



Department for
Communities

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Department for

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www.communities-ni.gov.uk



Northern Ireland Central Investment Fund for Charities

Annual Report and Accounts
to 30 September 2021



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www.communities-ni.gov.uk

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

For the year ended 30 September 2021

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

15 November 2022

Contents

Statement of Accounting Officer's Responsibilities	5
Governance Statement	6
Fund Overview	12
The Certificate of the Comptroller and Auditor General to the Northern Ireland Assembly	15
Income and Expenditure Account for Year Ended 30 September 2021	19
Statement of Financial Position as at 30 September 2021	20
Notes to the Accounts	21

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 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.

Management and Organisation of the Department

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 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 a Departmental Information Assurance Committee (DIAC). Two further Sub-committees of the Board were established following an independently facilitated review of Board Effectiveness in 2019-20. These new committees, the Policy & Strategy Sub-Committee and the People & Resources Sub-Committee began operating in 2020-21.

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. Oversight of performance and risk and consideration of Board culture are key, together with the opportunity for Board member self-assessment. 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

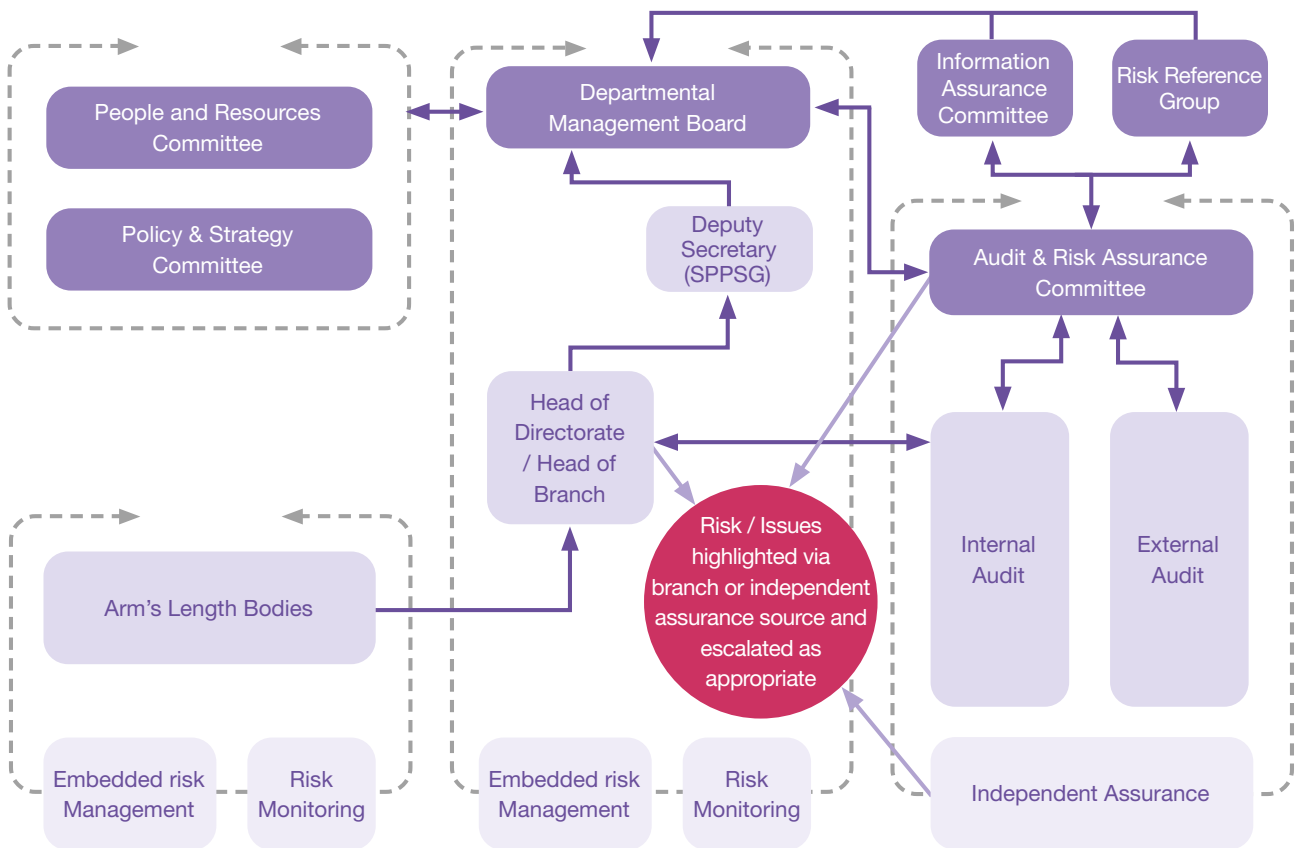
DARAC undertakes an annual review of effectiveness in line with recommended best practice. The 2020-21 review was undertaken using the NAO Audit and Risk Assurance Committee Effectiveness Checklist. DARAC met on 26 April 2021 to consider the Checklist, the impact and effectiveness of the Committee and compliance with good practice. The effectiveness discussion was independently facilitated this year in order to strengthen the level of self-assessment and scrutiny with agreed actions identified to re-emphasise the importance of DARAC skills and information requirements.

Risk Management

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 Framework

Department for Communities



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 Covid emergency. The Board used this register during the response phase of the pandemic.

The senior Risk Management Team in Ernst & Young worked with the Department during 2020-21 to review the Department’s approach to risk management in support of its long term strategy and Covid-19 recovery. The review aligned with the refreshed ‘HM Government Orange Book: Management of Risk – Principles and Concepts’ issued under DAO (DoF) 04/20.

Flowing from the review, the Board has identified the Principal Risks facing the Department in delivery of its strategic objectives. The majority of Principal Risks are strategic in nature and focused on ensuring that opportunities to innovate and improve are driven forward. Principal Risks also include Cyber Threat; Information and Data Security; and Disaster Recovery. Principal Risks relating to People are particularly key for the Department, with the risk responses to clear vision and new ways of working being considered alongside the significant challenges around recruitment and resourcing, many of which were highlighted in the NIAO Report ‘Capacity and Capability in the Northern Ireland Civil Service’ published in November 2020.

Each Principal Risk has a Board level owner supported by a senior lead official. The Board has also endorsed use of the Risk Management Scales and definitions set out in the Orange Book and has agreed Risk Appetite for Risk Categories, emphasising the need for a balanced view to managing opportunity and risk, recognising that Public Sector organisations cannot be successful if they are entirely risk averse.

The review also established a Risk Reference Group bringing together senior Risk Leads to support the Board with its responsibilities for risk management and in line with the Orange Book the Accounting Officer has designated a senior official (the Deputy Secretary for Strategic Policy and Professional Services) as the lead for the Department's overall approach to risk management.

In parallel with the Ernst and Young review the Department has also put in place an automated Business Planning and Risk Tool designed to make business planning and risk management more agile and transparent.

Internal Control and Assurance

The Department's system of internal control is designed to maintain risk at a manageable level based on the Board's risk appetite, in order to provide reasonable assurance of effectiveness.

A core part of the Department's Risk Management and internal control arrangements is its established Assurance Framework. This includes provision of quarterly Assurance Statements from Deputy Secretaries on their risk management processes and internal control arrangements. Deputy Secretaries use their Assurance Statements to identify exceptions/material

concerns within their Groups or the ALBs for which they are responsible. Sponsorship arrangements are in place for each of the Department's ALBs. These arrangements, together with the ALB biannual Assurance process, inform and support Deputy Secretary Assurance Statements. A Covid-19 specific Assurance Statement was developed and used within the Department in the first quarter of 2020-21 to provide assurance in relation to the management of Covid-19 risks and issues.

A similar Assurance Statement was developed for the provision of assurances from DfC ALBs on their responses to the Covid-19 emergency. The normal assurance process was re-commenced in quarter 2.

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 at each DARAC meeting.

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. The number of Raising Concerns (Whistleblowing) matters under review are also provided at each DARAC meeting.

Head of Internal Audit (HIA) Opinion

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 2020-21, 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 DMB and Group Management Board meetings, as necessary, and scrutiny of internal audit recommendations, are some of the measures used to ensure a strong focus on control and improvement.

The 2020-21 Internal Audit Plan was revised in early April 2020 to meet the priorities and key assurance requirements specifically to include the provision of advice and guidance to the Department in its design of Covid-19 schemes and revisions to operations and internal control frameworks. The HIA overall opinion is based on internal audit activity carried out during 2020-21 and cumulative assurances derived from internal audit activity during the period of the current Internal Audit strategy, with a 'Satisfactory' opinion for 2020-21 provided.

Other Assurances

In addition to assurances received from my Deputy Secretaries and the HIA, I receive an annual and mid-year inter-departmental report from the DoF HIA on shared services provided to NICS Departments by DoF. Through this report I note that all audits completed in respect of DoF shared services for 2020-21 have received a satisfactory audit opinion. In addition I note that the DoF HIA has provided an overall 'Satisfactory' audit opinion in respect of DoF as a whole, incorporating DoF Shared Service business areas.

Effectiveness of the Department's System of Internal Control

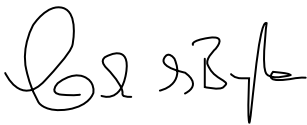
The Department's integrated assurance process which facilitates the capture and reporting of exceptions / material concerns for both the Department and its ALBs, informs the work of the DfC Governance Unit and supports the reporting process for DARAC. The Head of Governance provides a Risk and Assurance report which summarises key risks and issues, along with exceptions / material concerns identified through the assurance process, for consideration at each DARAC meeting.

The Board receives a report from the DARAC Chair outlining his assessment of the reliability and effectiveness of assurances available and highlighting areas for continued scrutiny following each DARAC meeting. 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 2020-21 provided positive assurance to the Board and Accounting Officer.

As DfC Accounting Officer I am required to assess the effectiveness of the Department's system of internal control and confirm that it has operated effectively throughout the 2020-21 year. My assessment is informed by the DARAC Chair's Annual Report, the annual opinion from the Head of Internal Audit and the summary of Systems of Internal Control provided by the Governance Unit. I have concluded that the DfC system of internal control is effective and has operated effectively throughout the 2020-21 financial year.

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', written in a cursive style.

Colum Boyle
Accounting Officer
Department for Communities
01 November 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 2021:	1543.59p (2019-20: 1372.67p)
Number of shares in issue at 30 September 2021:	3,492,440 (2019-20: 3,410,353)
Number of shareholders in Fund:	431 (2019-20: 429)

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 £1,228,838.58 was received for investment and, £10,006.24 was disinvested.

(The amount received for investment differs from the amount invested in Note 11 due to fact that the amount invested in Note 11 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 £250,383.24

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 Abrdn, formerly Aberdeen Standard Capital), 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 K Nelson
Mr S Lynch
Mr J Stewart
Mr A Turner

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 Abrdn (formerly Aberdeen Standard Capital).

Investment Objectives

The primary objective of the Fund is to generate income and thereafter long-term capital growth in real terms. The recommended investment timeframe is 5 years and over. The Fund aims to achieve an annual return of 3.5% (net of fees and charges) above the UK rate of inflation as measured by CPI, over the medium term through a combination of income and capital growth. The fund aims to distribute an income of 3% per annum to investors.

The value of a share in the Fund increased by 12.5% over the past year and the net income through dividends has increased by 13.5% 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 2021, it was 12% fixed interest (including convertibles), 82% equities and 6% 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 gross dividend paid from the Fund has increased by 15.4% from last year. The aggregate dividend paid in the current year was 45.0p, which is 6p more than last year.

Yield on shares

The yield on shares in the Fund for the twelve months to 30 September 2021 was 2.92%.

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 2021 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 2021 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 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.



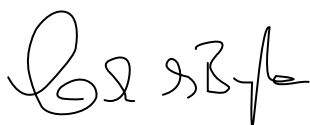
Dorinnia Carville
Comptroller and Auditor General
Northern Ireland Audit Office
106 University Street
BELFAST
11 November 2022

Income and Expenditure Account for Year Ended 30 September 2021

	Notes	2020-21 £	2019-20 £
Gross Investment Income	1b	1,577,510	1,388,696
Management Charges	1c	(250,383)	(221,693)
General Expenses	1e	(4,813)	(3,330)
Release from Capital	1c	200,307	177,693
Net Income		1,522,621	1,341,366
Distribution of Income:			
Dividends Payable	9	1,554,815	1,336,323
Sum transferred (from)/to Dividend Equalisation Reserve		(32,194)	5,043
		1,522,621	1,341,366

Statement of Financial Position as at 30 September 2021

	Notes	2020-21 £	2019-20 £
Fixed Assets:			
Investments at Mid-Market Value	2,3	51,411,652	44,481,230
Total non-current assets		51,411,652	44,481,230
Current Assets:			
Dividends Received	3	1,011,857	752,718
Dividends Receivable	1b, 6	226,661	215,633
Sundry Receivables	3,7	2,308,784	1,741,357
Dividend Equalisation Reserve Fund	12	224,152	256,348
Bank/Cash		1,999	15,139
Total current assets		3,773,453	2,981,195
Total assets		55,185,105	47,462,425
Current Liabilities:			
Advance Contributions	8	(370,890)	(1,000)
Dividends Payable (Final)	9	(839,959)	(592,445)
Accrued Management Fees	10	(65,460)	(56,306)
Total current liabilities		(1,276,309)	(649,751)
Assets less liabilities		53,908,796	46,812,674
Capital:			
Members' Share Capital	11	53,684,642	46,556,326
Dividend Equalisation Reserve	12	224,154	256,348
Total Capital		53,908,796	46,812,674



Colum Boyle
Accounting Officer
Department for Communities
01 November 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 2020- 21 year is £250,383. Of this, £50,000 (rounded to the nearest £1,000) has been charged to the income and expenditure account and £200,383 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 legal advice for entering a new contract agreement with Abridn.

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 2021

	2020-21			2019-20		
	Cost Price £	Market Value ¹ £	%	Cost Price £	Market Value ¹ £	%
Fixed Interest Bonds	6,192,076	6,583,588	12%	6,192,075	6,950,244	15%
Ordinary Shares	29,066,081	44,933,812	82%	27,211,727	37,636,743	80%
Total Value as per Statement of Financial Position	35,258,157	51,517,400	94%	33,403,802	44,586,987	95%
Dividends Received		969,731 ²	2%		736,696 ²	2%
Cash held (Sundry receivables)		2,208,784 ³	4%		1,741,357	3%
Total Value of Portfolio		54,695,915	100%		47,065,040	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 Statement of Financial Position due to the amount of £42,127 which was transferred from the dividend equalisation reserve on the guidance of the Charities Advisory Committee. (2019-20: £16,022 was transferred from the DER.)

3 The value for Sundry Receivables differs from that on the Statement of Financial Position due to cash in transit of £100,000.

4. Distribution of Holdings

	2020-21			2019-20		
	Holding	Market Value £	Total Market Value %	Holding	Market Value £	Total Market Value %
FIXED INTEREST						
British Government Bonds		2,643,650	4.83%		2,923,878	6.21%
GBP Bonds		2,830,051	5.17%		2,924,136	6.21%
Global/International Bond Funds		1,109,887	2.03%		1,102,231	2.34%
EQUITIES						
Oil & Gas Producers						
BP PLC	255,630	869,909	1.59%	255,630	575,678	1.22%
Royal Dutch Shell	60,850	1,003,782	1.84%	60,850	572,112	1.22%
Total SA	26,255	932,907	1.71%	24,780	656,837	1.40%
Chemicals						
Johnson Matthey	23,730	637,151	1.16%	23,730	559,316	1.19%
Basic Resources						
BHP Group PLC	18,882	1,103,842	2.02%	16,538	871,883	1.85%
Rio Tinto	22,810	1,120,769	2.05%	22,810	1,061,920	2.26%
Construction & Materials						
Ferguson PLC	8,270	854,705	1.56%	8,270	646,052	1.37%
Persimmon	27,680	738,502	1.35%	23,610	583,875	1.24%
Industrial Goods & Services						
Alstom	16,887	476,793	0.87%	5,395	208,611	0.44%
ASML Holding	3,060	1,703,478	3.11%	3,060	874,157	1.86%
CRH	19,880	693,812	1.27%	19,880	555,845	1.18%
Generac Hldgs INC	3,094	938,222	1.72%	-	-	-
Schneider Electric SE	4,870	602,334	1.10%	2,555	246,757	0.52%
Smith (DS)	235,780	973,536	1.78%	235,780	694,844	1.48%
Automobiles & Parts						
Daimler AG	7,745	511,318	0.93%	-	-	-
Food & Beverages						
Nestle SA	8,250	740,548	1.35%	8,250	758,434	1.61%
Unilever	17,170	687,659	1.26%	10,870	519,151	1.10%
Personal & Household Goods						
Estee Lauder Companies INC	2,280	507,353	0.93%	2,280	384,857	0.82%
Proctor & Gamble	4,825	500,493	0.92%	4,825	518,599	1.10%

	2020-21			2019-20		
	Holding	Market Value ¹ £	Total Market Value %	Holding	Market Value ¹ £	Total Market Value %
Health Care						
Abbvie Inc	13,090	1,047,491	1.92%	12,840	869,643	1.85%
Abcam	30,865	462,358	0.85%	25,210	308,570	0.66%
AstraZeneca PLC	14,230	1,274,723	2.33%	13,090	1,107,021	2.35%
BB Biotech AG	10,370	695,367	1.27%	10,370	583,084	1.24%
Dechra Pharmaceuticals	18,420	893,370	1.63%	18,420	593,861	1.26%
GlaxoSmithKline	-	-	-	49,990	725,855	1.54%
Medtronic	7,933	737,872	1.35%	7,933	636,543	1.35%
Novartis AG	7,330	448,658	0.82%	6,750	453,376	0.96%
Roche Holdings AG	3,395	924,747	1.69%	4,260	1,128,553	2.40%
West Pharmaceutical	2,710	853,786	1.56%	2,710	576,114	1.22%
Retail						
Amazon Com	500	1,219,087	2.23%	500	1,217,572	2.59%
Media						
Relx PLC	29,600	635,512	1.16%	29,600	510,896	1.09%
Telecommunications						
Koninklijke KPN	414,010	966,427	1.77%	357,810	651,671	1.38%
Verizon Communications	17,870	716,192	1.31%	17,870	822,020	1.75%
Utilities						
Enel	116,230	667,476	1.22%	116,230	784,186	1.67%
National Grid Plc	80,290	710,245	1.30%	80,290	714,420	1.52%
Nextera Energy	18,800	1,095,283	2.00%	4,700	1,008,418	2.14%
Orsted A/S	8,195	803,637	1.47%	8,525	914,376	1.94%
Insurance						
Prudential PLC	-	-	-	58,390	647,545	1.38%
Zurich Insurance	2,945	899,829	1.65%	2,290	617,345	1.31%
Financial Services						
Ashmore Group	136,875	466,196	0.85%	122,940	440,371	0.94%
Mastercard Incorporated	2,800	722,171	1.32%	2,800	732,029	1.56%
Ping AN Insurance	-	-	-	40,000	317,623	0.67%
Visa Incorporated	3,430	566,860	1.04%	3,430	529,958	1.13%

	2020-21			2019-20		
	Holding	Market Value £	Total Market Value %	Holding	Market Value £	Total Market Value %
Real Estate						
American Tower Corp	4,460	878,215	1.61%	4,460	833,787	1.77%
Technology						
Accenture	4,435	1,052,700	1.92%	6,500	1,135,954	2.41%
Alphabet Inc	690	1,368,430	2.50%	690	782,150	1.66%
Microsoft Corporation	7,423	1,551,834	2.84%	9,080	1,476,791	3.14%
Taiwan Semiconductor Manufacturing Ads	16,605	1,376,028	2.52%	16,605	1,041,715	2.21%
UK Equity Funds						
Aberforth Smaller Companies Trust	29,859	449,677	0.82%	29,859	249,920	0.53%
Schiehallion Fund	329,909	310,935	0.57%	-	-	-
Property Funds						
Tritax Big Box	365,500	777,053	1.42%	365,500	566,525	1.20%
Alternative						
Apax Global Alpha	245,816	560,460	1.02%	245,816	381,015	0.81%
Bilfinger Berger Global	387,007	671,652	1.23%	370,091	638,037	1.36%
Bluefield Solar Income	440,084	543,064	0.99%	345,570	475,159	1.01%
Green coat Renewables	458,630	452,401	0.83%	-	-	-
Greencoat UK Wind	427,980	555,518	1.01%	406,980	545,353	1.16%
International Public P'tnership	264,500	428,490	0.78%	264,500	426,903	0.91%
Sequoia Economic Infrastructure	418,776	448,090	0.82%	361,776	377,694	0.80%
The Renewables Infrastructure	451,843	557,574	1.02%	451,843	617,218	1.31%
31 Infrastructure	180,030	547,291	1.00%	180,030	521,186	1.11%
Total Fixed Interest and Equities		51,517,400	94.19%		44,586,987	94.73%
CASH						
Dividends Received		969,731	1.77%		736,696	1.57%
Cash Held (Sundry Receivables)		2,208,784	4.04%		1,741,357	3.70%
Total Holdings		54,695,915	100%		47,065,040	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:

	2020-21 £	2019-20 £
Accrued interest on bonds	105,748	105,757
Dividends due on equities	120,913	109,875
Dividends Receivable as at 30 September	226,661	215,632

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 24p per share (2019-20: final dividend 17p). This was paid in December 2021.

An interim dividend of 21p was paid in June 2021 (2019-20: 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. Members' Share Capital

Members' share capital is made up as follows

	2020-21 £	2019-20 £
Members' share capital as at 1 October	46,556,326	48,004,529
Investments	1,228,538	272,082
Withdrawals	(10,006)	(859,996)
Net profit on sale of investments	1,159,010	1,271,671
Net loss on sale of investments	(124,910)	(1,704,640)
Appreciation on revaluation of investments	5,076,067	(249,627)
Management fees	(200,383)	(177,693)
Members' Share Capital as at 30 September	53,684,642	46,556,326

No individual material gains or losses were made on the sale of investments for the 2020- 21 year. There were no failed investments in the 2020-21 year.

12. 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:

	2020-21 £	2019-20 £
DER as at 1 October	256,348	251,305
Sums transferred from DER	(32,194)	5,043
DER as at 30 September	224,154	256,348

13. Historical Analysis of Share Value and Annual Dividend

Valuation Date	Share Value	Annual Dividend	Yield %
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
30 September 2021	1543.59p	45.00	2.92

14. 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 2020-21 year dividends to the value of £216,406 were paid to these charities (2019-20: £187,552).

In addition related party transactions occur when the investment management company (Abrdn) 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 2021:

1) Investment – SLW (CI) Ltd Offshore Stgy Fixed Int	2020-21			2019-20		
	Number of shares	Market Value £	Total Market Value %	Number of shares	Market Value £	Total Market Value %
Balance at 1 October	1,780,258	860,221	1.60	1,780,258	878,379	1.81
Movement		14,420			(18,158)	
Balance as at 30 September	1,780,258	874,641	1.60	1,780,258	860,221	1.83

15. 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 11 November 2022

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