to:

- Stewardship Statements
- Corporate Governance Statements
- Security Risk Management Overview
- Information Assurance Maturity Action Plan
- Financial forecasts and RBMs
- Monitoring Rounds
- Compliance reports on Use of Consultants

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

Governance Statement for the year ended 31 March 2016 (continued)

6. Significant Internal Control Issues Identified

- 6.1. Procurement policies and practices are in line with the DoJ and DFP policies. The fund engages closely with both the DoJ and the Central Procurement Directorate (CPD) to avail of the expertise in this area and to ensure that its procurement and tendering processes are in accord with the requires standards and practices.
- 6.2. As a Company limited by guarantee the Fund is required to lodge a copy of its audited accounts with the Companies House by 31 December each year. The fund's accounts are audited by the Northern Ireland Audit Office. While the Fund had no control over the timetabling of this work it has undertaken to prepare all relevant material for audit in advance of that process in order to expedite matters and minimise the number of queries which may delay certification.
- 6.3. As an Executive NDPB and a Company Limited by Guarantee during the year the Fund's Board was responsible for its own appointments in line with its Memorandum and Articles of Association and with Paragraph 3.4.1 of its MSFM. As the Fund is listed as a body on Schedule 2 of the Commissioner for Complaints Order 1996 and by virtue of that are Commissioner for Public Appointments for NI (CPANI) regulated, all board appointments should be consistent with the public appointments guidance. There were no Board appointments made during the year.

7. Accounting Officer Statement on Assurance

- 7.1. I have been advised on the implications of the result of my review and of the effectiveness of the system of internal control by the Board, the Audit and Risk Committee and through the internal auditor's annual opinion on assurance.
- 7.2. In respect of 2015/16 I have been informed by internal audit on the adequacy and effectiveness of internal controls operating within the Fund. Internal Audit of the Department of Justice has produced a report on the Fund's provision of financial assistance to individuals. The Fund's procedures and management in this area has been given a satisfactory assurance. In addition, management has agreed and implemented recommendations made therein. A second report on the Fund's provision of financial support to organisation has not been finalised at this point.
- 7.3. The Public Sector Internal Auditing Standards requires I report any significant control issues brought to my attention by the Internal Auditors. At this juncture, for 2015/16, Internal Audit of the Department of Justice has produced a report on the Fund's finance administration and personnel systems. The Fund's procedures and management in this area has been given a satisfactory assurance. A second report on the Fund's award of grant funding to individuals was awarded a satisfactory assurance. In addition, management has agreed and are in the process of implementing recommendations made within both reports

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

Governance Statement for the year ended 31 March 2016 (continued)

- 7.4. Progress on issues raised by internal and external audit continues to be formally monitored through the Audit and Risk Assurance Committee. In addition, progress on priority 1 internal and external recommendations continues to be reported to and monitored by the Departmental Audit and Risk Assurance Committee.
- 7.5. The NI Police Fund has had a case of unauthorised destruction of personal data during the current year. The incident involved the shredding of papers relating to payments. An in-house investigation was carried out and a report was provided to Sponsor branch within DOJ who liaised with the Department's Information Asset Officer. The Fund's internal auditor carried out an audit of the Fund's financial procedures who advised that further investigation was not warranted. No data was lost outside the Fund and copies of all papers lost were retrieved from other records. Increased security arrangements have been put in place regarding shredding and payments files being held securely within the file room, which is accessed by security fob only.
- 7.6. The Fund provides financial support, upon application, to a number of 'police' related voluntary bodies where their activities have demonstrably benefit clients of the Fund. In late 2013, an internal whistleblower within one of these organisations raised governance concerns in relation to allegations of improper conduct and potential fraudulent practices. The Fund took the decision immediately to notify the Department of Justice to suspend funding forthwith. Subsequently the Charity Commission for Northern Ireland has undertaken a formal statutory investigation into the body concerned. This investigation has concluded. The Fund has not funded this organisation since its initial suspension.
- 7.7. Taking these matters into account and except for the issues set out above, I am content that the internal control framework in operation within the Fund provides reasonable assurance that objectives can be met, In relation to the control issues set out above, I am content that appropriate actions have been taken to address these issues.



RG Pedlow
Chief Executive
Date: 20 December 2016

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

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

I certify that I have audited the financial statements of the Northern Ireland Police Fund for the year ended 31 March 2016 under the Audit and Accountability (Northern Ireland) Order 2003 as amended by the Northern Ireland Act 1998 (Devolution of Policing and Justice Functions) Order 2010. The financial statements comprise the Statement of Comprehensive Net Expenditure, Statement of Financial Position, Statement of Cash Flows, Statement of Changes in Taxpayers' 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 Directors' and Chief Executive's Responsibilities, the directors are 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 Audit and Accountability (Northern Ireland) Order 2003 as amended by the Northern Ireland Act 1998 (Devolution of Policing and Justice Functions) Order 2010. 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.

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

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 2016 and of its surplus, 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

In forming my opinion on the financial statements, which is not qualified, 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 Northern Ireland Police Fund changed on 1st April 2016 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 22.

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's (formerly Department of Finance and Personnel) 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*

22 December 2016

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

Statement of comprehensive net expenditure for the year ended 31 March 2016

	Notes	2016 Total £	2015 Total £
Expenditure			
Direct costs	4	(1,108,455)	(1,267,375)
Staff Costs	5	(225,287)	(227,725)
Depreciation/Amortisation	9/10	(1,918)	(2,148)
Other Expenditure	5	(117,955)	(120,133)
Part-Time Reserve Gratuity payments		-	-
		(1,453,615)	(1,617,381)
Income			
Grant in aid		1,481,000	1,627,000
Other Income		-	4,681
		1,481,000	1,631,681
Net income		27,385	14,300
Income tax expense	8	-	-
Net income after interest and taxation		27,385	14,300

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

Statement of financial position as at 31 March 2016

	Notes	2016 £	2015 £
Non-current assets			
Intangible assets	10	3,183	4,774
Property, plant and equipment	9	9,654	879
Total non-current assets		12,837	5,653
Current assets			
Trade and other receivables	11	2,874	1,225
Cash and cash equivalents	12	55,324	8,400
Total current assets		58,198	9,625
Total assets		71,035	15,278
Current liabilities			
Bank overdraft	12	-	-
Trade and other payables	13	(48,340)	(19,967)
Income tax liabilities		-	-
Total current liabilities		(48,340)	(19,967)
Non-current assets less net current liabilities		22,695	(4,689)
Taxpayers' equity			
Income and expenditure account		22,695	(4,689)
Part-Time Reserve Gratuity reserve		-	-
		22,695	(4,689)

The notes on pages 24 to 38 are an integral part of these financial statements.

In the view of the Board an exemption from the audit requirement of Part 16 of the Companies Act 2006 is available under section 482 of that Act, since the company meets the Department of Finance'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 financial statements on pages 20 to 38 were authorised for issue by the Board on and were signed on its behalf by:



Dr M Wardlow
Chairman
Date: 20 December 2016



RG Pedlow
Chief Executive
Date: 20 December 2016

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

Statement of cash flows for the year ended 31 March 2016

	Notes	2016 £	2015 £
Cash flows from operating activities			
Net surplus before interest and taxation		28,951	15,375
Adjustments for:			
Depreciation of property, plant and equipment	9	327	557
Amortisation of intangible assets	10	1,591	1,591
(Increase)/decrease in trade and other receivables		(1,649)	600
Increase/(decrease) in trade and other payables		28,373	(6,627)
Net cash used in operating activities		57,593	11,496
Cash flows from investing activities			
Purchase of property, plant and equipment	9	(9,102)	(879)
Net cash used in investing activities		(9,102)	(879)
Cash flows from financing activities			
Bank interest payable		(1,566)	(1,076)
Net cash used in financing activities		(1,566)	(1,076)
Net (Decrease)/increase in cash and cash equivalents		46,925	9,541
Cash and cash equivalents at beginning of the period		8,400	(1,141)
Cash and cash equivalents at end of the period	12	55,325	8,400

The notes on pages 24 to 38 are an integral part of these financial statements.

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

Statement of changes in taxpayers' equity for the year ended 31 March 2016

	Part-Time Reserve Gratuity reserve £	Income and expenditure account £	Total Taxpayers' equity £
Balance at 31 March 2014	8,701	(27,690)	(18,989)
Comprehensive income			
Surplus for the year	-	14,300	14,300
Total comprehensive income	-	14,300	14,300
Transfer between reserves	(8,701)	8,701	
Balance at 31 March 2015	-	(4,689)	(4,689)
Comprehensive income			
Surplus for the year	-	27,385	27,385
Total comprehensive income	-	27,385	27,385
Balance at 31 March 2016	-	22,696	22,696

The notes on pages 24 to 38 are an integral part of these financial statements.

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

Notes to the financial statements for the year ended 31 March 2016

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

General information

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

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

Basis of preparation

For the year ended 31 March 2016, the accounts have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union and applied in accordance with the provisions of the Companies Act 2006; with additional disclosures, without limiting the information given, to comply with Government Financial Reporting Manual (FReM) and other accounting requirements issued by the Department of Finance and Personnel with the exception of the treatment of grant in aid.

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

The financial statements of the Fund have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs as adopted by the EU), IFRIC Interpretations and the Companies Act 2006 applicable to companies reporting under IFRS. In addition, without limiting the information given, the financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted and interpreted by the 2015-16 FReM, with the exception of the treatment of grant in aid as noted above. 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 Fund for the purpose of giving a true and fair view has been selected.

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

Going concern

The legal status of NIPF changed on the 1st April 2016 from that of a company limited by guarantee to a body corporate Non-Departmental Public Body (NDPB). The financial statements have been prepared to reflect the change in status as the company will be dissolved in 2016-17 with all trading transferred to the NDPB. This change in legal status does not affect the ability of NIPF as an entity to continue trading at a normal capacity.

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

Notes to the financial statements for the year ended 31 March 2016

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

Standards, amendments and interpretations effective in the year to 31 March 2016 and applicable to the company

The following amendment to a published standard was issued and effective in the year to 31 March 2016 and was relevant to the company's operations.

- IAS 20, 'Accounting for Government Grants and Disclosure of Government Assistance' (effective 1 January 2011)
- IAS 24 (amendment) 'Related Party Disclosures'. This amendment clarified the definition of a related party, and simplified the disclosure requirements that are controlled, jointly controlled or significantly influenced by a government. The FReM interpretation of IAS 24 (Chapter 5) covers the areas amended by IASB and is applicable to the public sector, from 1 January 2011.

Standards, amendments and interpretations effective in the year to 31 March 2016 and not applicable to the company

The following standards, amendments and interpretations to published standards are effective for the year ended 31 March 2016 but they are not relevant to the company's operations:

- IAS 34 (amendment), 'Interim Financial Reporting' (effective 1 January 2011)
- IFRS 3 (amendment), 'Business Combinations' (effective 1 July 2010)
- IFRS 7 (amendment), 'Financial Instruments: Disclosures' (effective 1 January 2011)
- IFRIC 13 (amendment), 'Customer Loyalty Programmes' (effective 1 January 2011)
- IFRIC 19, 'Extinguishing Financial Liabilities with Equity Instruments' (effective 1 January 2011)

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

There are no standards, amendments and interpretations that are not yet effective which are applicable to the company.

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

- IAS 1, 'Presentation of Financial Statements (Other Comprehensive Income)' (effective 1 June 2012)
- IFRS 7 (amendment), 'Financial Instruments: Disclosures' (effective 1 July 2012)
- IFRS 13, 'Fair Value Measurement' (effective 1 January 2012)*
- IAS 12 (amendment), 'Income Taxes' (effective 1 January 2012)*
- IAS 19, 'Post-employment Benefits' (effective 1 January 2013)*
- IFRS 9, 'Financial Instruments' (effective 1 January 2013)*
- IFRS 10 (amendment), 'Consolidated Financial Statements' (effective 1 January 2013)*
- IFRS 11 (amendment), 'Joint Arrangements' (effective 1 January 2013)*
- IFRS 12 (amendment), 'Disclosure of Interests in Other Entities' (effective 1 January 2013)*
- IAS 27, 'Separate Financial Statements' (effective 1 January 2013)*
- IAS 28, 'Investments in Associates and Joint Ventures' (effective 1 January 2013)*
- IFRS 13, 'Fair Value Measurement' (effective 1 January 2013)*
- IFRIC 20, 'Shipping Costs in the Production Phase of a Surface Mine' (effective 1 January 2013)
- IPSAS 32, 'Service Concession Agreement' (effective 1 January 2015)

* Not yet endorsed by the EU.

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

Notes to the financial statements for the year ended 31 March 2016

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

Income recognition

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

Property, plant and equipment

Property, plant and equipment, comprising fixtures and fittings and computer equipment, is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. There is no material difference between the use of historical cost and modified historical cost which is used elsewhere in the public sector and required by FReM.

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

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

- Fixtures and fittings 5 to 15 years
- Computer equipment 5 years
- Intangible assets 5 years

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

Cash and cash equivalents

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

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

Notes to the financial statements for the year ended 31 March 2016

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

Current and deferred income tax

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

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

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

Value added tax

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

Employee benefits

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

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

Staff (including the Chief Executive), who are Civil Servants on inward secondment, fall under the Civil Service pension provisions as set out in the Remuneration report. Their pension costs are recharged to the Fund and accounted for as pension costs.

Financial risk factors

Due to the non-trading nature of its activities and the way in which the Fund is funded by the DoJ, the Fund is not exposed to the degree of financial risk faced by trading entities in the private sector.

Financial assets and liabilities are generated by day-to-day operational activities and are not held to alter risks facing the company in undertaking its activities. Given the size of the company, the Directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The policies set by the board of Directors are implemented by the company's Chief Executive.

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

Notes to the financial statements for the year ended 31 March 2016

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

(a) Market Risk

Price risk

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

Foreign exchange risk

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

Interest rate cash flow risk

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

(b) Credit risk

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

(c) Liquidity risk

The company is funded by the DoJ and is accountable to the Assembly through the Minister of Justice and is therefore not exposed to significant liquidity risk.

Critical accounting estimates and judgements

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

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

2 Capital risk management

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

3 Segment reporting

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

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

Notes to the financial statements for the year ended 31 March 2016

4 Direct costs

	2016 £	2015 £
Direct Costs – Core Activities		
Bereavement grants	126,756	239,664
Disability support grants	139,276	169,741
Disability adaptation grants	144,848	167,616
Regular payments scheme	44,908	55,107
Prosthesis	-	(703)
Pain management	1,920	5,615
Recognition payments*	253,700	49,099
Educational bursaries	73,250	156,400
Respite care	21,446	34,526
Wheelchair expenses	-	9,231
Early widows' award	241,042	316,005
Widow association and carers	13,284	12,960
WPFA	15,043	12,524
Parents association	29,291	38,680
Forgotten families	3,691	910
Total Direct Costs	1,108,455	1,267,375

* Reflects increased level of recognition payment.

5 Administrative expenses

	2016 £	2015 £
Personnel costs		
Wages and salaries *	188,664	164,786
Employers National Insurance Contributions	20,971	28,138
Staff pension contributions	15,651	34,802
Total personnel costs	225,287	227,726

* Includes the Directors' emoluments of £6,000 (2015: £6,000) as detailed in Note 7.

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

Notes to the financial statements for the year ended 31 March 2016

5 Administrative expenses - continued

	2016 £	2015 £
Establishment expenses – core activities		
Rent	50,000	50,000
Insurance	722	802
Repairs and maintenance	352	18
Sub-total – core activities	51,074	50,820
General expenses – core activities		
Travel and subsistence	5,656	5,593
Telephone	1,957	2,013
Security	241	325
Office expenses	7,332	7,807
Computer expenses	16,821	19,517
Staff training	2,215	-
Hospitality	280	135
Legal and professional fees	7,041	10,547
Internal audit fees	7,227	8,100
Accountancy fees	6,545	4,700
Auditors remuneration	10,000	9,500
Depreciation /Amortisation	1,918	2,148
General expenses – Part-Time Reserve Gratuity Scheme		
Surplus repayment	-	-
Sub-total – core activities	67,233	70,385
Sub-total – Part Time Reserve repayment	-	-
Financial costs – core activities		
Bank charges	1,566	1,076
Financial costs – Part-Time Reserve Gratuity Scheme		
Bank charges	-	-
Sub-total – core activities	1,566	1,076
Sub-total – Part-Time Reserve Gratuity Scheme	-	-
Total – core activities	345,160	350,006
Total – Part-Time Reserve Gratuity Scheme	-	-
	345,160	350,006

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

Notes to the financial statements for the year ended 31 March 2016

6 Auditor remuneration

Remuneration for the Fund's auditors

During the year the Fund paid auditor remuneration in respect of the following:

	2016 £	2015 £
Fees payable for the audit of the core financial statements	10,000	9,500

The fees payable for the audit of the financial statements for the year to 31 March 2016 relate solely to the audit of the financial statements for the core activities.

7 Staff numbers and related costs

	2016 Total £	Permanently employed staff £	Others £	2015 Total £
Wages and salaries, including Directors' emoluments	188,664	76,593	112,071	164,785
Social security costs	20,971	20,971	-	28,138
Pension costs	15,651	15,651	-	34,802
	225,287	113,215	112,071	227,725

	2016 Total	Permanently employed staff	Others	2015 Total
The average monthly number of persons employed by the company (excluding Directors) during the year by activity was:				
Administration	6	4	2	7

During the year, four staff members (2015: four) had permanent employment contracts with the company. One staff member (2015: one) is on inward secondment with the company. One staff was employed on a zero hours contract (2015: two).

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

Notes to the financial statements for the year ended 31 March 2016

7 Staff numbers and related costs (continued)

	2016	2015
	£	£
Directors		
Aggregate emoluments	6,000	6,000

No Directors have retirement benefits accruing under a money purchase scheme (2015: £Nil). The Directors of the company are reimbursed for normal travel expenses.

8 Taxation

	2016	2015
	£	£
Current tax:		
Current tax on net expenditure for the year	-	-
Adjustment in respect of prior years	-	-
Total current tax	-	-
Deferred tax:		
Origination and reversal of temporary differences	-	-
Total deferred tax	-	-
Income tax expense	-	-

The tax assessed for the year differs from the standard rate of corporation tax in the UK of 21% (2015: 21%). The differences are explained below:

	2016	2015
	£	£
Net (expenditure)/income before tax	27,385	14,300
Net income multiplied by standard rate in the UK 20% (2015: 21%)	5,477	3,003
Tax effects of:		
Income not chargeable to tax	(5,477)	(3,003)
Expenses not deductible for tax purposes	-	-
Tax charge	-	-

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

Notes to the financial statements for the year ended 31 March 2016

9 Property, plant and equipment

	Fixtures & fittings £	Computer Equipment £	Total £
Cost			
At 1 April 2014	11,249	54,075	65,324
Additions	-	879	879
At 31 March 2015	11,249	54,954	66,203
Depreciation			
At 1 April 2014	11,249	53,518	64,767
Depreciation charge	-	557	557
At 31 March 2015	11,249	54,075	65,324
Net book amount			
At 31 March 2015	-	879	879
At 31 March 2014	-	557	557
Cost			
At 1 April 2015	11,249	54,954	66,203
Additions	-	9,102	9,102
At 31 March 2016	11,249	64,056	75,305
Depreciation			
At 1 April 2015	11,249	54,075	65,324
Depreciation charge	-	327	327
At 31 March 2016	11,249	54,402	65,651
Net book amount			
At 31 March 2016	-	9,654	9,654
At 31 March 2015	-	879	879

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

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

Notes to the financial statements for the year ended 31 March 2016

10 Intangible Assets

	Intangible assets £	Total £
Cost		
At 1 April 2014	7,956	7,956
Additions	-	-
At 31 March 2015	7,956	7,956
Amortisation		
At 1 April 2014	1,591	1,591
Amortisation charge	1,591	1,591
At 31 March 2015	3,182	3,182
Net book amount		
At 31 March 2015	4,774	4,774
At 31 March 2014	6,365	6,365

	Intangible assets £	Total £
Cost		
At 1 April 2015	7,956	7,956
Additions	-	-
At 31 March 2016	7,956	7,956
Amortisation		
At 1 April 2015	3,182	3,182
Amortisation charge	1,591	1,591
At 31 March 2016	4,773	4,773
Net book amount		
At 31 March 2016	3,183	3,183
At 31 March 2015	4,774	4,774

Amortisation expense has been fully charged to the Statement of comprehensive net expenditure.

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

Notes to the financial statements for the year ended 31 March 2016

11 Trade and other receivables

	2016 £	2015 £
Prepayments and accrued income	2,874	1,225

No receivables are due greater than one year

12 Cash and cash equivalents

	2016 £	2015 £
Cash at bank and on hand	55,324	8,400

13 Trade and other payables

	2016 £	2015 £
Trade payables	-	-
Accrued expenses and deferred income	48,340	19,967
	48,340	19,967

14 Company limited by guarantee

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

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

15 Contingencies

The directors are not aware of any circumstances that would give rise to a contingency.

16 Commitments

(a) Capital commitments

There were no capital commitments at 31 March 2016 (2015: £nil).

(b) Commitments under leases

There were no commitments under leases at 31 March 2016 (2015: £nil).

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

Notes to the financial statements for the year ended 31 March 2016

17 Related party transactions

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

NIPF has a Service Level Agreement with Police Rehabilitation and Re-training Trust (PRRT) for leasing a property during the financial year with an annual charge of £50,000.

18 Ultimate controlling party

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

19 Financial instruments

The Fund's financial instruments are classified as follows:

Assets and liabilities	Category of financial instrument
Cash and cash equivalents	Loans and other receivables
Trade and other payables	Other financial liabilities at amortised cost

20 Losses and Special Payments

There were no losses or special payments in the year (2015: none).

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

Notes to the financial statements for the year ended 31 March 2016

21 Additional disclosures to comply with FReM

The Financial Reporting Manual (FReM) requires non-departmental public bodies to treat grant in aid, whether for revenue or capital purposes, as contributions from controlling parties giving rise to a financial interest in the residual interest of the reporting entity. As such, under FReM, grant in aid is to be credited to the income and expenditure reserve. If the Fund were to comply with FReM, the following would be the effect of this compliance:

Statement of comprehensive net expenditure prepared under FReM

	2016 Total £	2015 Total £
Expenditure		
Direct costs	(1,108,455)	(1,267,375)
Administrative expenses	(345,161)	(350,006)
Other income	-	4,681
Net expenditure	(1,453,616)	(1,612,700)
Income tax expense	-	-
Net expenditure after interest and taxation	(1,453,616)	(1,612,700)

Statement of changes in taxpayers' equity prepared under FReM

	Part-Time Reserve Gratuity reserve £	Income and expenditure account £	Total taxpayers' equity £
Balance at 31 March 2014	8,701	(27,690)	(18,989)
Changes in taxpayers' equity for 2014/15			
Retained deficit	-	(1,612,700)	(1,612,700)
Total recognised income and expense for 2014/15	8,701	(1,640,390)	(1,631,689)
Grant in aid received from parent	-	1,627,000	1,627,000
Transfer between reserves	(8,701)	8,701	-
Balance at 31 March 2015	-	(4,689)	(4,689)
Change in taxpayers' equity for 2015/16			
Retained deficit	-	(1,453,616)	(1,453,616)
Total recognised income and expense for 2015/16	-	(1,458,305)	(1,458,305)
Grant in aid received from parent	-	1,481,000	1,481,000
Balance at 31 March 2016	-	22,695	22,695

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

Notes to the financial statements for the year ended 31 March 2016

Statement of cash flows for the year ended 31 March 2016

	Notes	2016 £	2015 £
Cash flows from operating activities			
Net Deficit after Interest and Taxation		(1,453,616)	(1,612,700)
Adjustments for:			
Depreciation of property, plant and equipment	9&10	1,918	2,148
(increase)/decrease in trade and other receivables		(1,649)	600
Increase/(decrease) in trade and other payables		28,373	(6,628)
Net cash used in operating activities		(1,424,974)	(1,616,580)
Cash flows from investing activities			
Purchase of property, plant and equipment	9	(9,102)	(879)
Net cash used in investing activities		(9,102)	(879)
Cash flows from financing activities			
Grants from parent department		1,481,000	1,627,000
Net cash used in financing activities		1,481,000	1,627,000
Net increase in cash and cash equivalents		46,924	9,541
Cash and cash equivalents at beginning of the period		8,400	(1,141)
Cash and cash equivalents at end of the period	12	55,324	8,400

22 Events after the reporting period

The legal status of NIPF changed on the 1st April 2016 from that of a company limited by guarantee to a body corporate Non-Departmental Public Body (NDPB). The financial statements have been prepared to reflect the change in status as the company will be dissolved in 2016-17 with all trading transferred to the NDPB. This change in legal status does not affect the ability of NIPF as an entity to continue trading at a normal capacity.

Date Authorised for Issue

The Accounting Officer authorised these accounts for issue on 20 December 2016.

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