



Department for
Communities

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Department for

Commonities

www.communities-ni.gov.uk



Northern Ireland Central Investment Fund for Charities

Annual Report and Accounts
to 30 September 2020



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This document is also available from our website at:

www.communities-ni.gov.uk/articles/northern-ireland-central-investment-fund-charities

**Northern Ireland Central Investment Fund for Charities
Annual Report and Accounts**

For the year ended 30 September 2020

Laid before the Northern Ireland Assembly under
Section 34 (2) of the Charities Act (Northern Ireland) 1964
by the Department for Communities.

28 July 2022

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Statement of Accounting Officer's Responsibilities

Under the Charities Central Investment Scheme (Northern Ireland) 1965, as made under section 25 of the Charities Act (Northern Ireland) 1964, and the The Charities Act (Northern Ireland) 2008 section 64 the Department for Communities (DfC), after the Departments (Transfer and Assignment of Functions) Order (Northern Ireland) 1999, is required to prepare for the Central Investment Fund for Charities, for each financial year, a Statement of Financial Position and an Income and Expenditure Account.

The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the Northern Ireland Central Investment Fund for Charities (NICIFC) and of its income and expenditure for the financial year.

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

- observe the Accounts Direction, 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 FReM have been followed, and disclose and explain any material departures in the accounts

- prepare the accounts on a going concern basis.

DoF has appointed the Permanent Secretary as Accounting Officer of the Department. The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances under his stewardship, for keeping proper records and for safeguarding assets of the Department, are set out in Managing Public Money Northern Ireland (MPMNI) published by DoF.

The Accounting Officer confirms that, as far as he is aware, there is no relevant audit information of which the Department's auditors are unaware, that he has taken all the steps necessary to make himself aware of any relevant audit information and to establish that the Department's auditors are aware of that information.

He also confirms that the annual report and accounts as a whole are fair, balanced and understandable and takes personal responsibility for the annual report and accounts and the judgements required for determining that it is fair, balanced and understandable.

Governance Statement

Introduction

The Northern Ireland Central Investment for Charities (NICIFC) falls under the responsibility of the Department for Communities (DfC) and is bound by the governance arrangements of the Department. The DfC Governance Statement has been compiled from work throughout the year to support stewardship, management and control of the Department. It supplements the annual accounts and explains the framework of governance and risk management operated in support of my role as Departmental Accounting Officer.

Governance Framework

Overview of Arrangements

DfC has a corporate governance framework in place which specifies organisational and governance structures, roles and responsibilities of those charged with governance, and key internal control, risk management and assurance arrangements. The framework is in line with the 'Corporate Governance in Central Government Departments: Code of Good Practice NI 2013' and is available at: <https://www.communities-ni.gov.uk/publications/dfc-corporate-governance-framework>

The Department operates under the direction and control of the Minister for Communities. The Minister is responsible and accountable to the Assembly for the policies, programmes

and actions of the Department. As Permanent Secretary for DfC I am the Minister's principal adviser as well as the administrative head of the Department and the Departmental Accounting Officer.

I am required to disclose where I, as Accounting Officer, have sought formal Ministerial Direction to proceed where I believe I am being asked to take a course of action that could potentially result in irregular expenditure, impropriety or poor value for money. I can confirm that between 1 April 2019 and 10 January 2020 in the absence of a Minister for Communities, no such Direction was sought or given. I can also confirm that since the appointment of a Minister for Communities on 11 January 2020, no such Direction has been sought or given.

As Accounting Officer I am personally responsible and accountable for the effective management and organisation of the Department, the efficient and effective use of its resources and the stewardship of its assets. I am assisted in my role as Accounting Officer by a Departmental Management Board which encompasses DfC Deputy Secretaries along with Non-Executive Boards Members (NEBMs) operating as a collegiate committee under my leadership.

The Board is supported in its role by a Departmental Audit and Risk Assurance Committee (DARAC) and an Information Assurance Committee (DIAC).

Board Performance and Effectiveness

Minutes of Board meetings are available at: <https://www.communities-ni.gov.uk/publications/departmental-management-board-minutes>

A Register of Board Interests is maintained and Conflicts of Interest is a standing agenda item for Board meetings where members are asked to declare any interests relating to items on the Board agenda.

The Board undertakes an annual review of effectiveness in line with the Corporate Governance Code and its Operating Framework. Annual reviews consider the Operating Framework, the effectiveness of the Board's oversight of the important issues facing the Department and the quality of information available to the Board. The 2019-20 Review, which was impacted by Covid, took place in late 2020 and built upon the previous independent review.

The annual review for 2020-21 took place in June 2021 with additional areas for consideration drawn from the new 'HM Government Orange Book: Management of Risk – Principles and Concepts'. The additional risk aspects support the Orange Book requirement for annual review of the risk management framework and the principle of comply or explain. The annual review has confirmed Board effectiveness, compliance with the Board Operating Framework and the mandatory requirements of the Orange Book.

Proposals to further enhance Board effectiveness will be progressed during 2021-22.

DARAC Review of Effectiveness

DARAC has undertaken a review of effectiveness following the end of 2019-20 in line with recommended best practice. The review was undertaken using the National Audit Office (NAO) Audit and Risk Assurance Committee Effectiveness Checklist. This confirmed DARAC's compliance with good practice and the strength of the DfC committee arrangements.

Risk Management Arrangements

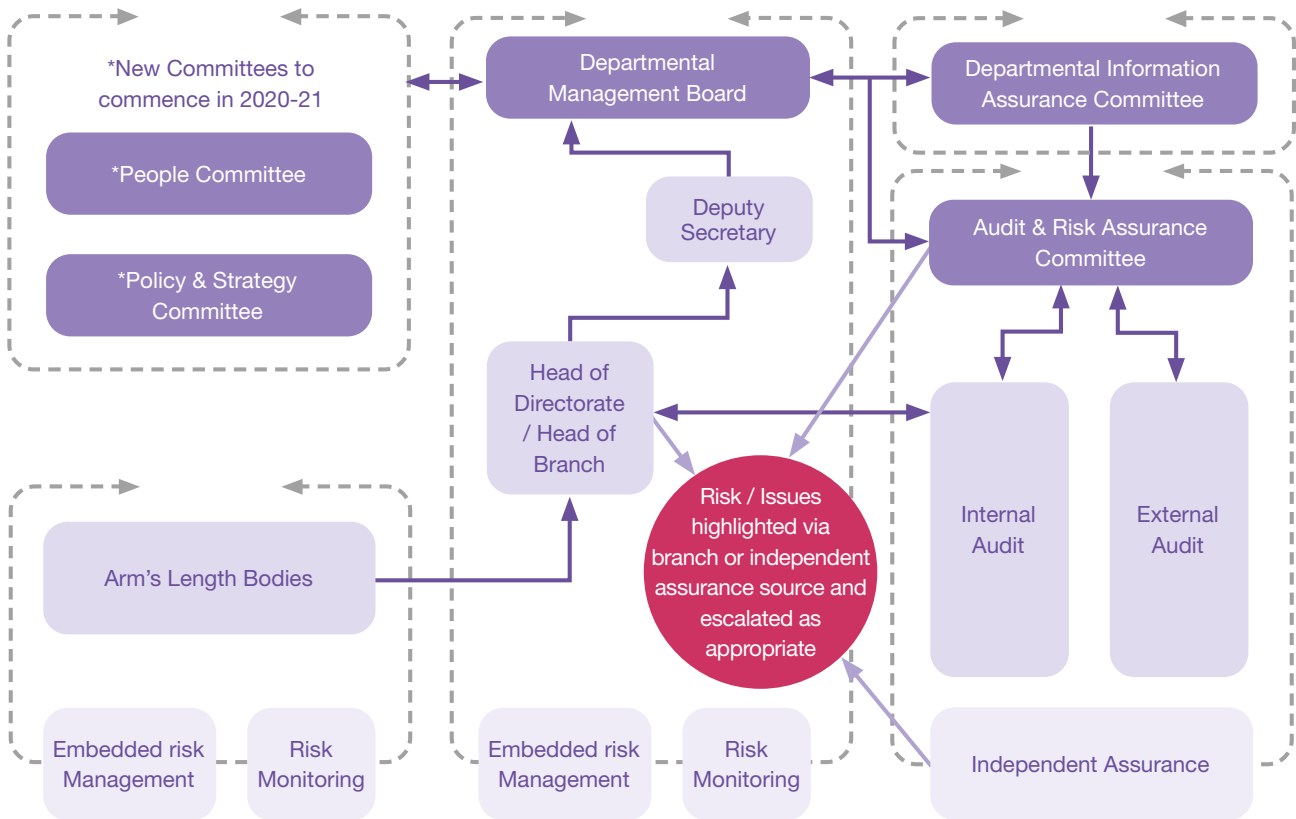
Overview

DfC's Risk Management Framework forms part of its corporate governance system and facilitates compliance with the Corporate Governance Code of Good Practice.

Risk Management is embedded into the Department's business planning processes at both strategic and operational levels in line with the guidance and approach set out in the HM Treasury Orange Book 'Management of Risks – Principles and Concepts'. The system of internal control is designed to maintain risk at a manageable level (based on the risk appetite agreed annually by the Board) in order to provide reasonable assurance of effectiveness.

Risk Management Framework

Department for Communities



Risk Appetite & Corporate Risks

The Board considers its Risk Appetite on an annual basis. This allows Risk Owners to establish controls and manage risks in line with Board expectations. The Board agrees the risks to be included in the Department's Corporate Risk Register and assigns ownership for each corporate risk. A detailed review of the Corporate Risk Register is undertaken by the Board on a quarterly basis.

Covid-19 Risk Register

In response to the emerging pandemic situation in March 2020 a Covid-19 Risk Register was established to support the Board in its management of risks relating to

the emergency. Risks identified encompassed:

- People
- Welfare of Staff, Partners and Service Users
- IT Systems, Data Security and Estate Management
- Communication
- Third Party Suppliers
- Operational delivery
- Arm's Length Bodies
- Budget availability
- Fraud and Error
- Recovery and Resilience

The Board has used this register during the response phase of the pandemic but will develop its Corporate Risk reporting arrangements for 2020-21 to cover all risks impacting on the Department's strategic outcomes as well as the challenges of Covid-19 recovery and reform.

Work on the Corporate Risk arrangements for 2020-21 is being supported by the senior Risk Management Team in EY as part of a fundamental review of the Department's approach to risk management in support of its long term strategy and Covid-19 recovery. This will aim to deliver an agile framework that aligns fully with the refreshed 'HM Treasury Orange Book Management of Risk – Principles and Concepts' issued under DAO (DoF) 04/20.

Internal Assurance Overview

Part of the Department's Risk Management process is an agreed Assurance Framework. This includes provision of quarterly Assurance Statements by Deputy Secretaries on their risk management processes and internal control arrangements. Deputy Secretaries use their Assurance Statements to identify any exceptions/material concerns within their Groups or the ALBs for which they are responsible.

Due to the emergence of significant pressures on the Department as a result of the Covid-19 pandemic I took the decision not to undertake the full assurance process for Quarter 4. Deputy Secretaries did however provide a summary of all significant issues and risks occurring within their Group, and a position report on significant issues raised previously within the 2018-19 Governance Statement that remained significant. A Covid- 19 specific Assurance Statement was subsequently

developed and used to provide assurances in relation to the management of Covid-19 risks and issues.

As DfC Accounting Officer I am required to assess the effectiveness of the Department's system of internal control. This assessment is informed by a Governance Unit report, DfC Systems of Internal Control. The purpose of this report is to provide me with all relevant information required to inform my assessment and I have concluded that the DfC system of internal control has operated effectively throughout the 2019-20 financial year.

The Board receives an assessment of the reliability and effectiveness of assurances available following each DARAC meeting in the form of a report from the DARAC Chair.

The Chair's report provides an overview of each quarterly meeting, key papers and an assessment of assurances available.

In addition, the DARAC Chair also provides an annual report to the Board outlining the work undertaken by the Committee during the year and his assessment of assurances available on the effectiveness of risk management, control and governance across DfC. The DARAC Chair's annual report for 2019-20 provided positive assurance to the Board and Accounting Officer.

Fraud and Whistleblowing Arrangements

The Department's Fraud Policy and Response Plan details responsibilities in respect of the prevention of fraud, bribery or serious irregularity within the Department and its ALBs and outlines procedures to be followed in the event of fraud being detected or suspected. The number of cases under

enquiry or investigation are reported to DARAC and the Board on a quarterly basis.

The Department's Raising Concerns (Whistleblowing) guidance and procedures explain how workers can raise concerns about potential wrongdoing and how anyone who is not a member of staff can raise concerns about the proper conduct of public business by the Department or its ALBs. DARAC and the Board are updated on Raising Concerns (Whistleblowing) on a quarterly basis.

Head of Internal Audit Opinion (HIA)

The HIA provides an objective evaluation of, and opinion on, the overall adequacy and effectiveness of the Department's framework of governance, risk management and control. For 2019-20, the HIA provided an overall satisfactory opinion on the Department's arrangements.

Progress against the Annual Internal Audit Plan is monitored by DARAC. HIA attendance at Group Management Board meetings and a Business Plan target for implementation of audit recommendations, with reporting to the Board, are some of the measures used to ensure strong focus on the implementation of outstanding internal audit recommendations where a limited or unacceptable opinion has been reported.

Despite the impact of the Covid-19 emergency on the DfC Internal Audit Plan, DfC Internal Audit have undertaken sufficient audit reviews to facilitate the provision of an audit opinion. The HIA has provided an overall opinion based on work undertaken during the year, which for 2019-20 is satisfactory.

Key Risks and Issues Overview

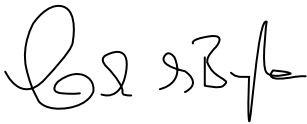
The Department's integrated assurance process facilitates the capture and reporting of exceptions/material concerns for both the Department and its Arm's Length Bodies (ALBs). As Accounting Officer, I receive a quarterly report of matters raised through the assurance process, including issues highlighted in the 2018-19 Governance Statement, where they remain significant.

The Head of Governance provides a Risk and Assurance report which summarises key risks and issues, along with exceptions/material concerns identified through the assurance process, for DARAC consideration on a quarterly basis. The Board receives quarterly and annual reports from the DARAC Chair outlining his assessment of the assurances available and highlighting areas for continued scrutiny. For the 2019-20 year the DARAC Chair has confirmed that the Committee is satisfied that risk management, control and governance in the Department has been adequate and effective. Areas highlighted for on-going assurance were: impacts of Covid-19 and related risks, implementation of new partnership arrangements with ALBs; Internal Audit resourcing and workplan, review of the Corporate Risk Register and actions, implementation of the Strategic Information Assurance Framework and progress on people engagement.

There were no significant issues relating to the NICIFC in 2019-20.

Conclusion

I am satisfied that DfC has effective governance arrangements in place that I can rely on as Accounting Officer to provide assurance that the public funds and other resources for which I am accountable are deployed effectively. Where significant issues have arisen I am satisfied that appropriate action is being taken to address the issues concerned.

A handwritten signature in black ink, appearing to read 'Colum Boyle'.

Colum Boyle
Accounting Officer
Department for Communities
05 July 2022

Fund Overview

Fund Profile

Fund Name:	Northern Ireland Central Investment Fund for Charities
Launch Date:	1 March 1965
Launch Price:	£1
Accounting Period Ends:	30 September
Interim Dividend:	1 June
Final Dividend:	1 December
Share Value at 30 September 2020:	1372.67p (2018-19: 1396.28p)
Number of shares in issue at 30 September 2020:	3,410,353 (2018-19: 3,456,021)
Number of shareholders in Fund:	429 (2018-19: 426)

Valuation

The Fund is valued monthly, on the last working day in the month. Details are shown on the Department's website under – <https://www.communities-ni.gov.uk/articles/northern-ireland-central-investment-fund-charities>.

Entry to the Fund

New investments are welcome at any time (subject to fulfilling the pre requisite entry criteria), and new shares in the Fund are issued following the next monthly valuation. During the year £272,340.91 was received for investment and, £859,995.78 was disinvested.

(The amount received for investment differs from the amount invested in Note 12 due to fact that the amount invested in Note 12 is calculated based on the purchase of a whole number of shares. Any remainder is paid out with the first dividend.)

Expenses and Remuneration

In line with legislation, the Department carries all day-to-day administrative costs at no charge. The Northern Ireland Audit Office annual audit fee is charged to the Department as a notional cost and reported in the Departmental Resource Accounts. The members of the Advisory Committee received no remuneration.

Management Fee

The management fee is calculated quarterly in arrears at a rate of 0.4% per annum of the value of the portfolio.

Total fees for the year amounted to £221,693.46

Management of the Fund

Finance Management Directorate is responsible for the administration of the Northern Ireland Central Investment Fund for Charities. Established in 1965 through the Charities Act (Northern Ireland) 1964, the

Fund aims to provide Trustees with the opportunity to invest all or part of their funds with the benefit of expert supervision. It is managed by the Department for Communities through recognised fund managers (currently abrđn previously named as Aberdeen Standard Capital and formerly Standard Life Wealth Limited), but its investment policy is guided by a locally based Advisory Committee appointed by the Departmental Minister, which meets in February, May, August and November each year.

The current members are:

Mr D Murphy (Chair)
Mr J Stewart
Mr K Nelson

Throughout the 2019-20 year the Committee operated with three members however, following a recruitment competition a further two members were appointed from 1 October 2020 which brings the Committee to its full capacity of five members.

The Department is indebted to the members of the Committee for their continued expert advice and guidance and wishes to express its gratitude on behalf of participating charities.

The Department appoints an external Fund manager who is authorised and regulated by the Financial Conduct Authority to manage the portfolio. The current fund manager is abrđn (previously known as Aberdeen Standard Capital).

Investment Objectives

The primary objective of the Fund is to achieve an annual income return greater than the benchmark yield and thereafter long-term capital growth in real terms.

The recent market volatility caused by the spread of Covid-19 has resulted in a material impact on global stock markets and specifically in relation to the NICIFC has seen the value of a share in the Fund decrease by 1.7% over the past year and the net income through dividends decrease by 13.4% over the same period.

The Fund's income is distributed to shareholders as dividends, supplemented from a Dividend Equalisation Reserve when necessary.

A Soundly Based Portfolio

The Fund continues to be invested in a mix of fixed interest securities and ordinary shares. The balance between bonds and equities alters from time to time, depending on market conditions. As a proportion of the market value on 30 September 2020, it was 15% fixed interest (including convertibles), 80% equities and 5% cash. Although the risks of equity investment cannot be eliminated, the fund managers seek to moderate them by investing in a broadly diversified portfolio.

Dividends

The dividend paid from the Fund has decreased by 9.3% from last year. The aggregate dividend paid in the current year was 39.0p, which is 4p less than last year.

Yield on shares

The yield on shares in the Fund for the twelve months to 30 September 2020 was 2.84%.

Investment Outlook Statement

Past performance is not a guide to future returns. The value of investments and the income from them can go down as well as up. Investors may not get back the amount

invested. Changes in the currency exchange rates may have an adverse effect on the value of investments and income from them.

The Fund manager continues to analyse the market and make the decisions which it believes will benefit the fund.

The Charities Advisory Committee continues to monitor and evaluate the Fund manager to ensure it is complying with the investment objectives, as per the contract, and is in line with stipulated performance benchmarks.

The current benchmark is reviewed annually by the Fund manager and the Charities Advisory Committee to ensure that it is reflective of the investment objectives.

The current Statement of Investment Policy can be found at the following link: <https://www.communities-ni.gov.uk/publications/northern-ireland-central-investment-fund-charities-statement-investment-policy>

The Certificate 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 the Northern Ireland Central Investment Fund for Charities for the year ended 30 September 2020 under the Charities Central Investment Fund Scheme (Northern Ireland) 1965. The financial statements comprise: the Income and Expenditure account, the Statement of Financial Position, and the related notes including significant accounting policies. These financial statements have been prepared under the accounting policies set out within them.

In my opinion the financial statements:

- give a true and fair view of the state of Northern Ireland Central Investment Fund for Charities' affairs as at 30 September 2020 and of the expenditure and income and movement in Members' Share Capital for the year then ended; and
- have been properly prepared in accordance with the Charities Central Investment Fund Scheme (Northern Ireland) 1965 and the Department for Communities directions issued thereunder.

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 Northern Ireland Central Investment Fund for Charities in accordance with the ethical requirements of the Financial Reporting Council's Revised Ethical Standard 2019, 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 Northern Ireland Central Investment Fund for Charities' 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 relating to events or conditions that, individually or collectively, may cast significant doubt on Northern Ireland Central

Investment Fund for Charities' 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 Northern Ireland Central Investment Fund for Charities 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 anticipated that the services which they provide will continue into the future.

My responsibilities and the responsibilities of the Northern Ireland Central Investment Fund for Charities and the Accounting Officer with respect to going concern are described in the relevant sections of this report.

Other Information

The other information comprises the information other than the financial statements and my audit certificate. The Northern Ireland Central Investment Fund for Charities and the Accounting Officer are responsible for the other information. My opinion on the financial statements does not cover the other information and 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, 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 information given in the Fund Overview for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I report by exception

In the light of the knowledge and understanding of the Northern Ireland Central Investment Fund for Charities and its environment obtained in the course of the audit, I have not identified material misstatements. I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- 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 Accounting Officer for the financial statements

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Accounting Officer is responsible for:

- the preparation of the financial statements in accordance with the applicable financial reporting framework and for being satisfied that they give a true and fair view;
- such internal controls as the Northern Ireland Central Investment Fund for Charities and Accounting Officer determines is necessary to enable the

preparation of financial statements that are free from material misstatement, whether due to fraud or error;

- assessing the Northern Ireland Central Investment Fund for Charities' 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 the Northern Ireland Central Investment Fund for Charities will not continue to be provided in the future.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit the financial statements in accordance with the Charities Central Investment Fund Scheme (Northern Ireland) 1965.

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 the Northern Ireland Central Investment Fund for Charities through discussion with management and application of extensive public sector accountability knowledge. The key law I considered was the Charities Central Investment Fund Scheme (Northern Ireland) 1965;
- making enquires of management and those charged with governance on the Northern Ireland Central Investment Fund for Charities' 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 the Northern Ireland Central Investment Fund for Charities' 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;
- 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;
- 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.

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.

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.



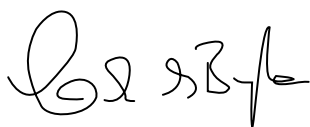
KJ Donnelly
Comptroller and Auditor General
Northern Ireland Audit Office
1 Bradford Court
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BELFAST
BT8 6RB
19 July 2022

Income and Expenditure Account for Year Ended 30 September 2020

	Notes	2019-20 £	2018-19 £
Gross Investment Income	1b	1,388,696	1,591,346
Management Charges	1c	(221,693)	(215,826)
General Expenses	1e	(3,330)	–
Release from Capital	1c	177,693	172,826
Net Income		1,341,366	1,548,346
Distribution of Income:			
Dividends Payable	9	1,336,323	1,448,833
Sum transferred (from)/to Dividend Equalisation Reserve		5,043	99,513
		1,341,366	1,548,346

Statement of Financial Position as at 30 September 2020

	Notes	2019-20 £	2018-19 £
Fixed Assets:			
Investments at Mid-Market Value	2,3	44,481,230	46,662,800
Total non-current assets		44,481,230	46,662,800
Current Assets:			
Dividends Received	3	752,718	959,316
Dividends Receivable	1b, 6	215,633	148,389
Sundry Receivables	3,7	1,741,357	994,838
Dividend Equalisation Reserve Fund	13	256,348	251,305
Investment Clearing	11	-	20,000
Bank/Cash		15,139	11,746
Total current assets		2,981,195	2,385,594
Total assets		47,462,425	49,048,394
Current Liabilities:			
Advance Contributions	8	(1,000)	(3,500)
Dividends Payable (Final)	9	(592,445)	(730,745)
Accrued Management Fees	10	(56,306)	(58,315)
Total current liabilities		(649,751)	(792,560)
Assets less liabilities		46,812,674	48,255,834
Capital:			
Members' Share Capital	12	46,556,326	48,004,529
Dividend Equalisation Reserve	13	256,348	251,305
Total Capital		46,812,674	48,255,834



Colum Boyle
Accounting Officer
Department for Communities
05 July 2022

Notes to the Accounts

1. Accounting Policies

a) Basis of preparation

The accounts have been prepared using the historical cost convention and in accordance with the Charities Act (Northern Ireland) 1964. Investments are valued at mid-market values on the balance sheet date.

b) Income Policy

Interest on cash temporarily invested and on international bonds, convertible loan stocks and other fixed interest stocks is accrued on a day-to-day basis, gross of UK taxation. It is shown under net assets as dividends receivable, as per paragraph 20 of the Charities Central Investment Fund Scheme (Northern Ireland) 1965.

Special Dividends

There has been a trend by PLCs to make payments to shareholders by way of special dividend and other means. After review in November 2013 the Department (under advice from the Advisory Committee) has taken the decision that these payments should be reviewed on a case by case basis to determine whether it is more appropriate to allocate them to capital or income.

c) Management Charges

The Department allocates the amount of the management fee which relates to administration costs to the income and expenditure account and the balance to the capital account. In conjunction with the Fund manager, it has been agreed that the most appropriate estimate of the split would be 20% against the income and expenditure account and 80% against the capital account. The total management fee for the 2019- 20 year is £221,693. Of this, £44,000 (rounded to the nearest £1,000) has been charged to the income and expenditure account and £177,693 to the capital account.

d) Gains and Losses

Surplus/deficiency on revaluation and profit/loss arising from sales of investments are taken to the capital account.

e) General Expenses & Accruals

This is the cost of running the public appointment competition.

2. Fixed Asset Investments

Custody of the assets of the Fund is the responsibility of the Department for Communities.

3. Portfolio as at 30 September 2020

	2019-20			2018-19		
	Cost Price £	Market Value ¹ £	%	Cost Price £	Market Value ¹ £	%
Fixed Interest Bonds	6,192,075	6,950,244	15%	7,805,408	8,469,361	17%
Ordinary Shares	27,211,727	37,636,743	80%	27,280,912	38,193,439	79%
Total Value as per Statement of Financial Position	33,403,802	44,586,987	95%	35,086,320	46,662,800	96%
Dividends Received		736,696 ²	2%		984,277 ²	2%
Cash held (Sundry receivables)		1,741,357	3%		994,838	2%
Total Value of Portfolio		47,065,040	100%		48,641,915	100%

1 Value at mid-market price at 30 September less, in the case of fixed interest stocks, interest accrued to that date.

2 The value for dividends received differs from that on the balance sheet due to the amount of £16,022 which was transferred from the dividend equalisation reserve on the guidance of the Charities Advisory Committee. (2018-19: £24,961 was transferred from the DER.)

4. Distribution of Holdings

	2019-20			2018-19		
	Holding	Market Value £	Total Market Value %	Holding	Market Value £	Total Market Value %
FIXED INTEREST						
British Government Bonds		2,923,878	6.21%		3,111,257	6.40%
GBP Bonds		2,924,136	6.21%		3,079,726	6.33%
Global/International Bond Funds		1,102,231	2.34%		878,379	1.81%
EQUITIES						
Oil & Gas Producers						
BP PLC	255,630	575,678.76	1.22%	255,630	1,318,540	2.71%
Royal Dutch Shell	60,850	572,112	1.22%	60,850	1,457,966	3.00%
Total SA	24,780	656,837	1.40%	24,780	1,052,463	2.16%
Chemicals						
Johnson Matthey	23,730	559,316	1.19%	18,380	561,877	1.16%
Basic Resources						
Antofagasta ORD	-	-	-	47,870	430,351	0.88%
BHP Group PLC	16,538	871,883	1.85%	-	-	-
Rio Tinto	22,810	1,061,920	2.26%	19,190	807,707	1.66%
Construction & Materials						
Ferguson PLC	8,270	646,052	1.37%	8,270	491,569	1.01%
Persimmon	23,610	583,875	1.24%	23,610	512,337	1.05%
Industrial Goods & Services						
Alstom	5,395	208,611	0.44%	-	-	-
ASML Holding	3,060	874,157	1.86%	3,060	616,139	1.27%
CRH	19,880	555,845	1.18%	19,880	554,254	1.14%
Schneider Electric SE	2,555	246,757	0.52%	-	-	-
Smith (DS)	235,780	694,844	1.48%	196,760	709,123	1.46%
Food & Beverages						
Anheuser-Busch	-	-	-	6,120	474,565	0.98%
Fevertree Drinks	-	-	-	19,520	472,970	0.97%
Nestle SA	8,250	758,434	1.61%	8,250	728,503	1.50%
Unilever	10,870	519,151	1.10%	12,760	623,964	1.28%
Personal & Household Goods						
Estee Lauder Companies INC	2,280	384,857	0.82%	4,700	760,543	1.56%
Proctor & Gamble	4,825	518,599	1.10%	-	-	-
Reckitt Benckiser	-	-	-	6,020	381,909	0.79%

	2019-20			2018-19		
	Holding	Market Value ¹ £	Total Market Value %	Holding	Market Value ¹ £	Total Market Value %
Health Care						
Abbvie Inc	12,840	869,643	1.85%	-	-	-
Abcam	25,210	308,570	0.66%	25,210	288,655	0.59%
AstraZeneca PLC	13,090	1,107,021	2.35%	12,540	910,529	1.87%
BB Biotech AG	10,370	583,084	1.24%	10,370	519,980	1.07%
Dechra Pharmaceuticals	18,420	593,861	1.26%	28,930	800,782	1.65%
GlaxoSmithKline	49,990	725,855	1.54%	49,990	872,126	1.79%
Lilly Eli & Co	-	-	-	6,920	629,449	1.29%
Medtronic	7,933	636,543	1.35%	7,933	700,971	1.44%
Novartis AG	6,750	453,376	0.96%	6,750	476,382	0.98%
Roche Holdings AG	4,260	1,128,553	2.40%	4,260	1,009,318	2.07%
West Pharmaceutical	2,710	576,114	1.22%	-	-	-
Retail						
Amazon Com	500	1,217,572	2.59%	500	706,141	1.45%
Inditex (Ind. De Diseno)	-	-	-	23,150	583,010	1.20%
Media						
Relx PLC	29,600	510,896	1.09%	29,600	572,020	1.18%
Telecommunications						
Koninklijke KPN	357,810	651,671	1.38%	199,330	505,706	1.04%
Verizon Communications	17,870	822,020	1.75%	11,620	570,553	1.17%
Utilities						
Enel	116,230	784,186	1.67%	116,230	706,245	1.45%
National Grid Plc	80,290	714,420	1.52%	101,340	893,717	1.84%
Nextera Energy	4,700	1,008,418	2.14%	-	-	-
Orsted A/S	8,525	914,376	1.94%	7,920	600,607	1.23%
Banks						
HSBC Holdings PLC	-	-	-	200,800	1,254,197	2.58%
Insurance						
Aviva	-	-	-	99,020	395,387	0.81%
Beazley PLC	-	-	-	90,770	564,589	1.16%
Hiscox Ord	-	-	-	33,730	559,918	1.15%
Prudential PLC	58,390	647,545	1.38%	58,390	861,253	1.77%
Zurich Insurance	2,290	617,345	1.31%	3,130	975,381	2.01%

	2019-20			2018-19		
	Holding	Market Value £	Total Market Value %	Holding	Market Value £	Total Market Value %
Financial Services						
Ashmore Group	122,940	440,371	0.94%	-	-	-
Mastercard Incorporated	2,800	732,029	1.56%	2,800	618,011	1.27%
Ping AN Insurance	40,000	317,623	0.67%	-	-	-
Visa Incorporated	3,430	529,958	1.13%	3,430	482,226	0.99%
Real Estate						
American Tower Corp	4,460	833,787	1.77%	4,460	802,245	1.65%
Technology						
Accenture	6,500	1,135,954	2.41%	6,500	1,016,911	2.09%
Alphabet Inc	690	782,150	1.66%	690	685,424	1.41%
Microsoft Corporation	9,080	1,476,791	3.14%	11,460	1,296,208	2.66%
Taiwan Semiconductor Manufacturing Ads	16,605	1,041,715	2.21%	18,605	703,345	1.45%
UK Equity Funds						
Aberforth Smaller Companies Trust	29,859	249,920	0.53%	29,859	372,043	0.76%
Global/International Equity Funds						
Pinebridge Global Funds	-	-	-	15,000	209,756	0.43%
Property Funds						
Charities Property Fund	318,000	387,356	0.82%	318,000	411,524	0.85%
Tritax Big Box	365,500	566,525	1.20%	-	-	-
Alternative						
Apax Global Alpha	245,816	381,015	0.81%	245,816	376,098	0.77%
Bilfinger Berger Global	370,091	638,037	1.36%	370,091	584,744	1.20%
Bluefield Solar Income	345,570	475,159	1.01%	345,570	452,697	0.93%
Greencoat UK Wind	406,980	545,353	1.16%	369,490	530,587	1.09%
International Public P'tnership	264,500	426,903	0.91%	264,500	406,801	0.95%
Sequoia Economic Infrastructure	361,776	377,694	0.80%	361,776	418,213	0.86%
The Renewables Infrastructure	451,843	617,218	1.31%	434,877	548,815	1.13%
31 Infrastructure	180,030	521,186	1.11%	123,890	366,095	0.75%

	2019-20			2018-19		
	Holding	Market Value £	Total Market Value %	Holding	Market Value £	Total Market Value %
Total Fixed Interest and Equities		44,586,987	94.73%		46,662,800	95.93%
CASH						
Dividends Received		736,696	1.57%		984,277	2.02%
Cash Held (Sundry Receivables)		1,741,357	3.70%		994,838	2.05%
Total Holdings		47,065,040	100%		48,641,915	100%

5. Future Calls

There were no outstanding calls on partly paid stocks due for payment after the period end.

6. Dividends Receivable

Dividends receivable are made up as follows:

	2019-20 £	2018-19 £
Accrued interest on bonds	105,757	100,783
Dividends due on equities	109,875	47,606
Dividends Receivable as at 30 September	215,632	148,389

7. Sundry Receivables

This balance represents the cash balance held by the Fund manager on behalf of the Fund.

8. Advance Contributions

This balance represents money received for investment which has not yet been allocated to shares in the Fund.

9. Dividends Payable (Final)

The Department proposed to pay a final dividend for the year of 17p per share (2018-19: final dividend 21p). This was paid in December 2020. An interim dividend of 22p was paid in June 2020 (2018-19: interim dividend 22p).

10. Accrued Management Fees

The management fee is calculated quarterly in arrears at a rate of 0.4% per annum of the value of the portfolio.

11. Investment Clearing

This balance represents timing difference resulting from a disinvestment.

12. Members' Share Capital

Members' share capital is made up as follows:

	2019-20 £	2018-19 £
Members' share capital as at 1 October	48,004,529	41,419,295
Investments	272,082	4,951,189
Withdrawals	(859,996)	(905,637)
Net profit on sale of investments	1,271,671	825,023
Net loss on sale of investments	(1,704,640)	(572,971)
Appreciation on revaluation of investments	(249,627)	2,460,533
Management fees	(177,693)	(172,903)
Members' Share Capital as at 30 September	46,556,326	48,004,529

No individual material gains or losses were made on the sale of investments for the 2019- 20 year. There were no failed investments in the 2019-20 year.

13. Dividend Equalisation Reserve (DER)

The purpose of the DER is to regulate distributions of income in order to avoid or reduce fluctuations in the amounts distributed.

The DER is made up as follows:

	2019-20 £	2018-19 £
DER as at 1 October	251,305	151,792
Sums transferred from DER	5,043	99,513
DER as at 30 September	256,348	251,305

14. Historical Analysis of Share Value and Annual Dividend

Valuation Date	Share Value	Annual Dividend	Yield %
30 September 2010	942.75p	39.00	4.14
30 September 2011	893.25p	40.00	4.48
30 September 2012	973.84p	40.00	4.11
30 September 2013	1057.62p	40.00	3.78
30 September 2014	1116.58p	40.00	3.58
30 September 2015	1078.25p	43.00	3.99
30 September 2016	1224.78p	41.00	3.35
30 September 2017	1281.42p	46.00	3.59
30 September 2018	1326.54p	43.00	3.24
30 September 2019	1396.28p	43.00	3.08
30 September 2020	1372.67p	39.00	2.84

15. Related Party Transactions

There are no material transactions between the members of the Advisory Committee and the Fund or charities investing in the fund in the year.

Under the Charities Act (NI) 1964 and the Charities Order 1987 the Department acts as trustee to 263 charitable donations and bequests. It is the Department's policy to invest the capital of these in the Northern Ireland Central Investment Fund for Charities unless prevented by the charity's governing instruments. In the 2019-20 year dividends to the value of £187,552 were paid to these charities (2018-19: £206,922).

In addition related party transactions occur when the investment management company (abrdn previously known as Aberdeen Standard Capital) invests NICIFC funds in its own products/funds. This is only permitted with full approval of the Advisory Committee and the Department.

The following are the related party transactions and balances for the year ended 30 September 2020:

1) Investment – Aberdeen Standard Invts – Standard Liquidity	2019-20			2018-19		
	Number of shares	Market Value £	Total Market Value %	Number of shares	Market Value £	Total Market Value %
Balance at 1 October	1,400,000	1,400,000	2.87			
Movement	(1,400,000)	(1,400,000)		1,400,000	1,400,000	2.87
Balance as at 30 September	-	-	-	1,400,000	1,400,000	2.87

2) Investment – SLW (CI) Ltd Offshore Stgy Fixed Int	2019-20			2018-19		
	Number of shares	Market Value £	Total Market Value %	Number of shares	Market Value £	Total Market Value %
Balance at 1 October	1,780,258	878,379	1.81	1,780,258	847,759	2.02
Movement		(18,158)			30,620	
Balance as at 30 September	1,780,258	860,221	1.83	1,780,258	878,379	1.81

16. Events after the Reporting Period

There were no adjusting or non-adjusting events between the end of the reporting period and the date the financial statements were authorised for issue.

The Accounting Officer authorised the issue of these financial statements on 19 July 2022

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