

# STRATEGIC INVESTMENT BOARD LIMITED

Company Registration No. NI45710

Annual Review and Financial Statements 2021-22

Year Ended 31st March 2022

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# 1 Glossary of Terms

<b>Abbreviation</b>	<b>Full name</b>
ALB	Arm's Length Body
AMU	Asset Management Unit
CCEA	Council for the Curriculum, Examinations & Assessment
CEO	Chief Executive Officer
Covid-19	Coronavirus Disease 2019
CSU	Council Support Unit
DAERA	Department of Agriculture, Environment and Rural Affairs
DAO letter	'Dear Accounting Officer' letter
DARE	Data Analytics Research & Exploitation
DE	Department of Education
DEL	Departmental Expenditure Limit
DfC	Department for Communities
DfE	Department for the Economy
DfI	Department for Infrastructure
DoF	Department of Finance
DoH	Department of Health
DoJ	Department of Justice
EPC	Economic Policy Centre
EU	European Union
FOI	Freedom of Information
FTC	Financial Transactions Capital
FTE	Full-time Equivalent
FReM	Financial Reporting Manual
GAA	Gaelic Athletic Association
GDPR	General Data Protection Regulations
GP	General Practitioner
HMT	Her Majesty's Treasury
IAS	International Accounting Standard
IASB	International Accounting Standards Board
ICLRD	International Centre for Local and Regional Development
IFRS	International Financial Reporting Standard

ISNI	Investment Strategy Northern Ireland
LIBOR	London Interbank Offered Rate
MLKDC	Maze Long Kesh Development Corporation
MSFM	Management Statement and Financial Memorandum
NFI	National Fraud Initiative
NI	Northern Ireland
NIAO	Northern Ireland Audit Office
NICO	Northern Ireland Cooperation Overseas
NICS	Northern Ireland Civil Service
NICTS	Northern Ireland Courts & Tribunal Service
NIFRS	Northern Ireland Fire & Rescue Service
NMNI	National Museums Northern Ireland
ONS	Office for National Statistics
OPA	Operational Partnership Agreement
PfG	Programme for Government
PFI	Private Finance Initiative
PMO	Project Management Office
PPP	Public Private Partnership
PSNI	Police Service of Northern Ireland
SBRI	Small Business Research Initiative
SIF	Social Investment Fund
SIRB	Strategic Investment and Regeneration Branch
SoCNE	Statement of Comprehensive Net Expenditure
SoFP	Statement of Financial Position
SONI	System Operator for Northern Ireland
SONIA	Sterling Overnight Index Average
SSAP	Statement of Standard Accounting Practice
SSU	Strategic Support Unit
TEO	(The) Executive Office

## **2 Officers and Professional Advisers**

### **2.1 Directors**

Mr. Gerry McGinn	Chairman Non-Executive Director	(from September 2013, resigned 22 March 2022)
Mr. Duncan McCausland	Non-Executive Director	(since September 2013)
Ms. Marie-Thérèse McGivern	Non-Executive Director	(since September 2013)
Mr. Daniel McSorley	Non-Executive Director	(since November 2015)
Mrs. Kathryn Thomson	Non-Executive Director	(since September 2015)
Mr. Brett Hannam	Chief Executive	(since June 2012)

### **2.2 Secretary**

Gregor Hamilton

### **2.3 Auditors**

Northern Ireland Audit Office  
106 University Street  
Belfast  
BT7 1EU

### **2.4 Principal Bankers**

Danske Bank  
8-9 Donegall Square North  
Belfast  
BT1 5GJ

### **2.5 Registered Office**

9 Lanyon Place  
Belfast  
County Antrim  
BT1 3LP

## **3 Performance Report for the Year Ended 31st March 2022**

### **3.1 Overview**

During 2021-22 Strategic Investment Board Ltd continued to provide advice to the Executive, departments, councils and other organisations in relation to the articulation and delivery of their major investment programmes and projects.

#### **3.1.1 Chief Executive's Perspective on Performance**

In 2021-22, Strategic Investment Board Ltd assisted its partners in the planning of major investments, the delivery of programmes and projects, the management of assets, the promotion of reform and in responding to the Covid-19 pandemic.

#### **3.1.2 Performance and Activities**

During 2021-22, the Strategic Investment Board Ltd:

- Developed the Investment Strategy Northern Ireland (ISNI) and gained the Executive's approval for its publication for consultation.
- Provided Directors or Managers for the following programmes and projects:
  - Strule Education Campus;
  - NI Fire & Rescue Service (NIFRS) Training College at Desertcreat;
  - Casement Park, Gaelic Athletic Association (GAA);
  - The Urban Villages programme;
  - Social Investment Fund (SIF) capital and revenue projects;
  - Department of Finance New Ways of Working project;
  - Arc21 Waste Management procurement;
  - Southern Regional College Campus programme;
  - Northern Regional College Campus programme;
  - Ebrington capital projects;
  - Public Sector Shared Network project;
  - Ultrafast Broadband (Project Stratum);
  - Mobuoy Road Remediation Project;
  - Newry City Centre Regeneration Programme;
  - The 'Shop Local' project;
  - United Youth programme; and
  - Tackling Paramilitarism programme.
- Provided data analytical support to departments and Arm's Length Bodies (ALBs);
- Completed 136 assignments through the Strategic Support Unit (SSU); and
- Managed the Investment Strategy Northern Ireland (ISNI) Delivery Tracking System and project pipeline.

With support from its partners Strategic Investment Board Ltd:

- Provided, through the Buy Social initiative, 12,828 person weeks of employment to 430 people who were long term unemployed or had no substantial work experience;
- Obtained £11m through capital realisations bringing the total realised since 2012 to £253m;
- Obtained £18.5m in additional capital funding through successful applications to the Levelling Up Fund; and
- Managed £290m of loans of Financial Transactions Capital (FTC).

Specifically, the Strategic Investment Board Ltd:

- Supported **The Executive Office (TEO)** by:
  - providing the acting Chief Executive for the Maze Long Kesh Development Corporation (MLKDC);
  - providing a team to work on the Urban Villages programme;
  - providing Project Managers to the Social Investment Fund capital and revenue programmes;
  - providing a Director and Project Managers to deliver capital projects, strategic planning and asset disposals at Ebrington; and
  - reviewing existing Public Private Partnership (PPP)/ Private Finance Initiative (PFI) contracts.
- Supported **The Department of Agriculture, Environment & Rural Affairs (DAERA)** by:
  - providing a Director and other support to the Green Growth Programme;
  - providing a Project Manager for the arc21 residual waste management infrastructure project;
  - providing a Strategic Adviser to support work on investment in fisheries;
  - providing strategic advice on waste management; and
  - providing a Project Director for the Mobuoy Remediation Project.
- Supported **The Department for the Economy (DfE)** by:
  - establishing and staffing the Digital Catapult NI and Immersive Laboratory;
  - implementing the Energy Management programme;
  - providing a Project Manager for the United Youth project;
  - providing digitalisation support to TNI;
  - providing a Project Director for the Ultrafast Broadband project (Project Stratum);
  - providing Project Managers for the Southern and Northern Regional Colleges capital investment programmes;
  - advising on the management of the Department's Further Education investment programme;
  - advising on the Department's support to Ulster University's Graduate Entry Medical School and Belfast Campus Project;



- administering of the Department's £190m Financial Transaction Capital (FTC) loan portfolio and providing ongoing due diligence;
- advising on the promotion of the role of Hydrogen in decarbonisation and renewable energy generation;
- providing programme management for £2.4m Data/ Digital Small Business Research Initiative (SBRI) Innovation Fund;
- providing a Chief Executive for Manufacturing NI;
- supporting InterTradeIreland's transition to a data led organisation through a review of data systems, processes and infrastructure;
- providing a Project Manager and delivery team for the High Street Support Scheme; and
- providing a Strategic Adviser and Project Officer to support the development of a Circular Economy Strategy.
- Supported **The Department for Communities (DfC)** by:
  - providing the GAA with a project manager for Casement Park;
  - providing an embedded team to advise the Engaged Communities group on infrastructure planning and delivery;
  - advising on the development of a Housing Strategy;
  - providing a Capital Programme Director to National Museums, NI;
  - providing Project Management support to Historic Environment Division; and
  - providing advice to Armagh Observatory and Planetarium, the Arts Council and Ulster Orchestra.
- Supported the **Department of Education (DE)** by:
  - providing a Construction Manager and leading the communications function for the Strule Educational Campus programme; and
  - providing data analytical support to the department's schools and transport planners.
- Supported the **Department of Finance (DoF)** by:
  - operating the Asset Management Unit (AMU);
  - providing a Transformation Director and staff for the Agile Working programme;
  - providing a Project Manager for the Public Sector Shared Network project;
  - administering of the Department's £100m Financial Transaction Capital (FTC) loan portfolio;
  - advising on the recruitment of the Head of the Civil Service and Permanent Secretaries; and
  - operating the 'Social Value' unit to promote the delivery of social value in public sector procurement and support the implementation of mandatory scoring for Social Value in public procurement.

- Supported the **Department of Health (DoH)** by:
  - providing a Project Manager for the NIFRS College at Desertcreat;
  - providing data analytical and dynamic systems modelling support;
  - advising on a programme of revenue funded investment in primary health care facilities (including the preparation of business cases; the conduct of bidder negotiations and the provision of legal advice);
  - advising on the reform of General Practitioner (GP) Out of Hours services; and
  - advising on the development of the 111 and National Pandemic Flu service.
- Supported the **Department for Infrastructure (Dfi)** by:
  - advising NI Water on hydrogen projects; and
  - advising on the regeneration element of the Weavers Cross project.
- Assisted the **Department of Justice (DoJ)** through the:
  - provision of a Programme Director and Research Analyst to the Tackling Paramilitary Activity Programme;
  - provision of a data modelling and scenario evaluation tool and the development of visualisations for the Committal Reform project;
  - development of a Strategic Decision Support System for the NI Courts and Tribunal Service (NICTS);
  - development of the NI Courts Transformation Planning System;
  - provision of advice on the development of the DoJ Digital Strategy;
  - provision of advice to the Courts Service on Transformation, Estates and Communications;
  - provision of an embedded Technical Advisor on Historic Enquiries; and
  - provision of Estates Planning advice to Police Service of Northern Ireland (PSNI).
- Supported **Belfast City Council, Derry City and Strabane District Council, Ulster University and Queen's University, Belfast** by advising on City Deal projects.
- Supported **Belfast City Council** through the deployment of its Digital Innovation Commissioner and Director, Belfast Innovation District.
- Supported **Derry City and Strabane District Council** through:
  - the provision of a Property Advisor;
  - management of the Community Centres Capital programme; and
  - the development of Foyle Street regeneration proposals.
- Supported **Armagh, Banbridge and Craigavon Council** by providing advice on Armagh Leisure Village.
- Supported **Newry, Mourne and Down District Council** by the provision of a Programme Director for the Newry City Centre Regeneration programme.
- Supported **Causeway Coast and Glens Council** by the provision of two Project Managers to support the delivery of its capital programme and Growth Deal.

- Supported **Ards and North Down Borough Council** by the provision of a Head of Strategic Capital Development.
- Supported other councils by providing strategic, communications and other advice.
- Provided 2,475 days of support on 136 assignments to departments and councils through the deployment of staff from the Strategic Support Unit; and
- Supported departments and other organisations through the provision of advice on procurement law, recruitment and communications.

### 3.1.3 The Key Issues and Risks

This section examines the major risks arising from the environment in which Strategic Investment Board Ltd operates and sets out Strategic Investment Board Ltd's response.

The Covid-19 pandemic led to the implementation of Strategic Investment Board Ltd's Business Continuity Plan. During 2021-22, Strategic Investment Board Ltd's staff continued to work mainly from home.

A number of risks and issues arose as a result of the Covid-19 pandemic and these were managed throughout 2021-22. There was a risk that Strategic Investment Board Ltd staff may have been unable to work because of infection or the need to care for infected dependents. Strategic Investment Board Ltd defined contingency plans to deal with staff affected in this way. These included the nomination of deputies for all key roles and the preparation of handover notes and other documentation. There are a small number of posts where the specialist skills, knowledge and experience of the post-holder are such that a single deputy could not be identified. In these cases, a group of staff were identified who could have maintained the relevant service if this had been required.

There was a risk that partner organisations might have returned Strategic Investment Board Ltd staff because their budgets were constrained by the impact of Covid-19 and this could have led them to consider such staff unaffordable. This risk was at all stages considered less likely than not. Had it transpired for more than one or two staff it would have had a medium impact in terms of degraded performance and exposure to SIB's share of redundancy costs. There was a low risk that staff may be unable to work effectively because of IT failures. A low risk was identified that the Covid-19 pandemic might lead to reductions in demand for support from the SSU. These risks did not transpire during 2021-22.

There was a risk that fraudsters may have attempted to exploit the unusual modes of working adopted during the pandemic. Staff identified a small number of attempts to launch such frauds using impersonated emails; none were successful.

There remains a residual risk that the organisation may be adversely affected by the long-term impact of the Covid-19 pandemic. This risk may arise if post-pandemic budgets are reduced, and public sector investment curtailed. This risk is now likely to be less significant than the risks arising from inflation and the war in Ukraine.

During the pandemic, the scale and scope of Strategic Investment Board Ltd's work continued to increase. This has been the result both of additional requests for assistance from partner organisations and through our own strategic initiatives. There is a risk that Strategic Investment Board Ltd may not be able to recruit staff with the skills, knowledge and experience required to

address these requirements. The success of the programmes and projects supported by Strategic Investment Board Ltd would be endangered by the precipitate departure of key staff.

Reductions in Strategic Investment Board Ltd's core funding continue to limit its ability to provide services to partners that are free at the point of use. Strategic Investment Board Ltd will, therefore, continue to seek co-funding from partners where this is required to help achieve their objectives. It will continue to seek to recoup the full costs of providing project management support to partner organisations.

Strategic Investment Board Ltd staff can only operate effectively as part of appropriately staffed and resourced teams established by those partners. There is a risk that redeployments arising from the pandemic or other measures may disrupt such teams and adversely impact on delivery.

The ability of Strategic Investment Board Ltd to discharge its statutory and other functions requires the development and maintenance of effective working relationships with its partners. There is a risk that such stakeholder relationships may break down, adversely impacting on the organisation's efficacy. The organisation has identified the need to devote additional effort to increase stakeholder engagement following the Covid-19 pandemic. A new communications strategy has been developed and is being implemented to address this risk.

There is a risk that Strategic Investment Board Ltd may not be compliant with the General Data Protection Regulations (GDPR). This risk may arise from a failure to document and implement appropriate policies and procedures that protect its information or from failures by 3rd parties who process data on Strategic Investment Board Ltd's behalf.

There is a risk that Strategic Investment Board Ltd's policies and procedures may not be sufficient to protect it from fraud.

There is a risk that ongoing delays to the implementation of a new Structure and Senior Leadership Team will adversely impact on Strategic Investment Board Ltd's performance. The organisation continues to work with TEO and DoF to identify an appropriate way forward.

Strategic Investment Board Ltd's ability to deliver construction projects and other physical infrastructure will be determined by the availability of capital and the priorities of the Executive. These are likely to be affected by the rising rate of inflation and the war in Ukraine.

The demand for Strategic Investment Board Ltd's strategic advice and its ability to pursue social infrastructure programmes may be affected by the availability of partner funding and the changing priorities of the Executive.

The ability of Strategic Investment Board Ltd to pursue its asset management remit will be affected by the availability of capital, the priorities of the Executive and the capability and capacity of individual partner organisations.

Strategic Investment Board Ltd's work on digital infrastructure is likely to be affected by a shortage of suitably qualified and experienced candidates for roles within its digital teams.

There is a risk that policy changes in respect of the provision of investment advice to the Executive and other bodies may adversely impact on the ability of Strategic Investment Board Ltd to fulfil its current legislative remit.

The Board and senior leaders will continue to monitor these risks and any new risks that may arise and will take the action necessary to mitigate them.

### 3.1.4 Performance, Risk and Uncertainty

There is some uncertainty in Strategic Investment Board Ltd's operating environment and this is likely to continue for the foreseeable future. Such uncertainty may, when considered in the context of the specific risks faced by the organisation, impact on its overall performance. The linkages between risk, uncertainty and key performance indicators are set out below.

The most significant uncertainties the organisation faces are:

- The long-term impact of the Covid-19 pandemic, the increasing rate of inflation – particularly construction cost inflation and the war in Ukraine;
- The overall public capital and resource budgets for the region;
- The deployment of that budget and consequentially the types of programme and project the government will fund;
- The size of Strategic Investment Board Ltd's grant-in-aid;
- The appetite of partner organisations to commission and pay for work from Strategic Investment Board Ltd;
- The demand for, and availability of, specialist skills and expertise by and within the Northern Ireland Civil Service (NICS) and other partner organisations; and
- The future role of an Infrastructure Commission.

These factors have the potential to affect the level of demand for the organisation's services and its capacity to respond to such demand.

The business model of Strategic Investment Board Ltd is to employ staff with skills, knowledge and experience not usually found within the public sector and deploy them in roles where they will make a significant positive contribution to the achievement of the business objectives of partner organisations.

The organisation's business model enables it to adapt to changes in demand for these services. Its contractual arrangements with staff mean it can respond to increases in demand by growing and to decreases through contraction.

Those services most at risk are those funded directly from grant-in-aid and for which the organisation does not recoup its costs from partner organisations. These include common good services such as the AMU, strategic recruitment and the provision of legal support to complex procurements. Should the grant-in-aid provided to the organisation be inadequate, the delivery of such services would be prioritised by the Board and costs cut accordingly.

The overall risk to the achievement of the targets measured by Strategic Investment Board Ltd's key performance indicators that arises from the specific risks documented above, together with the uncertainties identified in the operating environment, are substantial but manageable.

### 3.1.5 The Going Concern Basis

The Financial Statements have been prepared on the assumption that Strategic Investment Board Ltd is a going concern and will continue in operation for the foreseeable future. Strategic Investment Board Ltd is funded by its sponsor Department, TEO. In the absence of a budget endorsed by the Executive, TEO has provided an indicative budget for 2022-23. The availability of cash is central to programme delivery and Strategic Investment Board Ltd has been working

closely with its sponsor Department, TEO, regarding future cash flow forecasts. Strategic Investment Board Ltd assesses that demand for services and strategic advice is either growing or remains stable across the majority of its activities. Strategic Investment Board Ltd is able to meet its current liabilities and will seek to achieve cost-savings where possible and if required.

### **3.1.6 Performance Summary**

In 2021-22 Strategic Investment Board Ltd has:

- developed the Investment Strategy Northern Ireland (ISNI);
- delivered strategic infrastructure research and planning models in key sectors, which help its partners to plan and deliver more economically and operationally sustainable infrastructure to meet contemporary and future needs across the region;
- provided support that has helped Departments to deliver their major programmes and projects;
- met the targets set for the management of Financial Transactions Capital (FTC) loans;
- met the targets set for the generation of additional capital;
- helped Departments develop and implement asset management plans;
- continued the implementation of an energy management strategy;
- supported the development of the region's Green Growth strategy, Energy Strategy and its sustainable housing strategy;
- supported the development of initiatives to promote the generation and use of hydrogen to support decarbonisation;
- continued to promote and expand the use of the 'Buy Social' approach to delivering employment opportunities for hard-to-reach groups;
- provided information to its stakeholders on progress with the implementation of ISNI;
- assisted partner organisations to recover from the Covid-19 pandemic; and
- continue to develop as an organisation so that it can meet the requirements of its stakeholders: local representatives, the Departments, its shareholder (TEO), the private and third sectors, its staff and the public.

## **3.2 Performance Analysis**

### **3.2.1 How Performance is Measured**

The diverse nature of Strategic Investment Board Ltd's business is reflected in its use of a range of performance measures and indicators. These include:

- performance against specific objectives set out in the annual business plan;
- performance against cost, schedule and quality targets set out in specific programme and project plans;
- targets for the raising of additional capital and other asset management activities; and

- performance against internal administrative targets.

Strategic Investment Board Ltd normally obtains written feedback on the performance of its staff from its partners at least annually. A performance report is completed at the conclusion of each assignment undertaken by the SSU and Council Support Unit (CSU).

During 2021-22, Strategic Investment Board Ltd completed a review of the performance management arrangements for staff and will implement its recommendations during 2022-23.

### 3.2.2 Analysis and Explanation

At the 31<sup>st</sup> March 2022, of the 26 objectives set in the business plan, 20 were achieved, two were partly achieved and four were suspended for reasons beyond the organisation's control. The reasons for the partial achievement of two targets is set out in the table below.

Project	Target	Explanation for Non-achievement
Strule Education Campus	To have awarded the main works contract by February 2022.	The procurement was delayed by the need to complete internal departmental processes but is now underway and delivery has been re-baselined.
Ebrington	By February 2022 to have completed the construction and tenant fit-out (CAT B) of the 62,500sqft Grade 'A' Office project.	Achievement was delayed by the pandemic. The target is now expected to be achieved in July 2022.

Targets relating to Casement Park and Craigavon Campus of Southern Regional College were suspended because of ongoing judicial reviews. The target relating to Arc21 was suspended pending a decision on the grant of planning permission.

With respect to Strategic Investment Board Ltd's other targets:

- all Asset Management targets were achieved;
- all Buy Social targets were achieved; and
- all internal administrative targets were achieved.

The SSU carried out 2,475 days' work (2,295 in 2020-21) on assignments.

Strategic Investment Board Ltd recouped 76% of its salary costs from its partner organisations. The income received from each partner is shown in the Financial Statements below (Section 6, Sources and Application of Funds).

### 3.2.3 Long-term Expenditure Trends

Strategic Investment Board Ltd is funded by its sponsor Department, TEO. TEO intends to continue to fund the organisation for the foreseeable future and, in the absence of a budget

agreed by the Executive, has provided an indicative budget for 2021-22. The organisation has the staff resources required to achieve its current business objectives. However Strategic Investment Board Ltd recognises the financial pressures and uncertainties which will exist in future years, particularly those arising from increased energy and labour costs, the impact of the war in Ukraine and other inflationary pressures. Strategic Investment Board Ltd will endeavour to meet these challenges through continued use of co-funding and changes in operational processes and procedures that deliver increased efficiencies.

### **3.2.4 Social Impact**

Strategic Investment Board Ltd offers a Payroll Giving Scheme that allows staff to make tax-efficient donations to charities of their choice. In 2021-22 Strategic Investment Board Ltd's Staff Social Fund donated to several local charities.

### **3.2.5 Sustainability Report & Environmental Matters**

Strategic Investment Board Ltd is committed to the Executive's Sustainable Development Strategy. Policies and practices have been introduced within Strategic Investment Board Ltd to encourage efficiency in the use of resources. These include the 100% use of recycled paper, the use of multifunction printing/ copying/ scanning devices which are set to duplex printing by default and the use of efficient heaters to provide hot water for refreshments.

The company has mandated the use of 'hot-desking' in its offices and has also reduced its carbon footprint through a policy of using video-conferencing as an alternative to travelling.

Strategic Investment Board Ltd promotes economic, social and environmental sustainability in all its projects. Over the past year it has, for example, promoted the efficient use of energy through its work on the Energy Management programme and the development of the region's Energy Strategy; encouraged the wider use of 'Buy Social' in construction and service contracts; supported the development of the region's 'Green Growth' strategy and supported sustainable economic growth through its work on the Investment Strategy. Strategic Investment Board Ltd developed and began to implement a Sustainability Strategy in 2021-22.

### **3.2.6 Anti-Corruption and Anti-Bribery Matters**

There were no allegations of corruption or bribery raised during 2021-22 (2020-21: 1). Any new Anti-Corruption or Anti-Bribery regulations or Best Practice Guidance issued from TEO, DoF or NIAO are considered and embedded accordingly.

### **3.2.7 Equality**

Strategic Investment Board Ltd pays due regard to the need to promote equality of opportunity and good relations. In particular, where consultation processes have been conducted, for example on ISNI, they included organisations representing groups in the nine Section 75 categories and views on the equality implications of the issues under consultation are invited and taken into account. Monitoring procedures include arrangements for assessing the equality impacts of policies and the implementation of best practice in procurement incorporate those elements identified as capable of better promoting equality of opportunity.



### 3.2.8 Organisational Structure

Strategic Investment Board Ltd has a flat organisational structure that enables employees to operate with considerable levels of personal autonomy. Staff, with the exception of individuals embedded within the structures of host organisations, are organised into small teams.

During 2021-22 the Board of Strategic Investment Board Ltd sought to implement a new organisational structure that responded to the growth of the organisation. This did not prove possible and work on developing such a structure and a new Senior Leadership Team will continue in financial year 2022-23.

Staff are organised in five lines-of-business. These are:

<i>Line of Business</i>	<i>Description</i>
Strategic Advice	Provides specialist technical, legal, research, and procurement support to partner organisations.
Physical Infrastructure	Manages regionally and sub-regionally significant construction and other physical infrastructure projects.
Digital Infrastructure	Contains the Data Analytics, Research and Exploitation Unit, and manages digital projects
Social Infrastructure	Work on programmes and projects that focus on the achievement of a positive social return on investment.
Asset Management	Advises the public sector on the delivery of the Executive's Asset Management Strategy in five business areas: Transformation, Investment Planning, Energy Management, Commercial Transactions and Corporate Finance.

In addition there is a corporate services function:

Corporate Services	Manages Strategic Investment Board Ltd support services; Finance, Human Resources, Legal Information and Compliance and Communications, secretarial support.
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### 3.2.9 Organisational Development

Strategic Investment Board Ltd has continued to invest in the development of the organisation and its staff. The average number of days each employee devoted to training was 3.0 (2020-21: 3.3). Staff have gained qualifications in project and change management and in a range of other specialisms.

In order to address the particular challenges arising from Covid-19, the organisation developed and delivered a 'Health and Wellbeing' Programme and implemented a comprehensive internal communications plan. The former sought to ensure that staff maintained a healthy work-life balance and enabled them to deal with the inevitable stresses arising from the effects of the Covid-19 pandemic. The positive impact of these initiatives was monitored through staff surveys.



Duncan McCausland  
Chairman



Brett Hannam  
Chief Executive

Date: 13<sup>th</sup> June 2022

## **4 Accountability Report for the Year Ended 31st March 2022**

### **4.1 Corporate Governance Report**

#### **4.1.1 Directors' Report**

##### **4.1.1.1 Future Developments**

Strategic Investment Board Ltd derives its strategic priorities from the outcomes defined in the draft Programme for Government (PfG) Outcomes Framework and from the requirements set out in First and deputy First Ministers' Letter of Expectations. All Strategic Investment Board Ltd's work will contribute to the achievement of these outcomes.

In line with the draft PfG, the over-arching priority for Strategic Investment Board Ltd is "improving wellbeing for all – by tackling disadvantage and driving economic growth."

Strategic Investment Board Ltd's priority work for the year 2022-23 will be:

- To support government departments in the development of infrastructure investment proposals;
- To lead the development of the Executive's medium-term Infrastructure Investment Plan;
- To support the development of the Executive's medium-term financial plan;
- To establish and support the implementation of new arrangements for the oversight and governance of the delivery of the Investment Strategy;
- To create a new Strategic Investment Board Ltd team to improve coordination between government departments and councils in the delivery of regeneration programmes and projects;
- To continue to deliver, to time and budget, the programmes, projects and assignments that we lead and support;
- To respond positively to requests for additional support for the delivery of the Green Growth Action Plan;
- To support the development of a new regional waste management strategy and promote the circular economy;
- To support the development of new models for social housing;
- To implement fully a new leadership structure for Strategic Investment Board Ltd that will meet the needs of the organisation in the coming years; and
- To manage the transfer of responsibilities for Asset Management, Energy Management and Social Value from Strategic Investment Board Ltd to the NICS.

Further information can be found in Strategic Investment Board Ltd's Business Plan 2021-22 at [www.sibni.org](http://www.sibni.org)

##### **4.1.1.2 Share Capital**

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

### **4.1.1.3 Fixed Assets**

Details of the movement of fixed assets have been summarised in note 9 to the accounts. The company does not believe that there is any material difference between the market and carrying value of its fixed assets as at 31 March 2022.

### **4.1.1.4 Financial Transactions Capital Loans**

In 2021-22 Strategic Investment Board Ltd processed one new FTC loan of £20,850,000 to Ulster University. (In 2020-21 Strategic Investment Board Ltd processed two new FTC loans. One loan of £30,000,000 was to GFS Corporate Directorate II Limited, the vehicle holding the NI Investment Fund and one loan of £80,000,000 was to Ulster University).

### **4.1.1.5 Data Protection and Freedom of Information**

Strategic Investment Board Ltd is required to report on personal data related incidents. Within its Government framework, Strategic Investment Board Ltd has an explicit control system to meet its responsibility under Data Protection and Freedom of Information. The control system has been established to ensure the appropriate handling of personal data and information used for operational and reporting purposes by development of appropriate strategies and policies. In the 2021-22 year Strategic Investment Board Ltd received three Freedom of Information (FOI) requests (2020-21: 2). Strategic Investment Board Ltd will continue to monitor and assess its information risks in order to identify and address any weakness and ensure continuous improvement of its systems.

There were no reportable losses of secure devices in 2021-22 (2020-21: Nil). There were no incidents of personal data loss recorded within the period under review (2020-21: Nil).

### **4.1.1.6 Reporting of Complaints**

Strategic Investment Board Ltd is required to disclose its approach to complaints handling. Strategic Investment Board Ltd has a complaints policy for dealing with complaints from the public or other third parties (the procedure for internal complaints is detailed separately in the Strategic Investment Board Ltd Staff Handbook). The complaints policy is published on the Strategic Investment Board Ltd website. All complaints are referred to the Chief Executive as soon as they are received. Strategic Investment Board Ltd's pledge on response times are:

- Strategic Investment Board Ltd will acknowledge receipt of a complaint within 2 working days.
- Normally Strategic Investment Board Ltd will issue a full response within 10 working days.
- If there is a delay in responding we must keep the complainant informed of our progress.

In 2021-22 Strategic Investment Board Ltd received no complaints (2020-21: no complaints).

### **4.1.1.7 Payments to Suppliers**

Strategic Investment Board Ltd is committed to the prompt payment of bills for goods and services received, in accordance with the British Standard for Achieving Good Payment Performance in Commercial Transactions (BS 7890), and with the Late Payment of Commercial Debts (Interest) Act 1998 as amended. Strategic Investment Board Ltd follows DAO 12/08 "Supporting Businesses Prompt Payment of Invoices" which introduced a prompt payment target of ten days, with effect from December 2008. In the year ended 31 March 2022, Strategic

Investment Board Ltd has paid 96% of its suppliers within 10 days (2020-21: 99.1%). In the year ended 31 March 2022, 100% of suppliers were paid within 30 days (2020-21: 99.7%).

#### **4.1.1.8 Statement of Directors' Responsibilities**

United Kingdom company law requires the directors to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the company as at the end of the financial year and of the surplus or deficit of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed; subject to any material departures disclosed and explained in the financial statements; 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 confirm that they have received assurance that the financial statements have been prepared in line with the requirements above.

The directors are responsible for keeping proper accounting records that 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 Accounting Officer for TEO has designated the Chief Executive as the Accounting Officer for Strategic Investment Board Ltd. His relevant responsibilities as Accounting Officer, including his responsibility for the propriety and regularity of public finances and for the keeping of proper records, are set out in the Accounting Officer Memorandum, in compliance with Chapter 3 of Managing Public Money Northern Ireland and Financial Reporting Manual (FRoM).

#### **4.1.1.9 Charitable Donations and Gifts**

The company made no charitable donations or gifts during 2021-22 (2020-21: Nil).

#### **4.1.1.10 Corporate Governance**

The company's Statement of Corporate Governance is set out on page 23.

#### **4.1.1.11 Statement of Disclosure of Information to Auditors**

The directors confirm that, for all directors in office at the date of this report:

- so far as each director is aware, there is no relevant audit information of which the company's auditors are unaware. For this purpose, "relevant audit information" comprises the information needed by the company's auditors in connection with preparing their report; and
- each director has taken all the steps (such as making enquiries of other directors and any other steps required by the director's duty to exercise due care, skill and diligence) that he or she ought to have taken in his duty as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

#### **4.1.1.12 Auditors**

Under the Companies (Public Sector Audit) Order (Northern Ireland) 2013, the Comptroller and Auditor General for Northern Ireland has statutory responsibility for the audit of the Strategic Investment Board Ltd under the Audit and Accountability (NI) Order 2003.

#### **4.1.1.13 National Fraud Initiative**

The Comptroller and Auditor General for Northern Ireland has statutory powers to conduct data matching exercises for the purpose of assisting in the prevention and detection of fraud. The Northern Ireland Audit Office (NIAO) last commissioned a National Fraud Initiative (NFI) Data Matching Exercise in October 2020.



Duncan McCausland  
Chairman



Brett Hannam  
Chief Executive

Date: 13<sup>th</sup> June 2022

#### 4.1.2 Statement of Accounting Officer's Responsibilities

Under the terms of the Strategic Investment and Regeneration of Sites (Northern Ireland) Order 2003, TEO (with approval from DoF) has directed Strategic Investment Board Ltd to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of Strategic Investment Board Ltd and of its income and expenditure, changes in taxpayers' equity and cash flows for the financial year.

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

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

The Accounting Officer of TEO has appointed the Chief Executive as the Accounting Officer of Strategic Investment Board Ltd. The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding the Strategic Investment Board Ltd's assets, are set out in *Managing Public Money Northern Ireland* published by DoF.

As Accounting Officer, I can confirm that there is no relevant audit information of which the auditors are unaware. I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that the auditors are aware of that information.

As Accounting Officer, I can confirm that the annual review and financial statements as a whole are fair, balanced and understandable and that I take personal responsibility for the annual review and financial statements and the judgments required for determining that they are fair, balanced and understandable.

### 4.1.3 Governance Statement

The Strategic Investment Board Ltd is a company limited by guarantee, owned by TEO and functioning as one of that Department's Arm's Length Bodies (ALBs). Strategic Investment Board Ltd is financed from TEO's departmental expenditure limit (DEL). The Board of Strategic Investment Board Ltd reports directly to the First Minister and the deputy First Minister.

This statement is given in respect of Strategic Investment Board Ltd's Resource Account for 2021-22. The Governance Statement comprises two broad elements. Firstly, it describes Strategic Investment Board Ltd's governance framework; identifying responsibilities and explaining the functions of its constituent elements. Secondly, it reports my assessment as Accounting Officer of the effectiveness of the framework during the reporting period. The report identifies any significant governance issues and concludes with a review of Strategic Investment Board Ltd's conformance with the Code of Conduct.

#### 4.1.4 The Purpose of the Governance Framework

The purpose of the Governance Statement is to report publicly on the extent to which Strategic Investment Board Ltd complies with its code of governance, including how it has monitored and evaluated the effectiveness of its governance arrangements in the year. The process of preparing the governance statement itself adds value to the effectiveness of the corporate governance and internal control framework.

#### 4.1.5 The Governance Framework

The governance framework comprises the systems and processes, and culture and values, by which Strategic Investment Board Ltd is directed and controlled. The system of internal control is a significant part of this framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve Strategic Investment Board Ltd's aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness.

The governance framework described below has been in place in Strategic Investment Board Ltd for the year ended 31 March 2022. It comprises:

- the Accounting Officer;
- the Board;
- the Audit Committee;
- the Remuneration and Personnel Committee;
- the Internal Audit function; and
- the External Audit function.

These organisational structures, together with an overview of their responsibilities and performance in year, are set out in the relevant sections below.

The framework also includes a number of additional elements that contribute to the effective governance of the organisation. These comprise:

- The Investment Committee;
- The Management Statement and Financial Memorandum;



- TEO Oversight Arrangements;
- The Corporate and Business Plans;
- The Performance Management Framework;
- Operational Partnership Agreements;
- Financial Policies and Procedures;
- The Risk Management Framework;
- The Fraud Prevention Strategy and Response Plan;
- Whistleblowing Arrangements;
- The identification and reporting of significant Governance Issues;
- FTC Loan Agreements; and
- Conformance with the Board Code of Good Practice.

These elements, together with an assessment of their effectiveness in year, are described in the relevant sections below.

#### **4.1.6 The Accounting Officer**

As Accounting Officer, I have responsibility for maintaining a sound system of internal governance that supports the achievement of Strategic Investment Board Ltd's aims and objectives. I also have responsibility for the propriety and regularity of the public finances allocated to Strategic Investment Board Ltd and for safeguarding public funds and assets in accordance with the responsibilities assigned to me in the Corporate Governance Code and Managing Public Money Northern Ireland.

In my role as Accounting Officer, I function with the support of the Strategic Investment Board Ltd's Board ('the Board'). This includes highlighting to the Board specific business risks and, where appropriate, the measures that can be employed to manage these risks.

As Accounting Officer I am aware of the responsibilities within my role and remain fit to carry out the Accounting Officer role.

#### **4.1.7 The Board**

The Board is chaired by a non-executive Director. It supports the delivery of effective Corporate Governance and operates within best practice guidelines set out in 'Corporate Governance Code of Good Practice (NI) 2013'. The Board takes an objective long-term view of the business of the organisation, leading its strategic planning process and assisting me in meeting my corporate governance responsibilities.

The Terms of Reference of the Board make clear its responsibility to establish and oversee the organisation's Corporate Governance arrangements.

Notwithstanding this, all tiers of management have commensurate responsibilities for ensuring that good governance practices are followed within the organisation.

Under the general guidance and direction of TEO Ministers, the key aspects of the Board's role include:

- setting the strategic direction for the organisation, including its vision, values and strategic objectives; overseeing the implementation of corporate and business plans, monitoring performance against objectives and supervising its budget;
- leading and overseeing the process of change and encouraging innovation, to enhance the organisation's capability to deliver;
- overseeing the strategic management of staff, finance, information and physical resources, including setting training and health and safety priorities;
- establishing and overseeing the implementation of Strategic Investment Board Ltd's corporate governance arrangements, including risk management; and
- overseeing and monitoring the organisation's progress against all of its equality of opportunity and good relations obligations.

The Board is required to act in accordance with the responsibilities assigned to it in the *Corporate Governance Code of Good Practice (NI)* and *Managing Public Money Northern Ireland*.

The Board operates as a collegiate forum under the leadership of the Chair. It ensures that the appropriate strategic planning processes are in place and that there is effective operational management of their implementation. The Board operates in an advisory and consultative capacity, offering guidance when sought. Day-to-day operational matters are my responsibility and that of senior staff. The Board does not direct me on how such business should be run, unless in exceptional circumstances, of which none occurred during this reporting period.

Each Non-Executive Board Member participates in the high-level corporate decision-making process as a member of the Board; contributes to the operation of corporate governance arrangements within the organisation and supports me in my roles of Chief Executive and Accounting Officer.

As Chief Executive, I am responsible for organising the agenda for monthly Board meetings and ensuring the Chair and Board members are provided with timely information to support full discussion at each meeting.

The Board receives monthly written reports from the Chief Executive. It also receives a quarterly financial and budget monitoring report and a pack of relevant media reporting.

I provide reports on the status of supported projects; delivery of business plan objectives; expenditure against plan; resource inputs by project; requests made under the Freedom of Information Act; press reporting of Strategic Investment Board Ltd; usage of the Strategic Investment Board Ltd websites; Assembly Questions relevant to Strategic Investment Board Ltd (when the Assembly is sitting); absence management; recruitment; communications; legal work and requests for Strategic Investment Board Ltd support. Strategic Advisers and Project Managers provide the Board with reports on the progress of their work.

The Board maintains a Register of Interests that is published on the Strategic Investment Board Ltd website. This lists, for each Director, all commercial and other relevant interests. A similar register is maintained by all Strategic Investment Board Ltd staff. The published versions of the registers are updated every six months, but Directors and staff are required to report any significant changes as they occur.

Each Board and committee meeting begins with those present declaring any conflicts of interest that may arise from agenda items. The Terms of Reference for the Board set out how such conflicts should be managed should they arise. These terms require a Director with a conflict of interest to withdraw from any discussion of the relevant matter and to abstain from any associated vote. The Terms of Reference for the Board are themselves confirmed at the start of each meeting.

In 2021-22 Board members declared possible conflicts of interest relating to particular projects and their involvement in organisations with which Strategic Investment Board Ltd works. These were recorded in the minutes of the meetings. On no occasion was a Director required, on account of such interests, to withdraw from any meeting.

In 2021-22, the Board comprised the following members:

Mr. Gerry McGinn	Chairman Non-Executive Director	(since September 2013, resigned March 2022)
Mr. Duncan McCausland	Non-Executive Director	(since September 2013)
Ms. Kathryn Thomson	Non-Executive Director	(since September 2015)
Ms. Marie-Thérèse McGivern	Non-Executive Director	(since September 2013)
Mr. Daniel McSorley	Non-Executive Director	(since November 2015)
Mr. Brett Hannam	Chief Executive	(since June 2012)

The Board held 10 meetings, one incorporating a Board Away Day, in 2021-22. Attendance was as follows:

	Maximum Attendance	Actual Attendance
Mr. Gerry McGinn	10	10
Mr. Duncan McCausland	10	10
Ms. Kathryn Thomson	10	9
Ms. Marie-Thérèse McGivern	10	10
Mr. Daniel McSorley	10	10
Mr. Brett Hannam	10	10

In 2021-22 the Strategic Investment Board Ltd Board considered the following standing agenda items:

- Minutes of the Previous Meeting;
- Conflicts of Interest;
- Chairman's and Directors' business;
- Chief Executive's report, which included reports on significant developments in projects supported by Strategic Investment Board Ltd;
- Finance Report; and
- Media Report.

The Board took reports on projects, corporate performance, resource utilisation, requests for Strategic Investment Board Ltd support and other related matters.

The Board heard individual reports on, and then discussed, the following:

- The Investment Strategy;
- The proposed reorganisation and the implementation of the Group Structure and Senior Leadership Team;
- Regeneration;
- Financial Transactions Capital;
- Strategic Investment Board Ltd's Sustainability Policy
- The escalation of delayed projects;
- Green Growth;
- Performance Management;
- Demand for Strategic Investment Board Ltd support;
- The role and remit of Strategic Investment Board Ltd; and
- Proposals to establish an Infrastructure Commission.

The Board held discussions with the Permanent Secretary, TEO; Sharon Smyth, CEO CPD and Gareth Hetherington, Director, Ulster University Economic Policy Centre. In addition the Board considered the following matters:

- The Report and Accounts for 2020-21;
- The Risk Appetite Statement and Risk Registers;
- The results of staff surveys;
- Internal and External Communications;
- The draft Letter of Expectation; and
- The draft Business Plan.

## 4.2 Board Committees

The Board operates the following committees:

- The Audit Committee, which provides assurance to the Board, (and indirectly the shareholder – TEO), that the company’s financial and other control systems are operating effectively; and
- The Remuneration and Personnel Committee, which approves senior appointments, salaries and allowances; scrutinises recruitment and advises on personnel matters. In 2021-22 this committee provided oversight of the organisation’s response to the Covid-19 pandemic.

All appointments to committees are confirmed in writing by the Chairman. Members are provided with the terms of reference of the committee, details of the committee’s membership; an account of the members’ responsibilities and a copy of the ‘Nolan Principles’.

### 4.2.1 The Audit Committee

The Audit Committee’s terms of reference set out its purpose as being to support me as Accounting Officer in monitoring risk, control and governance systems (including financial reporting). Additionally the Committee will advise the Board and the Accounting Officer on the adequacy of audit arrangements (internal and external) and on the implications of assurances provided in respect of risk and control. The Audit Committee does not have executive powers.

The Audit Committee and its Chair are appointed by the Board from amongst its non-executive members and a quorum which comprises of no less than two non-executive members. The Audit Committee Chair is a non-executive member of the Board other than its Chair.

In addition to its members, the following normally attend meetings of the Committee:

- The Accounting Officer;
- The Internal Auditor;
- The External Auditor;
- A representative of TEO;
- The Finance Manager (Secretary to the Committee); and
- The Compliance Manager.

The committee last reviewed its own effectiveness in June 2021 and in summary, Members concluded that the Audit Committee was effective in its support to the Board and the Accounting Officer in the discharge of their duties. They also concluded that good practice is usually applied.

The Committee Chairman reports after each meeting to the Board on any significant issues that have arisen. The Committee Chair, on behalf of the committee, reports in writing once a year to the Accounting Officer and the Board on the findings and conclusions of the committee for the past year.

The membership of the Strategic Investment Board Ltd Audit Committee in 2021-22 comprised:

Mr. Duncan McCausland

(Chair from December 2016)

Ms. Marie-Thérèse McGivern

Mr. Daniel McSorley

The Audit Committee met 4 times in 2021-22. All members attended all meetings. The committee took three reports from its internal auditors. The results were as follows:

- Information Security, GDPR and Cyber Security                      Satisfactory
- Absence / sickness monitoring    Satisfactory
- Financial Transactions Capital Loans                                      Satisfactory

All recommendations from the internal audit reports were accepted and all recommendations from prior years were addressed or in the process of being implemented. The internal auditor's overall assurance rating for 2021-22 was Satisfactory.

The committee reviewed risk and the risk registers at its meetings. It made recommendations regarding new and amended risks.

The committee met the internal and external auditors in the absence of the executive. No matters were raised with the executive as a result of this meeting.

The committee submitted a formal written report on its work to the Strategic Investment Board Ltd Board in May 2021. The Chair reported orally to the Strategic Investment Board Ltd Board after each of the committee's meetings.

The committee noted DAO letters issued during the reporting period. It also considered a number of other relevant reports and papers.

#### **4.2.1.1 Sources of Independent Assurance**

Independent Assurance is received from the following sources:

- Internal Audit; and
- The Northern Ireland Audit Office.

Strategic Investment Board Ltd's internal audit services are provided by Moore (N.I.) LLP, a representative of which attended all Strategic Investment Board Ltd Audit Committee meetings.

I am independently advised by the Head of Internal Audit who operates in accordance with Public Sector Internal Audit Standards (PSIAS).

Strategic Investment Board Ltd is also subject to independent scrutiny from the NIAO. A representative from the NIAO attends all Strategic Investment Board Ltd Audit Committee meetings.

#### **4.2.1.2 Other Board Committees**

The Remuneration Committee met four times during the reporting period. All members attended all meetings. The CEO, HR Manager and Finance Manager were also in attendance. Some elements of meetings were held in closed session, attended only by the members and CEO. These discussed the proposals for a new organisational structure. In addition, members considered, by written procedure, proposals for senior appointments, out of committee. All such appointments were formally ratified at the following meeting. The Committee recommended a cost of living pay increase of 1% for 2020-21 that was retrospectively approved

by TEO and implemented by Strategic Investment Board Ltd in March 2022. The Committee also oversaw the organisation's response to Covid-19, including the mitigation of risks arising from the Covid-19 pandemic.

#### **4.2.1.3 Board Effectiveness**

The evidence presented in the preceding sections provides me with assurance that the Board operates effectively.

#### **4.2.1.4 The Investment Committee**

The Investment Committee is an internal executive management committee. Its purpose is to appraise expenditure proposals, ensuring that the principles of regularity, propriety, probity, and value-for-money are achieved and that the proposed investment of resources is consistent with Strategic Investment Board Ltd's overall aims and objectives.

The committee consists of the Chief Executive, the Legal Director, Compliance Manager and Finance Manager. A Grade 7 from TEO and the HR Manager attend as observers. The Investment Committee met 4 times during the reporting period. It approved 99 business cases with a total value of £ 9,620k.

Strategic Investment Board Ltd did not directly award any contracts during the reporting period that required the approval of TEO.

#### **4.2.1.5 The Management Statement and Financial Memorandum (MSFM)**

The MSFM is a key control document. The management statement sets out the broad framework within which the Strategic Investment Board Ltd will operate, in particular it defines:

- the Strategic Investment Board Ltd's overall aim, objectives and targets in support of TEO's wider strategic aims;
- the rules and guidelines relevant to the exercise of the Strategic Investment Board Ltd's functions, duties and powers;
- the conditions under which any public funds are paid to the Strategic Investment Board Ltd; and
- how the Strategic Investment Board Ltd is to be held to account for its performance.

The associated Financial Memorandum sets out in greater detail certain aspects of the financial provisions which the Strategic Investment Board Ltd is required to observe, including delegated financial authorities.

The MSFM is expected to be replaced by a Partnership Agreement with TEO in 2022-23.

#### **4.2.1.6 The Executive Office (TEO) Oversight Arrangements**

Within TEO, the Strategic Investment and Regeneration Branch (SIRB) is the sponsoring branch for Strategic Investment Board Ltd. SIR, in consultation as necessary with TEO's Accounting Officer, is the primary source of advice to Ministers on the discharge of their responsibilities in respect of Strategic Investment Board Ltd, and the primary point of contact for Strategic Investment Board Ltd in dealing with the Department. Strategic Investment Board Ltd carries out its duties under a senior officer who has as one of her primary responsibilities the duty of overseeing the activities of Strategic Investment Board Ltd.

During the reporting period I have submitted Quarterly Assurance Statements to TEO as requested by the department. These have been considered by the Strategic Investment Board Ltd Audit Committee.

I have attended, with senior staff, Quarterly Accountability Meetings with the TEO Accounting Officer or his representative and senior staff from the Department.

#### **4.2.1.7 The Corporate and Business Plan**

The purpose of the Corporate Plan is to document the medium-term objectives of the Strategic Investment Board Ltd and describe the corporate strategy it will follow to achieve them. The annual Business Plan develops the Corporate Plan by defining in detail Strategic Investment Board Ltd's targets for the year ahead, the resources it will use and the activities it will undertake. The Corporate and Business Plan is published at [www.sibni.org](http://www.sibni.org)

#### **4.2.1.8 The Performance Management Framework**

Strategic Investment Board Ltd operates within a performance management framework that is consistent with the government's FABRIC<sup>1</sup> approach. The Strategic Investment Board Ltd Performance Management Framework ensures the framework is:

- *Focused on the core aims and objectives of the organisation;*
- *Appropriate in that it delivers to stakeholders the information they need;*
- *Balanced* because it covers all the organisation's significant areas of work; considers both financial and non-financial data and provides indicators of future as well as past performance;
- *Robust*, as it can survive changes in personnel and structure of the organisation;
- *Integrated*, in that the results of the system are monitored and used as part of the business planning and management process; there is consistent performance information at all levels of the organisation and performance measures for individuals and teams are consistent with measures for the organisation; and
- *Cost Effective*, because the resources put into collecting performance information proportionate to the benefit of the organisation.

I have monitored Strategic Investment Board Ltd's performance against the targets set out in its business plan and have reported quarterly on these to the Board and to TEO. I have satisfied myself as to the quality of data reported to the Board through personal inspection, by reports provided to me from electronic data sources and by assurances provided by senior staff. I have sought feedback from customers on the performance of Strategic Investment Board Ltd staff and have incorporated such feedback into performance appraisals. I have provided customers with the opportunity to comment on the services provided by Strategic Investment Board Ltd and have taken such feedback into account in my business planning and my management of day-to-day operations.

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<sup>1</sup> *Choosing the Right FABRIC - A Framework for Performance Information*, HM Treasury et al, March 2001.



#### **4.2.1.9 Operational Partnership Agreements (OPAs)**

OPAs are important control mechanisms that define the relationship between Strategic Investment Board Ltd and its individual customers. The precise terms of the OPA vary between customers, but will always contain a clear definition of the work Strategic Investment Board Ltd will carry out for the customer.

#### **4.2.1.10 Financial Management**

Responsibility for ensuring that an effective system of internal financial control is maintained and operated rests with me as Accounting Officer. The systems of internal financial control provide reasonable and not absolute assurance that assets are safeguarded, that transactions are authorised and properly recorded, and that material errors or irregularities are either prevented or would be detected within a timely period.

Internal financial control is based on a framework of management information, financial regulations and administrative procedures, which include the segregation of duties, management supervision and a system of delegation and accountability.

#### **4.2.1.11 Risk Management**

Strategic Investment Board Ltd's system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness.

Relevant internal control considerations, including any issues of risk, are considered with regard to the achievement of Strategic Investment Board Ltd's aims and objectives, and where necessary, are brought to the attention of TEO.

The system of internal control is based on an on-going process designed to:

- determine and document the organisation's risk appetite;
- identify and prioritise the risks to the achievement of Strategic Investment Board Ltd's aims and objectives;
- evaluate the likelihood of those risks being realised and the impact should they be realised; and
- manage such risks efficiently, effectively and economically.

I drafted the 2021-22 Corporate Risk Register and it was subject to revision through regular scrutiny by the Audit Committee and Board. Board members had the opportunity to identify and consider any emerging external risks/ threats that could affect the Strategic Investment Board Ltd's capacity to deliver its Business Plan commitments.

In addition, since March 2020 I have maintained an additional risk register that addresses the risks arising out of the Covid-19 pandemic.

The key risks to Strategic Investment Board Ltd that were managed during the reporting period were:

<b>Risk</b>	<b>Residual Impact 31 March 2022</b>	<b>Residual Likelihood 31 March 2022</b>
<b>1</b> Strategic Investment Board Ltd may not be able to recruit or retain the staff needed to achieve its business objectives.	HIGH	HIGH
<b>2</b> Key stakeholder relationships may break down.	HIGH	MEDIUM
<b>3</b> Strategic Investment Board Ltd's financial and other controls may not be sufficient to prevent or identify fraud.	HIGH	LOW
<b>4</b> Strategic Investment Board Ltd's information may not be protected or managed adequately including Strategic Investment Board Ltd not being compliant with GDPR.	MEDIUM	LOW
<b>5</b> Strategic Investment Board Ltd may suffer reputational damage through delays to key projects.	MEDIUM	MEDIUM
<b>6</b> The implementation of the new Group Structure and Senior Leadership Team may fail to deliver the expected benefits and adversely impact on Strategic Investment Board Ltd's performance.	HIGH	HIGH
<b>7</b> Strategic Investment Board Ltd's performance may be adversely affected by the Covid-19 pandemic, including by its long-term effects, or by other 'black swan' events.	MEDIUM	HIGH
<b>8</b> Strategic Investment Board Ltd's work may be adversely affected by a recession (including one arising from Brexit)	MEDIUM	HIGH
<b>9</b> Strategic Investment Board Ltd's budget may be insufficient to enable it to achieve its business objectives.	HIGH	HIGH
<b>10</b> Policy changes may adversely impact on Strategic Investment Board Ltd's ability to fulfil its remit.	HIGH	MEDIUM

The additional risks arising from the Covid-19 pandemic pertaining at 31 March 2022 were:

<b>Risk</b>	<b>Residual Impact 31 March 2022</b>	<b>Residual Likelihood 31 March 2022</b>
<b>1</b> Strategic Investment Board Ltd staff may be unable to work because they contract Covid-19 or need to care for dependents who contract Covid-19	HIGH	MEDIUM
<b>2</b> Partner organisations may release Strategic Investment Board Ltd staff from their embedded roles.	HIGH	HIGH
<b>3</b> Strategic Investment Board Ltd staff may be unable to work effectively because of IT failures	LOW	LOW
<b>4</b> Fraudsters may make increased attempts to exploit the current unusual modes of working.	MEDIUM	MEDIUM
<b>5</b> There may be no suitable replacements for some staff deployed on high priority work, should they become incapacitated.	HIGH	MEDIUM
<b>6</b> The pipeline of work for the SSU may fall away as a result of the Covid-19 crisis.	MEDIUM	LOW
<b>7</b> Strategic Investment Board Ltd's performance may be adversely affected by long-term effects of the Covid-19 pandemic or by other 'Black Swan' events such as the invasion of Ukraine and rising inflation.	MEDIUM	MEDIUM
<b>8</b> Strategic Investment Board Ltd's performance may be adversely affected by a poorly managed post-pandemic 'return to work'.	MEDIUM	MEDIUM

Strategic Investment Board Ltd has identified the following vulnerabilities 'on the horizon' that may occasion additional risk in the coming reporting period:

<b>Vulnerability</b>	<b>Significance</b>
The poor economic outlook arising from the pandemic, inflation and the war in Ukraine may lead to projects being cancelled or delayed.	Demand for Strategic Investment Board Ltd support for projects may fall.
Construction cost inflation may rise significantly.	Physical infrastructure projects supported by Strategic Investment Board Ltd may become unaffordable or subject to additional delay.

During this reporting period, management provided the Audit Committee with reports setting out the sources of risk assurance. In my opinion there have been no material changes that required this report to be re-considered.

No 'Ministerial Directions' have been issued to Strategic Investment Board Ltd.

There have been no major lapses of protective or information security.

#### **4.2.1.12 Fraud and Counter-Fraud**

Strategic Investment Board Ltd's Policy and Procedures on Fraud, (Including the Strategic Investment Board Ltd Raising Concerns [Whistle-blowing] Policy and Guidance on Conflicts of Interest) sets out the responsibilities of staff with regard to fraud prevention, what staff should do if they suspect fraud and the action that will be taken by management in such circumstances (the Strategic Investment Board Ltd Fraud Response Plan).

There were two instances of attempted fraud during the reporting period. (2020-21: one instance of attempted fraud). The attempted frauds comprised phishing emails purportedly from a former supplier that referred to fictitious outstanding invoices. There were no losses.

#### **4.2.1.13 Raising Concerns (Whistleblowing)**

The Strategic Investment Board Ltd's Raising Concerns (Whistleblowing) Policy provides staff with a procedure for reporting concerns about unlawful conduct, fraud, dangers to the public or the environment, or other malpractice. The aim of this policy is to reassure them that they can feel confident in exposing wrongdoing without any risk to themselves.

There were no concerns raised against Strategic Investment Board Ltd in 2021-22 (2020-21: nil).

#### **4.2.1.14 Significant Governance Issues**

Except as noted below, no governance matters arising in prior years are still considered to represent internal governance issues for 2021-22. There were no significant issues arising during 2021-22 in respect of Corporate Governance.

#### **4.2.1.15 Financial Transactions Capital loans**

Strategic Investment Board Ltd is the channel through which FTC loans are made from the DfE to the universities and from the DoF to the NI Investment Fund. Strategic Investment Board Ltd performs this function because the Departments do not currently have the vires to make such loans.

#### **4.2.1.16 Conformance with Code of Good Practice**

Strategic Investment Board Ltd, like other public bodies, has a duty to conduct affairs in a responsible and transparent way, and to take into account the standards in public life set out by the Nolan Committee and "*Corporate Governance Code of Good Practice NI*".

Throughout the year ended 31 March 2022, Strategic Investment Board Ltd has complied with all relevant Code provisions.

#### **4.2.1.17 Certification**

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal governance is informed by the work of the Internal Auditors and senior staff within the organisation, who have responsibility for the development and maintenance of the internal control framework. I also consider the comments made by the NIAO in its management letter and other reports. I have been advised on the implications of the result of my review of the effectiveness of the

system of internal control, by the Strategic Investment Board Ltd Board and by the Audit Committee.

Strategic Investment Board Ltd has a rigorous system of accountability on which I rely, as Accounting Officer, to form an opinion on the probity and use of public funds, as detailed in Managing Public Money NI. Having considered the operation of its governance framework, I am content that Strategic Investment Board Ltd has operated a sound system of internal governance during the period 2021-22.



Brett Hannam  
Chief Executive

Date: 13<sup>th</sup> June 2022

## 4.2.2 Remuneration and Staff Report

### 4.2.2.1 Remuneration Policy

The Remuneration Committee consists of non-executive board members of the company. The Remuneration Committee was chaired by Gerry McGinn up to March 2022. Duncan McCausland and Kathryn Thomson are members. The Chief Executive and Finance Manager attend as observers and the HR Manager provides a secretariat function.

The committee considers and, if satisfied, approves all appointments to posts with a salary greater than £50,000 pa. The Chief Executive was delegated the authority to approve appointments below this threshold, commencing March 2012.

The Committee also considers other matters relating to pay and performance. Pay awards are made within the parameters set by the DoF.

The notice period for Strategic Investment Board Ltd staff ranges from one to three months.

### 4.2.2.2 Directors' Emoluments (Audited)

	2021-22				2020-21			
	Salary	Benefits in kind	Pension benefits	Total	Salary	Benefits in kind	Pension benefits	Total
	£'000	(to nearest £100)	(to nearest £1,000)	£'000	£'000	(to nearest £100)	(to nearest £1,000)	£'000
<b>Hannam B</b> <i>Chief Executive</i>	150 - 155	-	15	165-170	150 - 155	-	15	165-170
<b>McGinn G</b> <i>Chairman</i> <i>Non-Executive Director</i>	15 - 20	-	-	15 - 20	15 - 20	-	-	15 - 20
<b>McCausland D</b> <i>Non-Executive Director</i>	10 - 15	-	-	10 - 15	10 - 15	-	-	10 - 15
<b>McGivern MT</b> <i>Non-Executive Director</i>	10 - 15	-	-	10 - 15	10 - 15	-	-	10 - 15
<b>Thomson K</b> <i>Non-Executive Director</i>	10 - 15	-	-	10 - 15	10 - 15	-	-	10 - 15
<b>McSorley D</b> <i>Non-Executive Director</i>	10 - 15	-	-	10 - 15	10 - 15	-	-	10 - 15

Directors' emoluments consisted of basic salary only. There were no bonus payments, benefits in kind or non-cash benefits provided to any director during the year or in the previous year. Mr. Hannam was appointed as Chief Executive on 1<sup>st</sup> June 2012. In 2021-22 Mr. Hannam's base salary was £151,078 (2020-21 £149,582). Mr. Hannam received back pay for a 1% cost of living pay increase for 2020-21 of £1,496 (2020-21: £1,481 1% cost of living pay increase for 2019-20).

Total remuneration including pension payments are disclosed in the remuneration table. Strategic Investment Board Ltd Directors do not receive pension benefits. The Chief Executive however is a member of a defined contribution pension scheme operated by Strategic Investment Board Ltd for all staff. The employer makes a contribution of 10% of basic salary to the company's pension scheme. The employee does not have to contribute to this scheme. Contributions on behalf of the Chief Executive were £15,257. Strategic Investment

Board Ltd also contributes to a centrally-provided risk benefit scheme (that provides cover for death in service and retirement due to ill health). A total contribution of £12,442 was made on behalf of the Chief Executive.

There were no expenses reimbursed to non-executive directors in 2021-22 (2020-21: nil).

#### 4.2.2.3 Compensation for Loss of Office and Early Retirement

Non-Executive Directors have fixed-term public appointments not exceeding three years. These appointments are renewable. Individual appointments are made, and remuneration levels set, by TEO Ministers. There has been no compensation for loss of office or early retirement for Directors in 2021-22 (2020-21: Nil). The arrangements for early termination of staff members would be made in accordance with the employment contract of the relevant individual. Strategic Investment Board Ltd's liabilities in the event of termination do not, at present, exceed those set out in statute. During the year no early termination payments were paid to staff members.

#### 4.2.2.4 Fair Pay Disclosure (Audited)

	2021-22	2020-21
Band of highest paid Director's total remuneration* (£000)	£150k - £155k	£150k - £155k
Median total remuneration*	76,981	77,273
Ratio	1.96	1.94
The percentage changes from the previous financial year in respect of the highest paid director	1.0%	1.0%
For employees of the entity taken as a whole, the percentage changes from the previous financial year in the average (mean): Salary and allowances (and performance pay and bonus pay)	(1.2%)	3.5%
The ratio between the highest paid director's remuneration and the pay and benefits of the employee on the 25th percentile of pay and benefits of the entity's employees	2.72	2.72
The ratio between the highest paid director's remuneration and the pay and benefits of the employee on the 75th percentile of pay and benefits of the entity's employees	1.65	1.65

\* Remuneration includes salary only. It does not include employer pension contributions, bonus payments, benefits in kind, or non-cash benefits

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 director in Strategic Investment Board Ltd in the financial year 2021-22 was £150,000 - £155,000 (2020-21: £150,000 - £155,000). This was 1.96 times (2020-21: 1.94) the median remuneration of the workforce, which was £76,981 (2020-21: £77,273). In 2021-22 no employees received remuneration in excess of the highest-paid director.

Remuneration (FTE) ranged from the band of £20k-£25k to £150k-£155k (2020-21: £20k-£25k to £150k-£155k). Total remuneration includes salary and benefits-in-kind but does not include

severance pay. There were no severance payments made in 2021-22 (2020-21: Nil). It does not include employer pension contributions. There were no bonus payments or off-payroll engagements in 2021-22 (2020-21: Nil).

#### 4.2.2.5 Payments to Past Directors

There have been no payments made to past directors in year (2020-21: Nil).

#### 4.2.2.6 Staff Report: Staff Numbers (Audited)

The average number of employees (full time equivalents), excluding Non-Executive Directors, in the company is made up as follows:

	2021-22	2020-21
Staff	27	25
Staff recharged to other departments	81	74
Seconded staff*	3	4
<b>Total</b>	<b>111</b>	<b>103</b>
Permanent	40	40
Temporary contracts	71	63

\*Staff seconded to Strategic Investment Board Ltd from the Civil Service or private sector organisations.

#### 4.2.2.7 Staff Report: Analysis of Staff Costs (Audited)

The costs incurred in respect of these employees were:	2021-22	2020-21
	£	£
Wages and salaries (increased by employee benefits)	2,093,449	2,629,298
Wages and salaries recharged to other departments	6,499,313	5,606,486
Social security costs	1,044,752	991,509
Health Insurance	511,602	443,030
Other pension costs	848,873	809,225
<b>Total staff cost</b>	<b>10,997,989</b>	<b>10,479,548</b>
Seconded staff *	228,952	299,986
<b>Total employment cost</b>	<b>11,226,941</b>	<b>10,779,534</b>

\*Staff seconded to Strategic Investment Board Ltd from the Civil Service or private sector organisations.

Fees paid to third party organisations for services of seconded staff include management charges, employment costs, social security costs, pension costs and VAT. There are no equal pay claims and therefore no provision is required for equal pay claims in Strategic Investment Board Ltd accounts.



#### 4.2.2.8 Staff Report: Staff Composition (Gender Analysis)

	2021-22			2020-21		
	Male	Female	Total	Male	Female	Total
Board Members	3	2	5	3	2	5
Staff	82	60	142	77	56	133
	<u>85</u>	<u>62</u>	<u>147</u>	<u>80</u>	<u>58</u>	<u>138</u>

The above table is based on total numbers employed during the reporting period, whereas the table stating the average number employed does not include Non-Executive Board Members and is based on full time equivalent (FTE).

#### 4.2.2.9 Staff Report: Sickness Absence Data

	Working Days lost	Working Days lost	Variance
	2021-22	2020-21	
Including long-term absence	632	541	91
Excluding long term absence	286	430	(144)
	Average days lost per	Average days lost per	Variance
	FTE member of staff	FTE member of staff	
Including long-term absence	4.7	5.2	(0.5)
Excluding long term absence	2.6	4	(1.4)
	Absence rate 2021-22	Absence rate 2020-21	Variance
	%	%	%
Including long-term absence	1.8	2.0	(0.2)
Excluding long term absence	1.0	1.6	(0.6)

#### 4.2.2.10 Staff Report: Staff Turnover Percentage

Strategic Investment Board Ltd’s staff turnover percentage in the financial year 2021-22 was 6% (2020-21: 6%).

#### 4.2.2.11 Staff Report: Staff Engagement

Health and wellbeing is a key area for the organisation and we support our staff with improving both their physical and mental health. To address the particular challenges arising from Covid-19, the organisation developed and delivered a ‘Health and Wellbeing’ Programme and held two virtual staff conferences in 2021-22. After each conference, Strategic Investment Board Ltd conducted a follow-up survey to measure success and inform the approach to further conferences.

All staff have been working from home since March 2020. Since March 2020, the Chief Executive has provided updates to staff through a weekly newsletter.

In 2021-22 Strategic Investment Board Ltd undertook a series of staff engagement initiatives led by Strategic Investment Board Ltd’s Future of Work Group to inform the approach to Hybrid Working. This included a Future of Work survey, workshop sessions with all staff and a workshop with EY involving a representative body of staff. This resulted in the publication of

the Strategic Investment Board Ltd's Hybrid Guiding Principles and a Hybrid Working Policy which launched in March 2022.

#### **4.2.2.12 Staff Report: Remuneration**

Remuneration of all staff is set out in their contracts and may be subject to annual review under NICS pay remit guidelines. Such review requires the approval of the TEO Accounting Officer. The Audit Committee recommended a cost of living pay increase of 1% for 2020-21 that was applied in March 2022.

#### **4.2.2.13 Staff Report: Staff Policies**

Strategic Investment Board Ltd 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:

- follows the NICS policy that all eligible persons shall have equal opportunity for employment on the basis of their ability, qualification and aptitude for the work. Strategic Investment Board Ltd has an equal opportunities policy and is committed to a policy of equality of opportunity in its employment practices and aims to ensure that all employees and job applicants are treated fairly. Selection for employment, promotion and training is on the basis of aptitude and ability and excludes any consideration of an employee's/ applicant's religious belief, political opinion, racial group, age, marital status, sexual orientation, gender, disability or dependents. All applicants for employment will have the opportunity to state any special adjustments required to attend interview or take up appointment. All applications for employment are considered on the basis of merit.
- gives equality of opportunity when considering applications from disabled persons, in compliance with all existing legislation with regard to disabled employees. Strategic Investment Board Ltd 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 amendments made under the Act. The consideration and implementation of reasonable adjustments help to ensure that staff with disabilities can fully utilise their skills and abilities;
- recognises the benefit of keeping employees informed of the progress of the business and of involving them in the company's performance; and
- regularly provides employees, through meetings and notices, with information regarding the financial and economic factors affecting the performance of the company and on other matters of concern to them.

Strategic Investment Board Ltd's policies are contained in Strategic Investment Board Ltd's staff handbook which is accessible to all members of staff.

#### **4.2.2.14 Staff Report: Health and Safety**

Strategic Investment Board Ltd is committed to applying all existing health and safety at work legislation and regulations to ensure that staff and visitors enjoy the benefits of a safe environment.

#### **4.2.2.15 Staff Report: Consultancy**

As outlined in the financial statements Strategic Investment Board Ltd incurred £17,995 of consultancy expenditure in 2021-22 (2020-21: Nil).

#### **4.2.2.16 Staff Report: Off Payroll Engagements**

There were no off-payroll engagements during the year (2020-21: Nil).

#### **4.2.2.17 Staff Report: Exit Packages**

No exit packages were made during the year (2020-21: Nil).

### **4.3 Accountability and Audit Report**

The accountability and audit report brings together the key assembly accountability documents within the annual report and accounts.

#### **4.3.1 Regularity of Expenditure (Audited)**

In the 2021-22 financial year, Strategic Investment Board Ltd spent 100% (2020-21: 99%) of its budget allocation from TEO.

The average cash held in the bank throughout the year was £851,852 (2020-21: £1,281,573).

#### **4.3.2 Fees and Charges (Audited)**

As referred to in Notes 2 and 6 of the financial statements; in the 2021-22 financial year, Strategic Investment Board Ltd has generated fees and charges of £6,846,722 (2020-21: £6,076,007). Fees and charges have been generated as a result of recovering the full cost of undertaking fee paid work.

#### **4.3.3 Contingent Liabilities (Audited)**

There were no contingent liabilities at 31 March 2022, (2020-21: Nil).

#### **4.3.4 Losses and Special Payments (Audited)**

There were no losses or special payments in 2021-22 (2020-21: Nil).



Duncan McCausland  
Chairman



Brett Hannam  
Chief Executive

Date: 13<sup>th</sup> June 2022

### **4.3.5 Certificate and Report of the Comptroller and Auditor General to the Northern Ireland Assembly**

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

I certify that I have audited the financial statements of Strategic Investment Board for the year ended 31 March 2022 under the Companies (Public Sector Audit) Order (Northern Ireland) 2013. The financial statements comprise: the Statement of Comprehensive Net Expenditure, the Statement of Financial Position and Statement of Cash Flows; and the related notes, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and the Government Financial Report Manual (FReM) as applied in accordance with the provisions of the Companies Act 2006.

I have also audited the information in the Accountability Report that is described in that report as having been audited.

In my opinion the financial statements:

- give a true and fair view of the state of Strategic Investment Board's affairs as at 31 March 2022 and of the net result for the year then ended;
- have been properly prepared in accordance with the Government Financial Reporting Manual; and
- have been prepared in accordance with the Companies Act 2006.

#### **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.

#### **Basis for opinions**

I conducted my audit in accordance with International Standards on Auditing (ISAs)(UK), applicable law and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of this certificate. My staff and I are independent of Strategic Investment Board in accordance with the ethical requirements of the Financial Reporting Council's Revised Ethical Standard, and have fulfilled our other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my opinions.

### **Conclusions relating to going concern**

In auditing the financial statements, I have concluded that Strategic Investment Board's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties that relating to events or conditions that, individually or collectively, may cast significant doubt on Strategic Investment Board's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

The going concern basis of accounting for Strategic Investment Board is adopted in consideration of the requirements set out in the Government Reporting Manual, which require entities to adopt the going concern basis of accounting in the preparation of the financial statements where it is anticipated that the services which they provide will continue into the future.

My responsibilities and the responsibilities of the directors and Accounting Officer with respect to going concern are described in the relevant sections of this report.

### **Other Information**

The other information comprises the information included in the annual review other than the financial statements, the parts of the Accountability Report described in that report as having been audited and my audit certificate and report. The directors and Accounting Officer are responsible for the other information included in the annual report. My opinion on the financial statements does not cover the other information and except to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon.

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

### **Opinion on other matters**

In my opinion:

- the parts of the Accountability Report to be audited have been properly prepared in accordance with the Government Financial Reporting Manual; and
- the information given in the Performance Report and Accountability Report for the financial year for which the financial statements are prepared is consistent with the financial statements
- the Performance Report and Accountability Report have been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of Strategic Investment Board and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance and Accountability Report. 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 parts of the Accountability Report to be audited are not in agreement with the accounting records; or
- certain disclosures of remuneration specified by law are not made; or
- I have not received all of the information and explanations I require for my audit; or
- the Governance Statement does not reflect compliance with the Department of Finance's guidance.

### **Responsibilities of the directors and Accounting Officer for the financial statements**

As explained more fully in the Statement of Directors' and Accounting Officer Responsibilities, the trustees/directors and the Accounting Officer are responsible for:

- the preparation of the financial statements and for being satisfied that they give a true and fair view.
- such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
- assessing Strategic Investment Board's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Accounting Officer anticipates that the services provided by Strategic Investment Board will not continue to be provided in the future.

### **Auditor's responsibilities for the audit of the financial statements**

My responsibility is to audit, certify and report on the financial statements in accordance with the Companies (Public Sector Audit) Order (Northern Ireland) 2013.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue a certificate that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulation, including fraud.

My procedures included:

- obtaining an understanding of the legal and regulatory framework applicable to Strategic Investment Board through discussion with management and application of extensive public sector accountability knowledge. The key laws and regulations I considered included the Companies Act (2006) and taxation legislation;
- making enquires of management and those charged with governance on Strategic Investment Board's compliance with laws and regulations;
- making enquiries of internal audit, management and those charged with governance as to susceptibility to irregularity and fraud, their assessment of the risk of material misstatement due to fraud and irregularity, and their knowledge of actual, suspected and alleged fraud and irregularity;
- completing risk assessment procedures to assess the susceptibility of Strategic Investment Board's financial statements to material misstatement, including how fraud might occur. This included, but was not limited to, an engagement director led engagement team discussion on fraud to identify particular areas, transaction streams and business practices that may be susceptible to material misstatement due to fraud. As part of this discussion, I identified potential for fraud in the following areas: posting of unusual journals;
- engagement director oversight to ensure the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with the applicable legal and regulatory framework throughout the audit;
- documenting and evaluating the design and implementation of internal controls in place to mitigate risk of material misstatement due to fraud and non-compliance with laws and regulations;
- designing audit procedures to address specific laws and regulations which the engagement team considered to have a direct material effect on the financial statements in terms of misstatement and irregularity, including fraud. These audit procedures included, but were not limited to, reading board and committee minutes, and agreeing financial statement disclosures to underlying supporting documentation and approvals as appropriate, testing of journal entries, discussing regularity with management and reading internal audit reports;
- addressing the risk of fraud as a result of management override of controls by:
  - performing analytical procedures to identify unusual or unexpected relationships or movements;
  - testing journal entries to identify potential anomalies, and inappropriate or unauthorised adjustments;
  - assessing whether judgements and other assumptions made in determining accounting estimates were indicative of potential bias; and
  - investigating significant or unusual transactions made outside of the normal course of business; and

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of my certificate.

In addition, 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.

## **Report**

I have no observations to make on these financial statements.



*KJ Donnelly*  
*Comptroller and Auditor General*  
*Northern Ireland Audit Office*  
*1 Bradford Court*  
*Upper Galwally*  
*Belfast*  
*BT8 6RB*

28 June 2022



## 5 Financial Statements for the Year Ended 31<sup>st</sup> March 2022

### 5.1 Statement of Comprehensive Net Expenditure for the Year Ended 31<sup>st</sup> March 2022

	Note	2021-22 £	2020-21 £
<b>OPERATING INCOME - Grant in aid</b>	<b>2</b>	6,366,017	6,398,638
<b>- Income from activities</b>	<b>2</b>	6,846,722	6,076,007
		<u>13,212,739</u>	<u>12,474,645</u>
<b>OPERATING EXPENDITURE</b>			
Staff costs (including employee benefits)	<b>4</b>	11,226,941	10,779,534
Enabling expenditure	<b>6</b>	1,253,658	957,905
Other operating charges	<b>5</b>	717,508	722,834
Depreciation - Property, Plant & Equipment	<b>9a</b>	5,296	3,706
Amortisation - Intangible Assets	<b>9b</b>	9,336	10,666
<b>TOTAL EXPENDITURE</b>		<u>13,212,739</u>	<u>12,474,645</u>

Notes 1 to 18, on pages 52-69, form part of these financial statements.

## 5.2 Statement of Financial Position as at 31<sup>st</sup> March 2022

	Note	2022 £	2021 £
<b>Non-current assets</b>			
Property, Plant and Equipment	<b>9a</b>	18,855	8,147
Intangible Assets	<b>9b</b>	<u>25,927</u>	<u>24,531</u>
<b>Total non-current assets</b>		44,782	32,678
<b>Current assets</b>			
Trade and other receivables	<b>10</b>	2,901,921	1,671,871
Cash and cash equivalents	<b>11</b>	<u>567,623</u>	<u>391,496</u>
<b>Total current assets</b>		3,469,544	2,063,367
<b>Total Assets</b>		<u>3,514,326</u>	<u>2,096,045</u>
<b>Current liabilities</b>			
Trade and other payables	<b>12</b>	<u>(3,514,326)</u>	<u>(2,096,045)</u>
<b>Total assets less net current liabilities</b>		-	-
<b>Non-current liabilities</b>			
		-	-
<b>Assets less liabilities</b>		<u>-</u>	<u>-</u>
<b>Reserves</b>			
General reserve (Income and Expenditure account)	<b>18</b>	<u>-</u>	<u>-</u>
<b>Total</b>		<u>-</u>	<u>-</u>

Notes 1 to 18, on pages 52-69, form part of these financial statements.

In the view of the Board 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 DoF'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 accounts are subject to audit by the Comptroller and Auditor General for Northern Ireland by virtue of an order under Article 5(3) of the Audit and Accountability (Northern Ireland) Order 2003 (S.I. 2003/418N.I.5).

## Statement of Financial Position continued

The members have not required Strategic Investment Board Ltd (Company Registration No. NI 45710) to obtain an audit of its accounts for the year ended 31st March 2022, in accordance with section 476 of the Companies' Act 2006. However Strategic Investment Board Ltd is subject to audit by the Comptroller and Auditor General for Northern Ireland under the Companies (Public Sector Audit) Order (Northern Ireland) 2013.

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 48-51 were approved on 13<sup>th</sup> June 2022 by the Strategic Investment Board Ltd Board of Directors.

Signed on behalf of the Board of Directors by:



Duncan McCausland  
Chairman



Brett Hannam  
Chief Executive

Date: 13<sup>th</sup> June 2022

### 5.3 Statement of Cash Flows for the Year Ended 31st March 2022

	2021-22	2020-21
	£	£
<b>Cash flows from operating activities</b>		
Result for the year	-	-
Depreciation - Property, Plant and Equipment	5,296	3,706
Amortisation - Intangible Assets	9,336	10,666
Increase/(Decrease) in trade and other payables	1,418,282	(720,640)
(Increase)/Decrease in trade and other receivables	(1,230,050)	(435,303)
<b>Net cash flow from operating activities</b>	<u>202,863</u>	<u>(1,141,571)</u>
<b>Cash flows from investing activities</b>		
Purchase of Property, Plant and Equipment	(16,004)	(5,332)
Purchase of Intangible Assets	(10,732)	(21,710)
Financial Transaction Capital (FTC) loans issued	(20,850,000)	(110,000,000)
Repayment of FTC loan receipt to the Executive Office	(1,275,000)	(6,525,000)
<b>Net cash flow from investing activities</b>	<u>(22,151,736)</u>	<u>(116,552,042)</u>
<b>Cash flows from financing activities</b>		
Funding received in respect of FTC loans	20,850,000	110,000,000
Receipt of FTC loan repayment	1,275,000	6,525,000
<b>Net cash flow from financing activities</b>	<u>22,125,000</u>	<u>116,525,000</u>
<b>(Decrease)/Increase in cash and cash equivalents</b>	176,127	(1,168,613)
<b>Cash and cash equivalents at the beginning of the period</b>	391,496	1,560,109
<b>Cash and cash equivalents at end of the period</b>	<u>567,623</u>	<u>391,496</u>

Notes 1 to 18, on pages 52-69, form part of these financial statements.

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## 5.4 Notes to the Accounts

### 1. Accounting Policies

#### General

These financial statements have been prepared in accordance with the accounting and disclosure requirements of the Companies Act 2006, without limiting the information given. In addition the accounts comply with the accounting and disclosure requirements contained in the Government Financial Report Manual (FReM) 2021-22 which applies International Financial Reporting Standards (IFRSs) as adapted or interpreted for the public sector context with the exception of the treatment of Grant-in-Aid.

FReM requires Non-Departmental Public Bodies to regard Grant in Aid received as contributions from controlling parties giving rise to a financial interest in the residual interest of the body, and hence accounted for as financing, i.e. by crediting them to the income and expenditure reserve. The disclosure requirements in relation to this are set out in Appendix 1.

The particular accounting policies adopted are described below.

#### Accounting Convention

The financial statements have been prepared on the historical cost basis, except for the revaluation of certain financial instruments. Historical cost is generally based on the fair value of the consideration given in exchange for the assets.

#### Income

Income represents grants receivable to enable Strategic Investment Board Ltd to discharge its duties, powers and function under the Strategic Investment and Regeneration of Sites (Northern Ireland) 2003 Order.

#### Other operating income

Other operating income relates to the recovery of project related costs from other Government entities.

#### Fixed assets and depreciation

- a) The cost of fixed assets comprises purchase price and any installation charges. The current capitalisation threshold is £1,000.
- b) Depreciation is calculated to write off the cost of assets, less estimated residual value over their useful lives. The method adopted and rate used is -33.33% straight line.

#### Intangible Assets

Expenditure on intangible assets which includes information technology, software licences, websites and the associated costs of implementation is capitalised where the cost is £1,000 or more. Intangible assets are measured initially at cost. These assets are amortised on a straight-line basis over the shorter of the term of the licence and the useful economic life.

#### Cash and Cash Equivalents

Cash and cash equivalents comprise cash and demand deposits with commercial banks. As at each reporting date, the carrying value of Cash and cash equivalents approximates their fair value due to their short-term nature.

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## Financial Instruments

Financial assets and financial liabilities are recognised in the Statement of Financial Position (SoFP) when Strategic Investment Board Ltd becomes a party to the contractual provisions of the instrument. They are measured initially at fair value and transaction costs that are directly attributable to the acquisition.

### Financial Transactions Capital Loans

Strategic Investment Board Ltd is the channel through which FTC loans are made from the DfE to the universities and from the DoF to the NI Investment Fund. Strategic Investment Board Ltd performs this function because the Departments do not currently have the vires to make such loans. The Executive has agreed that Strategic Investment Board Ltd will act as a conduit to make loans and collect repayments over the loan period. On receipt of a loan repayment Strategic Investment Board Ltd arranges for the money to be passed as quickly as possible to TEO. Strategic Investment Board Ltd bears no credit risk in the event of non-payment of FTC loans and is only obliged to repay receipts when received from the borrower.

DoF issued an instruction regarding the accounting treatment to be applied to FTC for government accounting purposes. This requires Strategic Investment Board Ltd to recognise a financial asset for loans made but not recognise any liability for the repayment as this is to be accounted for as funding from the Consolidated Fund and not as a loan. The disclosure requirements in relation to this are set out in Appendix 1.

### Financial Assets

Strategic Investment Board Ltd has financial assets in the form of trade receivables, cash and cash equivalents and accrued income. Financial assets are initially measured at fair value and are subsequently measured at amortised cost using the effective interest method less any impairment.

The financial assets held by Strategic Investment Board Ltd are classified trade receivables and other receivables: financial assets arising from the rendering of services in the ordinary course of the company's business, or financial assets which, not having commercial substance, are not equity investments or derivatives, have fixed and determinable payments and are not traded in an active market.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance.

### Impairment of Financial Assets

Strategic Investment Board Ltd always recognises lifetime expected credit loss for trade debtors and contract assets. The expected credit losses on these financial assets are estimated using a provision matrix based on the Strategic Investment Board Ltd's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

Lifetime expected credit losses represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month

expected credit losses represents the portion of lifetime expected credit losses that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Impairment gains or losses are recognised in Statement of Comprehensive Net Expenditure (SoCNE), with a corresponding adjustment to their carrying amount through a loss allowance account. The carrying amount of the financial asset in the SoFP is not adjusted.

### **Derecognition of Financial Assets**

Financial assets are derecognised when the contractual rights to receive cash flows have expired or have been transferred and Strategic Investment Board Ltd has transferred substantially all the risks and rewards of ownership. On derecognition of a financial instrument measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised on SoCNE.

### **Financial Liabilities**

Strategic Investment Board Ltd has financial liabilities in the form of trade payables, accruals and employee benefits. These are subsequently measured at amortised cost using the effective interest rate method.

### **Derecognition of Financial Liabilities**

Strategic Investment Board Ltd derecognises financial liabilities when, and only when, its obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

### **Employee Benefits and Pensions**

Under the requirements of IAS 19: 'Employee Benefits,' staff costs must be recorded as an expense as soon as the organisation is obliged to pay them. This includes the cost of any untaken leave at the year end. This cost has been calculated using the untaken leave per staff member and applying this to their annual salary to calculate the leave balance as at 31st March 2022.

The company makes pension contributions at a rate of 10% to approved schemes. The cost of contributions for providing pensions for employees is charged to the statement of comprehensive net expenditure account as they are earned, in accordance with IAS 19 'Employee Benefits'. Seconded staff members remain members of their respective pension schemes.

### **Value Added Tax**

Strategic Investment Board Ltd is VAT registered in relation to its vatable activity. VAT is accounted for in accordance with Statement of Standard Accounting Practice (SSAP) 5, in that amounts are shown net of VAT except where irrecoverable VAT is charged to the income and expenditure and included under the heading relevant to the type of expenditure. The FReM retains the SSAP 5 guidance in relation to VAT.

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## **Taxation**

Current tax, including UK Corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using tax rates and laws that have been enacted or substantively enacted by the financial statement date, this is in accordance with IAS 12 'Income taxes'.

## **Operating Segments**

Strategic Investment Board Ltd has identified only one operating segment under IFRS 8 and has prepared the accounts accordingly.

## **Provisions**

Provisions are recognised when the Strategic Investment Board Ltd has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount of the obligation can be estimated reliably.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as a finance cost.

## **Contingencies**

Contingent liabilities, arising as a result of past events, are recognised when (i) it is probable that there will be an outflow of resources or that the amount cannot be reliably measured at the reporting date or (ii) when the existence will be confirmed by the occurrence or non-occurrence of uncertain future events not wholly within the Strategic Investment Board Ltd's control. Contingent liabilities are disclosed in the financial statements unless the probability of an outflow of resources is remote.

## **Changes in Accounting Policy and Disclosure**

Strategic Investment Board Ltd is aware of the International Accounting Standards Board (IASB) Disclosure Initiative to improve presentation and disclosure in financial reporting. The IASB has completed the first stage with the publication of Disclosure Initiative (Amendments to IAS 1) which introduces five, narrow-focus improvements to the disclosure requirements in IAS 1 Presentation of Financial Statements relating to materiality, order of the notes, subtotals, accounting policies and disaggregation. Further projects under the initiative will consider amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, IFRS 16 Leases and IFRS 17 Insurance Contracts.

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

Strategic Investment Board Ltd has reviewed the revised accounting standards and new (or amendments to) interpretations contained within the Government Financial Reporting Manual (FReM) 2021-22.



The IASB issued new and amended standards (IFRS 10, IFRS 11, IFRS 12) that affect the consolidation and reporting of subsidiaries, associates and joint ventures. These standards are effective with EU adoption from 1 January 2014. Accounting boundary IFRS' are currently adapted in the FReM so that the Westminster departmental accounting boundary is based on the UK Office for National Statistics (ONS) control criteria, as designated by Treasury. A similar review in Northern Ireland, which will bring Northern Ireland departments under the same adaptation, has been carried out and the resulting recommendations were agreed by the Executive in December 2016. With effect from 2022-23, the accounting boundary for departments will change and there will also be an impact on departments around the disclosure requirement under IFRS 12. Strategic Investment Board Ltd applies IFRS in full.

IFRS 16 Leases replaces IAS 17 Leases and is effective with EU adoption from 1 January 2019. In line with the requirements of the FReM, IFRS 16 will be implemented, as interpreted and adapted for the public sector, with effect from 1 April 2022.

IFRS 17 Insurance Contracts will replace IFRS 4 Insurance Contracts and is effective for accounting periods beginning on or after 1 January 2023. In line with the requirements of the FReM, IFRS 17 will be implemented, as interpreted and adapted for the public sector, with effect from 1 April 2023.

Strategic Investment Board Ltd has reviewed new accounting standards that have been issued but are not yet effective, nor adopted early for these accounts. Strategic Investment Board Ltd consider that these are unlikely to have a significant impact on the period of initial application.

### **Critical accounting judgments and estimation uncertainty**

Estimates and judgments 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. Strategic Investment Board Ltd has assessed that there are no critical accounting judgements, estimation uncertainty or significant assumptions.

## **2. Income**

	<b>2021-22</b>	<b>2020-21</b>
	<b>£</b>	<b>£</b>
This comprises:		
Grant in Aid receivable (TEO)	<u>6,366,017</u>	<u>6,398,638</u>
Total revenue grants receivable	<u>6,366,017</u>	<u>6,398,638</u>

Strategic Investment Board Ltd recovers a proportion of the costs incurred in respect of work performed on behalf of other Government Departments. The actual cost recovery was calculated as follows:

	<b>2021-22</b>	<b>2020-21</b>
	<b>£</b>	<b>£</b>
Trading Income	6,846,722	6,076,007
Expenditure	<u>(6,846,722)</u>	<u>(6,076,007)</u>
	<u>-</u>	<u>-</u>

### 3. Net Deficit from Operations

	<b>2021-22</b>	<b>2020-21</b>
	<b>£</b>	<b>£</b>
The net deficit from operations is stated after charging:		
Property rent & costs	153,270	195,173
Depreciation - Property, Plant & Equipment	5,296	3,706
Amortisation - Intangible Assets	9,336	10,666
Auditors' remuneration - Internal audit services	5,451	7,704
Auditors' remuneration - External audit services*	<u>15,726</u>	<u>20,000</u>

\*External audit remuneration in 2020-21 includes a fee of £1,250 for the National Fraud Initiative carried out in October 2020.

### 4. Employees and Staff costs

The average number of employees (full time equivalents), excluding Non-Executive Directors, in the company is made up as follows:

	<b>2021-22</b>	<b>2020-21</b>
Staff	27	25
Staff recharged to other departments	81	74
Seconded staff*	<u>3</u>	<u>4</u>
Total	<u>111</u>	<u>103</u>
Permanent	40	40
Temporary contracts	71	63

\* Staff seconded to Strategic Investment Board Ltd from the Civil Service or private sector organisations.

Staff per salary scales are detailed in the table below:

		<b>2021-22</b>	<b>2020-21</b>
	<b>Pay Scale</b>	<b>No of Staff</b>	<b>No of Staff</b>
Administrators	£15k - £30k	5	5
Assistant Advisors/ Administration Managers	£30k - £60k	31	28
Strategic & Project Managers	£60k - £125k	65	60
Senior Management	£125k - £150k	10	10
		<u>111</u>	<u>103</u>

### Employees (Cost)

The costs incurred in respect of these employees were:	<b>2021-22</b>	<b>2020-21</b>
	<b>£</b>	<b>£</b>
Wages and salaries (increased by employee benefits)	2,093,449	2,629,298
Wages and salaries recharged to other departments	6,499,313	5,606,486
Social security costs	1,044,752	991,509
Health Insurance	511,602	443,030
Other pension costs	848,873	809,225
Total staff cost	<u>10,997,989</u>	<u>10,479,548</u>
Seconded staff *	<u>228,952</u>	<u>299,986</u>
Total employment cost	<u>11,226,941</u>	<u>10,779,534</u>

\* Staff seconded to Strategic Investment Board Ltd from the Civil Service or private sector organisations.

Fees paid to third party organisations for services of seconded staff include management charges, employment costs, social security costs, pension costs and VAT.

## 5. Other Operating Charges

		<b>2021-22</b>	<b>2020-21</b>
		<b>£</b>	<b>£</b>
Office Accommodation	(i)	153,270	195,173
Telephones and postage		35,535	32,629
Computer consumables		20,644	20,286
Stationery	(ii)	1,449	467
Recruitment costs	(iii)	18,467	9,928
Travel, accommodation and subsistence	(ii)	22,836	13,083
IT Costs		176,263	176,220
Training & Conferences	(iv)	77,991	80,036
Hospitality	(ii)	1,176	172
Misc Operational Costs		28,116	21,434
Communication	(v)	61,263	51,813
Fees		57,635	58,694
Director Costs		<u>62,863</u>	<u>62,899</u>
		<u>717,508</u>	<u>722,834</u>

- i. In 2020-21, DoF recharges included rates for 9 Lanyon Place relating to 2019-20.
- ii. The impact of staff working from home led to immediate short-term cost savings in 2020-21.
- iii. Strategic Investment Board Ltd increased its number of recruitment platforms in 2021-22
- iv. 332 days were spent on training and development activities, an average of 3.0 per full time equivalent employee (2020-21: 340 days, 3.3 per full time equivalent employee).
- v. In 2021-22 Strategic Investment Board Ltd supported a wide range of SIB projects in addition to its Internal Communications strategy.

## 6. Sources and Application of Funds

SOURCE OF FUNDS	Note	£	£
The Executive Office Grant in Aid including ring-fenced funding	2	6,366,017	6,398,638
		6,366,017	6,398,638
Department for the Economy		927,216	732,705
Department for Communities		812,582	737,293
Department of Finance		753,264	832,074
Ulster University		536,205	353,718
Department of Agriculture, Environment and Rural Affairs		471,829	152,596
Department of Health/Public Health Agency		279,713	323,096
Belfast City Council		235,652	151,154
Health & Social Care		216,435	150,645
Derry City & Strabane District Council		200,326	160,658
Digital Catapult UK		200,000	200,000
Department for Education		192,419	145,264
Department of Justice		190,829	230,083
National Museums NI		172,119	119,549
Causeway Coast & Glens Borough Council		131,634	97,948
Newry Mourne & Down District Council		127,360	97,792
Northern Regional College		124,053	178,117
The Executive Office		123,279	296,663
Invest NI		109,554	-
NI Fire & Rescue		107,420	104,864
NI Environment Agency		99,074	105,650
Southern Regional College		98,077	97,373
Ards & North Down Borough Council		94,431	138,407
Department of Employment & Learning		89,739	88,988
Maze Long Kesh Development Corporation		88,098	87,112
Translink		48,021	-
Northern Ireland Courts & Tribunal		46,712	70,711
NI Screen		44,454	14,001
NI Ambulance Service		43,505	35,243
Mid Ulster District Council		39,600	-
Sport Northern Ireland		30,303	10,437
Department for Infrastructure		22,505	9,062
Special EU Programmes Body		22,197	53,273
Libraries NI		19,624	-
NI Audit Office		19,605	19,320
Canada Life		18,659	18,093
Agri-Food and Biosciences Institute		17,875	-
Lisburn & Castlereagh City Council		16,350	7,706
Education Authority		14,976	-
Armagh Planetarium		12,965	-
Tourism NI		11,116	105,105

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Council for the Curriculum, Examinations & Assessment	9,191	7,589
NI Housing Executive	5,000	-
NI Water	5,000	-
Probation Board NI	4,800	4,800
Charity Commission NI	3,250	-
Northern Ireland Cooperation Overseas	2,937	-
Public Prosecution Service NI	2,730	-
Northern Ireland Practice and Education Council	1,120	-
Armagh Banbridge & Craigavon Borough Council	1,050	104,393
Land & Property Services	819	15,217
Loughs Agency	480	5,520
Other	570	500
Forensic Science NI	-	13,289
<b>Fees and charges</b>	<b>6,846,722</b>	<b>6,076,007</b>
	<b><u>13,212,739</u></b>	<b><u>12,474,645</u></b>

	2021-22	2020-21
	£	£
<b>APPLICATION OF FUNDS</b>		
Staff Costs (see note 4)	11,226,941	10,779,534
Other operating charges (see note 5)	717,508	722,834
<i>Enabling Expenditure by project</i>		
Regeneration Projects	495,000	-
Ulster University FTC management fees	344,946	131,675
Asset Management Unit	319,315	819,842
Council Support Unit	39,421	59,114
Investment Strategy Northern Ireland	103,304	100,364
Green Growth	52,664	-
Behavioural Insight	21,083	14,400
Buy Social	17,980	18,295
Digital Catapult	15,516	-
Urban Villages programme	605	-
Hydrogen Generator X	-	30,000
Strategic Support Unit *	<u>(156,177)</u>	<u>(215,785)</u>
<b>Total Enabling Expenditure</b>	<b><u>1,253,657</u></b>	<b><u>957,905</u></b>
<b>Total Expenditure (excl Depreciation)</b>	<b><u>13,198,106</u></b>	<b><u>12,460,273</u></b>
Depreciation	14,633	14,372

*\*Strategic Support Unit (SSU) costs are reallocated specifically to the programmes & projects listed above*

## Enabling Expenditure

This expenditure on enabling costs is principally undertaken in respect of Strategic Investment Board Ltd supported projects and includes VAT and in some cases subcontractor costs.

The table below lists all suppliers more than £100,000 unless separately disclosed for comparative purposes:

	No. of Projects	2021-22 £	No. of Projects	2020-21 £
Regeneration Projects	2	495,000	-	-
Ulster University (transferred to DfE)	1	344,946	1	131,675
AECOM Limited	-	-	6	134,835
Hamilton Architects	-	-	6	112,567
<b>Total suppliers over £100k</b>		<u>839,946</u>		<u>379,077</u>
<b>Suppliers under £100k</b>		<u>413,711</u>		<u>578,828</u>

The expenditure in relation to Government bodies listed above comprises recharges from those bodies in relation to projects supported by Strategic Investment Board Ltd.

Of the project spend detailed in note six above, 2021-22 consultancy expenditure was £17,995 (2020-21: Nil).

## 7. Related Party Transactions

TEO is regarded as a related party. During the year Strategic Investment Board Ltd received grant in aid for normal activities and for the FTC loan arrangement. TEO is also a shareholder in MLKDC to whom Strategic Investment Board Ltd provided staff during the year.

### Transactions Involving Directors and Related Parties to Strategic Investment Board Ltd

Due to the nature of Strategic Investment Board Ltd's operations and the composition of its Board, it is inevitable that there will be relationships or transactions with companies and organisations in which Board members may have a beneficial or non beneficial interest or with which they have a relationship. A beneficial interest is when the Board member is either, directly or through a family connection, a material shareholder or receives remuneration (including expenses) from the entity.

The following table lists the related party relationships involving Strategic Investment Board Ltd, and any Board Members interests during and after the financial year end.

Board Member	Related Party to Strategic Investment Board Ltd	Nature of Relationship with Strategic Investment Board Ltd	Board Member's Interest	Financial Reward from Related Party (if any)
<b>G McGinn</b> (resigned March 2022)	Deloitte	Strategic Investment Board Ltd may contract work to Deloitte in relation to projects	A family member works for Deloitte	N/A
<b>G McGinn</b> (resigned March 2022)	Ulster University Economic Policy Centre	Strategic Investment Board Ltd provides FTC finance to Ulster University and some of Strategic Investment Board Ltd's Strategic Advisers also carry out work for or with Ulster University	Ulster University Economic Policy Centre, Board Member	None
<b>G McGinn</b> (resigned March 2022)	Queen's University Belfast	Strategic Investment Board Ltd provides FTC finance to Queens University and some of Strategic Investment Board Ltd's Strategic Advisers also carry out work for or with Queens University	On the Investment Committee at Queen's University Belfast, which oversees the investments made in the markets for the funds the University holds	None
<b>G McGinn</b> (resigned March 2022)	Belfast Harbour	Belfast Harbour part-funded a post in Belfast City Council filled by a Strategic Investment Board Ltd employee	Membership of the board of Belfast Harbour	None
<b>D McCausland</b>	MLKDC	Strategic Investment Board Ltd provides support to MLKDC	Member is a Non-executive director of MLKDC. (TEO public appointment)	Remuneration
<b>D McCausland</b>	G4S (NI)	G4S (NI) has a contract for the supply of security services to NICS	Member is an employed associate of G4S (NI)	Remuneration



<b>Board Member</b>	<b>Related Party to Strategic Investment Board Ltd</b>	<b>Nature of Relationship with Strategic Investment Board Ltd</b>	<b>Board Member's Interest</b>	<b>Financial Reward from Related Party (if any)</b>
<b>D McCausland</b>	PwC	Strategic Investment Board Ltd has awarded contracts to PwC	Member is an employed associate of PwC (but no work undertaken in year)  A family member worked for PwC but has now left.	Remuneration
<b>D McCausland</b>	KPMG	Strategic Investment Board Ltd has awarded contracts to KPMG	Member is an employed associate of KPMG (but no work undertaken in year)	Remuneration
<b>D McCausland</b>	DfC	Strategic Investment Board Ltd provides staff assistance and other project assistance to DfC.	Independent Board Member	Remuneration
<b>M T McGivern</b>	Titanic Foundation	Strategic Investment Board Ltd has provided support and advice to Titanic Foundation	Member is Chair of Titanic Foundation	None
<b>M T McGivern</b>	PwC	Strategic Investment Board Ltd may contract work to PwC in relation to projects	A family member worked for PwC until November 2021	N/A
<b>M T McGivern</b>	Bombardier Foundation	Strategic Investment Board Ltd provides advice to Arc21 with which Bombardier has commercial links	Member is also a member of Bombardier Foundation	N/A
<b>M T McGivern</b>	Northern Ireland Water	Strategic Investment Board Ltd provides advice to Northern Ireland Water	Board Member of Northern Ireland Water	Remuneration
<b>M T McGivern</b>	InvestNI	Strategic Investment Board Ltd provides advice to InvestNI from time to time.	Board Member of InvestNI	Remuneration
<b>D McSorley</b>	Ulster University	Strategic Investment Board Ltd works with Ulster University and provides FTC loans	Board member for International Centre for Local and Regional Development (ICLRD), which is a partnership of Maynooth University, Ulster University and the University of Maryland, USA.	N/A
<b>K Thomson</b>	Tourism Ireland	Some Strategic Investment Board Ltd projects work in partnership with Tourism Ireland/ DfE	Director of Tourism Ireland Ltd	Remuneration (the fee is paid as a charitable donation to NMNI).

Board Member	Related Party to Strategic Investment Board Ltd	Nature of Relationship with Strategic Investment Board Ltd	Board Member's Interest	Financial Reward from Related Party (if any)
K Thomson	National Museums NI (NMNI)	NMNI is funded by the Department for Communities for which Strategic Investment Board Ltd may do work  Strategic Investment Board Ltd has used NMNI facilities  Strategic Investment Board Ltd provides paid services to National Museums NI  Strategic Investment Board Ltd second a Capital Programme Director on a fixed term contract	Chief Executive of NMNI. Appointed March 2016	Remuneration
K Thomson	Eirgrid/SONI	Strategic Investment Board Ltd manages an energy management programme	A family member works for Eirgrid/SONI	None
K Thomson	Open House Festival Ltd	Strategic Investment Board Ltd provided advice to the Courthouse project	Member of Board of Trustees	None

Strategic Investment Board Ltd maintains a register of the interests for the members of the Board of Directors that is published on the Strategic Investment Board Ltd website, [www.sibni.org](http://www.sibni.org) and is also available upon request to the Company Secretary.

## 8. Taxation

HM Revenue & Customs has determined that Strategic Investment Board Ltd is a taxable entity but not all of the income will be taxable. In the year ended 31 March 2022, no provision for tax has been made as there has been no assessable income arising (period ended 31 March 2021: Nil).

## 9. a) Property, Plant and Equipment

	2021-22	2020-21
	£	£
<b>Cost:</b>		
At 1 April	15,114	9,782
Additions in year	<u>16,004</u>	<u>5,332</u>
At 31 March	<u>31,118</u>	<u>15,114</u>
<b>Accumulated Depreciation</b>		
At 1 April	6,967	3,261
Charge in year	<u>5,296</u>	<u>3,706</u>
At 31 March	<u>12,263</u>	<u>6,967</u>
<b>Net book value</b>		
At 31 March	<u>18,855</u>	<u>8,147</u>

## 9. b) Intangible Assets

	IT	Software	Websites	Total
	£	£	£	£
<b>Cost:</b>				
At 1 April 2020	9,998	3,310	81,543	94,851
Additions in year	<u>-</u>	<u>-</u>	<u>21,710</u>	<u>21,710</u>
At March 2021	<u>9,998</u>	<u>3,310</u>	<u>103,253</u>	<u>116,561</u>
Additions in year	<u>-</u>	<u>-</u>	<u>10,732</u>	<u>10,732</u>
At 31 March 2022	<u>9,998</u>	<u>3,310</u>	<u>113,985</u>	<u>127,293</u>
<b>Amortisation:</b>				
At April 2020	9,998	3,310	68,056	81,364
Charge in year	<u>-</u>	<u>-</u>	<u>10,666</u>	<u>10,666</u>
At 31 March 2021	<u>9,998</u>	<u>3,310</u>	<u>78,722</u>	<u>92,030</u>
Charge in year	<u>-</u>	<u>-</u>	<u>9,336</u>	<u>9,336</u>
At 31 March 2022	<u>9,998</u>	<u>3,310</u>	<u>88,058</u>	<u>101,366</u>
<b>Carrying Amount</b>				
At 31 March 2022	<u>-</u>	<u>-</u>	<u>25,927</u>	<u>25,927</u>
At 31 March 2021	<u>-</u>	<u>-</u>	<u>24,531</u>	<u>24,531</u>
At 31 March 2020	<u>-</u>	<u>-</u>	<u>13,487</u>	<u>13,487</u>

**10. Trade and Other Receivables**

	<b>2021-22</b>	<b>2020-21</b>
	<b>£</b>	<b>£</b>
Trade Receivables	2,042,281	1,485,124
Prepayments and Accrued Income	859,640	186,747
	<u>2,901,921</u>	<u>1,671,871</u>

**11. Cash and Cash Equivalents**

	<b>2021-22</b>	<b>2020-21</b>
	<b>£</b>	<b>£</b>
Balance as at 1 April:	391,496	1,560,109
Net Changes in cash and cash equivalent balances	176,127	(1,168,613)
Balance as at 31 March	<u>567,623</u>	<u>391,496</u>

The above comprise balances at commercial banks and cash in hand.

**12. Trade and Other Payables**

	<b>2021-22</b>	<b>2020-21</b>
	<b>£</b>	<b>£</b>
Included in liabilities falling due within one year are:		
Trade Payables	16,771	82,569
Accruals	905,894	850,404
Employee benefits (Note 13)	318,883	395,711
Deferred Income (Grant in Aid)	1,800,064	208,081
Value Added Tax	472,714	559,280
	<u>3,514,326</u>	<u>2,096,045</u>

**13. Employee Benefits**

Strategic Investment Board Ltd has recognised the cost of providing employee benefits in the period in which the benefit was earned by the employee, rather than when it is paid or payable. Short term benefits are recorded as an expense in the period in which the employee renders the service. For Strategic Investment Board Ltd, this expense relates solely to the cost of any untaken annual leave at the year end. This policy has been adopted in accordance with IAS 19 'Employee benefits' (2021-22: £318,883; 2020-21: £395,711).

## 14. Contingencies and Commitments

Strategic Investment Board Ltd is committed to supporting various projects which are on-going at year end. Strategic Investment Board Ltd is dependent on funding from Departments to meet its commitments. There were no capital commitments, commitments under leases or other financial commitments at the year-end.

There were no contingent liabilities at 31 March 2022 (2020-21: Nil).

## 15. Guarantee

The members of the company undertake to contribute to the assets of the company in the event of the same being wound up while such party is a member, or within one year after such party ceases to be a member, for payment of the debts and liabilities of the company contracted before such party ceases to be a member, and of the costs, charges and expenses of winding up, and for the adjustment of the rights of its contributories among themselves, such amount as may be required not exceeding one pound.

## 16. Deferred Income

	2021-22	2020-21
	£	£
At 1 April	(208,081)	(1,306,219)
Released to Statement of Comprehensive Net Expenditure	208,081	1,306,219
Deferred Income	<u>(1,800,064)</u>	<u>(208,081)</u>
<b>At 31 March</b>	<b><u>(1,800,064)</u></b>	<b><u>(208,081)</u></b>

## 17. Financial Instruments

IFRS 7 'Financial Instruments: Disclosures' requires disclosure that enables evaluation of the significance of financial instruments for Strategic Investment Board Ltd's financial position and performance, the nature and extent of risks arising from financial instruments which Strategic Investment Board Ltd is exposed to during the period and at the reporting date, and how Strategic Investment Board Ltd manages those risks. As a result of the non-trading nature of its activities and the way in which Strategic Investment Board Ltd is financed, Strategic Investment Board Ltd is not exposed to the degree of financial risk faced by business entities. The carrying value of trade and other receivables, bank, trade and other payables (including accruals) as disclosed in the notes to the accounts, approximates to fair value because of their short maturities. No other disclosures are relevant to Strategic Investment Board Ltd's activities.

## **18. Reserves**

As at 31<sup>st</sup> March 2022 Reserves amounted to Nil (2020-21: Nil).

### **5.5 Events after the Reporting Period**

None

### **5.6 Date Authorised for Issue**

The Accounting Officer authorised the issue of these financial statements on 13<sup>th</sup> June 2022.

## 6 Appendix 1: Additional Disclosures to Comply with FReM and DoF Instruction

The Government's Financial Reporting Manual (FReM) requires non-Departmental public bodies to regard Grant in Aid received as contributions from controlling parties giving rise to a financial interest in the residual interest of the body, and hence accounted for as financing, i.e. by crediting them to the income and expenditure reserve. The Strategic Investment Board Ltd have instead accounted for Grant In Aid as part of income which is matched to expenditure in the same period as permitted under company law.

Strategic Investment Board Ltd is the channel through which FTC loans are made from the DfE to the universities and from the DoF to the NI Investment Fund. Strategic Investment Board Ltd performs this function because the Departments do not currently have the vires to make such loans. DoF have instructed that the Strategic Investment Board Ltd *recognise a financial asset for loans made but not recognise any liability for the repayment as this is to be accounted for as funding from the Consolidated Fund and not as a loan.*

The following Financial Statements are not part of the primary statements of the Strategic Investment Board Ltd but have been prepared to illustrate the financial position if the Strategic Investment Board Ltd were to comply with FReM and DoF's 2016 Instruction, the following would be the effect of this compliance:

### 6.1 Statement of Comprehensive Net Expenditure Prepared under FReM and DoF Instruction

		2021-22	2020-21	2019-20
	Note	£	(Restated) £	(Restated) £
<b>INCOME</b>				
Other operating income	2	6,846,722	6,076,007	5,199,489
		<u>6,846,722</u>	<u>6,076,007</u>	<u>5,199,489</u>
<b>EXPENDITURE</b>				
Staff costs	4	11,226,941	10,779,534	9,933,907
Enabling expenditure	6	1,253,658	957,905	532,785
Other operating charges	5	717,508	722,834	761,167
Depreciation - Property, Plant & Equipment	9a	5,296	3,706	3,261
Amortisation - Intangible Assets	9b	9,336	10,666	10,817
Amortisation - FTC Loan	6.8	4,963,389	57,002,157	(3,532,626)
<b>TOTAL EXPENDITURE</b>		<u>18,176,128</u>	<u>69,476,802</u>	<u>7,709,311</u>
<b>NET DEFICIT FOR THE YEAR</b>		(11,329,406)	(63,400,795)	(2,509,822)
<b>AMOUNT TRANSFERRED TO RESERVES</b>		<u>(11,329,406)</u>	<u>(63,400,795)</u>	<u>(2,509,822)</u>

## 6.2 Statement of Financial Position as at 31st March 2022 Prepared under FReM and DoF Instruction

	Note	2021-22 £	2020-21 (Restated) £	2019-20 (Restated) £
<b>Non-current assets</b>				
Property, Plant and Equipment	9a	18,855	8,147	6,521
Intangible Assets	9b	25,927	24,531	13,487
Financial Transaction Capital (FTC) loans	6.8	216,515,287	201,903,676	150,180,833
<b>Total non-current assets</b>		216,560,069	201,936,354	150,200,841
<b>Current assets</b>				
Trade and other receivables	6.7	2,901,921	1,671,871	1,236,568
Financial Transaction Capital (FTC) loans	6.8	1,275,000	1,275,000	6,525,000
Cash and cash equivalents	11	567,622	391,496	1,560,109
<b>Total current assets</b>		4,744,543	3,338,367	9,321,677
<b>Total Assets</b>		221,304,613	205,274,721	159,522,518
<b>Current liabilities</b>				
Trade and other payables	6.6	(1,714,262)	(1,887,964)	(1,510,966)
<b>Total assets less net current liabilities</b>		219,590,351	203,386,757	158,011,552
<b>Non-current liabilities</b>				
		-	-	-
<b>Assets less liabilities</b>		219,590,351	203,386,757	158,011,552
<b>Reserves</b>				
General reserve (Income and Expenditure account)	6.5	219,590,351	203,386,757	158,011,552
<b>Total</b>		219,590,351	203,386,757	158,011,552



### 6.3 Statement of Cashflows Prepared Under FReM and DoF Instruction

	2021-22	2020-21	2019-20
	£	(Restated)	(Restated)
	£	£	£
<b>Cashflows from Operating Activities</b>			
Net Deficit after interest and tax	(11,329,406)	(63,400,795)	(2,509,822)
Non Cash Transactions (Depreciation - Property, Plant & Equipment)	5,296	3,706	3,261
Non Cash Transactions (Amortisation - Intangible Assets)	9,336	10,666	10,817
Non Cash Transactions (Amortisation Reserve - FTC Loans)	4,963,389	57,002,157	(3,532,626)
(Decrease)/Increase in trade and other payables	(173,702)	376,998	123,523
(Increase)/Decrease in trade and other receivables*	(1,230,050)	(435,304)	248,880
Net Cash used in Operating Activities	<u>(7,755,137)</u>	<u>(6,442,572)</u>	<u>(5,655,967)</u>
<b>Cash flows from Investing Activities</b>			
Purchase of Property, Plant & Equipment	(16,004)	(5,332)	-
Purchase of Intangible Assets	(10,732)	(21,710)	(9,315)
FTC loan issued	(20,850,000)	(110,000,000)	(30,000,000)
Repayment of FTC loan receipt to the Executive Office	(1,275,000)	(6,525,000)	(6,525,000)
Net Cash used in Investing Activities	<u>(22,151,736)</u>	<u>(116,552,042)</u>	<u>(36,534,315)</u>
<b>Cash flows from Financing Activities</b>			
Grant in Aid from Parent Department	7,958,000	5,301,000	6,041,500
Grant in Aid re FTC	20,850,000	110,000,000	30,000,000
Receipt of FTC Loan repayment	1,275,000	6,525,000	6,525,000
Net Cash used in Financing Activities	<u>30,083,000</u>	<u>121,826,000</u>	<u>42,566,500</u>
<b>(Decrease)/Increase in cash and cash equivalents</b>	<u>176,127</u>	<u>(1,168,614)</u>	<u>376,218</u>
Cash and cash equivalents at beginning of the period	<u>391,496</u>	<u>1,560,109</u>	<u>1,183,891</u>
<b>Cash and cash equivalents at end of the period</b>	<u>567,622</u>	<u>391,496</u>	<u>1,560,109</u>

\* (Increase)/Decrease in trade and other receivables rounded to nearest £1

In 2021-22 Strategic Investment Board Ltd received FTC loan repayments of £1,275,000 (2020-21: £6,525,000). Strategic Investment Board Ltd immediately transferred the repayment to TEO.

## 6.4 Statement of Changes in Taxpayers' Equity Note Prepared Under FReM and DoF Instruction

	2021-22	2020-21	2019-20
		(Restated)	(Restated)
	£	£	£
<b>Analysis of Income and Expenditure Reserves:</b>			
Balance at 1 April	203,386,758	158,011,551	131,004,873
Grant in Aid received in year	28,808,000	115,301,000	36,041,500
Net operating cost for the year *	(11,329,407)	(63,400,793)	(2,509,822)
Receipt of FTC loan repayment	(1,275,000)	(6,525,000)	(6,525,000)
<b>Balance at 31 March</b>	<u>219,590,351</u>	<u>203,386,758</u>	<u>158,011,551</u>

	2021-22	2020-21	2019-20
		(Restated)	(Restated)
	£	£	£
<b>Summary of Balances:</b>			
Income & Expenditure reserve	219,590,351	203,386,758	158,011,551
<b>Balance at 31 March</b>	<u>219,590,351</u>	<u>203,386,758</u>	<u>158,011,551</u>

\*Net operating cost for the year rounded to the nearest £1

FReM accounting does not recognise deferred income (note 16). Grant in Aid received over and above expenditure incurred is credited to the Income and Expenditure Reserve. The Income and Expenditure reserve within the Statement of Taxpayers' Equity note is reconciled in the table below:

## 6.5 Movement in Reserves Prepared Under FReM and DoF Instruction

	2021-22	2020-21	2019-20
		(Restated)	(Restated)
	£	£	£
Reserves at 1st April	203,386,758	158,011,552	131,004,873
Loans issued in year	<b>6.8</b> 20,850,000	110,000,000	30,000,000
Loan amortisation	<b>6.8</b> (4,963,389)	(57,002,157)	3,532,626
Receipt of FTC loan repayment	<b>6.8</b> (1,275,000)	(6,525,000)	(6,525,000)
Movement of Deferred Income in year *	<b>16</b> 1,591,983	(1,097,637)	(948)
<b>Balance at 31 March</b>	<u>219,590,351</u>	<u>203,386,758</u>	<u>158,011,551</u>

\*Movement of Deferred Income in year rounded to the nearest £1

## 6.6 Trade and Other Payables Prepared Under FReM and DoF Instruction

FReM accounting does not recognise deferred income. Grant in Aid received over and above expenditure incurred is credited to the Income and Expenditure Reserve.

	2021-22	2020-21	2019-20
	£	£	£
Included in liabilities falling due within one year are:			
Trade Payables	16,771	82,569	117,830
Accruals	905,894	850,404	773,955
Employee benefits (Note 13)	318,883	395,711	363,432
Value Added Tax	472,714	559,280	255,749
	<u>1,714,262</u>	<u>1,887,964</u>	<u>1,510,966</u>

## 6.7 Trade and Other Receivables Prepared Under FReM and DoF Instruction

	2021-22	2020-21	2019-20
	£	£	£
Trade Receivables	2,042,281	1,485,124	756,809
Prepayments and Accrued Income	859,640	186,747	479,759
	<u>2,901,921</u>	<u>1,671,871</u>	<u>1,236,569</u>

## 6.8 Financial Transactions Capital (FTC) Loans Prepared Under FReM and DoF Instruction

	2021-22	2020-21	2019-20
	£	(Restated) £	(Restated) £
As at 1 April	203,178,676	156,705,833	129,698,207
Loans issued in year	20,850,000	110,000,000	30,000,000
Loan amortisation	(4,963,389)	(57,002,157)	3,532,626
Repayment of loan in year	(1,275,000)	(6,525,000)	(6,525,000)
<b>Balance as at 31 March</b>	<u>217,790,287</u>	<u>203,178,676</u>	<u>156,705,833</u>
<b>Expected timing of cashflows</b>			
Not later than one year	(1,275,000)	(1,275,000)	(6,525,000)
Later than one year but not later than five years	(17,788,000)	(11,444,000)	(5,100,000)
Later than five years	(198,727,287)	(190,459,676)	(145,080,833)
	<u>(217,790,287)</u>	<u>(203,178,676)</u>	<u>(156,705,833)</u>

Strategic Investment Board Ltd facilitated the transfer of funds between DoF and DfE via TEO and Queen's University Belfast, Ulster University and GFS Corporate Directorate II Limited (the vehicle holding the NI Investment Fund) for FTC loan agreements. The loan to Queen's University Belfast is an interest free loan agreement.

In 2020-21 Strategic Investment Board Ltd issued a £80m FTC loan to Ulster University and consolidated the outstanding balance on loans previously issued. An additional £21m was issued in 2021-22. The total value of the Ulster University's FTC loans as at 31<sup>st</sup> March 2022 is £158.6m (2021-22: £137.750m). Interest of 0.25% is applied monthly and received at the beginning of the following financial year. This interest is to be used for the management of this specific loan and will be expensed in year by both Strategic Investment Board Ltd, DoF and DfE. Strategic Investment Board Ltd will be receiving a gross economic benefit from this loan through the receipt of interest payments. Strategic Investment Board Ltd will receive no net economic benefit as the income will be used to meet service obligations.

The loan to GFS Corporate Directorate II Limited, the vehicle holding the NI Investment Fund is interest bearing at a rate of Sterling Overnight Index Average (SONIA) previously London Interbank Offered Rate (LIBOR) plus 4%. The total value of the loan at 31<sup>st</sup> March 2022 is £100m (2020-21: £100m). The loans are initially recorded at fair value at the HM Treasury (HMT) discount rate of 1.9% (2020-21: 3.7%) and subsequently recorded at amortised cost using the effective interest rate method.

## **6.9 Prior Period Adjustment**

From inception, FTC loans have been measured in these additional disclosure notes to the financial statements at fair value through profit and loss ('FVTPL') at each balance sheet date. The Strategic Investment Board Ltd considers that measuring the loans at amortised cost using the effective interest rate method less any impairment losses at each balance sheet date will provide more reliable and relevant information about the FTC loans.

This change of accounting policy arising from a change in measurement basis has been applied to the 2021-22 financial period and each prior period presented in financial statements from 2017-18 onwards.