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Department
for Communities
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Northern Ireland Central Investment Fund for Charities

Annual Report and Accounts for the
year ended 30 September 2016

September 2017

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

For the year ended 30 September 2016

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

8 September 2017



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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, the Department for Communities (DfC), after the Departments (Transfer and Assignment of Functions) Order (Northern Ireland) 1999, has directed the Central Investment Fund for Charities to prepare, 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 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 UK Generally Accepted Accounting Practice and to:

- observe the accounts direction and include 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 UK Generally Accepted Accounting Practice have been followed and disclose and explain any material departures in the accounts; and
- prepare the accounts on a going concern basis.

The Department of Finance has appointed the Head of Department as Accounting Officer of the department. The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding the Northern Ireland Central Investment Fund for Charities assets, are set out in the Accounting Officer's Memorandum issued by the Department of Finance and published in Managing Public Money Northern Ireland.

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

Contents

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1. Introduction

This Governance Statement provides details of how the Permanent Secretary, as Accounting Officer, ensured effective management and control of resources during the 2015–16 year and the action taken to ensure effective risk management and a high standard of corporate governance.

Throughout the period the Department operated under the direction and control of a Minister. The NICS Departments were restructured on 9 May 2016, with the former Department for Social Development becoming part of a new Department for Communities. The Permanent Secretary for DSD was the main policy advisor to the Minister on all matters relating to the Department until the establishment of DfC, when a new Permanent Secretary assumed this role. The Minister approved the

Department's corporate and business plans and Programme for Government commitments from which all corporate risks are derived. He was provided with regular reports on all aspects of the Department's performance, including a formal quarterly progress report which highlighted any significant deviation from achievement of targets in the Department's business plan, financial implications and any emerging risk.

The Permanent Secretary was also responsible for ensuring a high standard of financial management in the Department as a whole, including responsibility to safeguard the Social Security Agency and the arm's length bodies which were sponsored by the Department had adequate systems and procedures in place to promote the proper conduct of their businesses.

2. The Department's Governance Framework

A governance framework was in place for the Department and was published on the internet. The framework provided the system of direction and control for the organisation, confirmed the scope of the arrangements and explained the importance placed on organisational structures, policies, plans and review arrangements which had been established to properly manage the Department's affairs.

Compliance with the 'Corporate Governance in Central Government Departments: Code of Good Practice NI 2013'

The Department's governance arrangements, including the operation of the Departmental Management Board and Board sub-committees, were substantially compliant with the HM Treasury guidelines on Corporate Governance in Central Government Departments: Code of Good Practice 2013, as confirmed by a recent Internal Audit evaluation of the Department's corporate governance and risk management, which indicated that these arrangements operated at a satisfactory level.

Departmental Management Board

The Departmental Management Board (DMB) for the Department for Social Development (DSD) was chaired by Andrew Hamilton, acting as Temporary Permanent Secretary, and included the Deputy Secretary for Urban Regeneration and Community Development Group, the Acting Deputy Secretary for Resources and Social Policy Group, the Chief Executive of the Social Security Agency, the Director of Financial Management (FMD) and two independent board members. The Board supported the delivery of effective corporate governance across the Department.

The DSD Board met on eight occasions during the 2015–16 financial year (April 2015 to March 2016) and attendance is set out in the table below:

| Board Members | Board Meetings Attended |
|--|-------------------------|
| Andrew Hamilton (Chair) | 8 |
| Tommy O'Reilly (Chief Executive SSA) | 6 |
| Tracy Meharg (Deputy Secretary URCDG) | 5 |
| Ian Snowden (Acting Deputy Secretary RSPG) | 7 |
| Deborah Brown (Director of Finance) | 8 |
| Roy Keenan (Independent Board Member) | 7 |
| Deep Sagar (Independent Board Member) | 5 |

Between May and September 2016, the Board for the Department for Communities met monthly. The members consist of the following:

| Board Members | Board Meetings Attended |
|--|-------------------------|
| Leo O'Reilly (Chair) | 5 |
| Andrew Hamilton (Community Regeneration and Housing Deputy Secretary) | 5 |
| Ian Maye (Community Cohesion Deputy Secretary) | 5 |
| Jackie Kerr (Strategic Policy and Resources Deputy Secretary) | 4 |
| Dr Denis McMahon (Social Inclusion Deputy Secretary) | 5 |
| Tommy O'Reilly (Working Age Deputy Secretary) | 4 |
| Roy Keenan (Independent Board Member) | 3 |
| John West (Independent Board Member) | 4 |

Issues reserved for the Board's attention were scheduled at the start of the year in an annual planner; these were then assigned to specific meetings throughout the year.

The Board had a number of standing agenda items which it scrutinised, which included:

- Financial and budgetary reports and corporate risks;
- High level human resource issues including the Voluntary Exit Scheme and attendance management;
- Key Risks in arm's length bodies; and
- Reviewing performance against business plan commitments and Programme for Government milestones.

Two of these meetings were strategic planning events at which the Board discussed high level issues and challenges facing the Department. The Board also regularly discussed key strategic issues; these included housing reform, reform of local government, welfare reform, spending reductions, the Child Maintenance Service (CMS), the reduction in the number of government departments and the establishment of the Department for Communities (DfC). Various heads of directorates and arm's length bodies were invited to the meetings to brief the Board on achievements against targets. The minutes of the Board meetings were recorded and all minutes were made available on the intranet and internet. All action points were recorded and an update on their progress received at every meeting.

Quality of Data

The Board obtained assurance relating to the quality of information it received through a variety of measures including:

- assurance ratings from Internal Audit reviews;
- statistical information produced by the Department's statisticians; and
- financial information prepared from internal and external finance systems validated by qualified accountants.

Conflicts of Interest

The Department maintained a register of interests for all Board members to ensure that potential conflicts of interest could be addressed in advance of meetings. The register is formally revisited on an annual basis.

There were no conflicts of interest recorded by the Board during 2015–16.

Board Effectiveness

In accordance with the Code of Good Practice on Corporate Governance in Central Government Departments and the DMB Terms of Reference, an annual evaluation of its effectiveness was completed. In general there was an overall improvement from the 2014–15 DSD review. The introduction of paperless meetings in 2015, devoted to strategic thinking, planning and policy discussion, was also welcomed.

Ministerial Directions

Arrangements exist to respond to a situation where an Accounting Officer believes that he/she is being asked by a Minister to take a course of action that could potentially result in irregular expenditure, impropriety, or poor

value for money. In such circumstances, the Accounting Officer may seek a formal ministerial direction to proceed. During 2015–16 there were no ministerial directions sought or given.

Board Committees

Audit and Risk Assurance Committee

The Board is supported and advised by a Departmental Audit and Risk Assurance Committee (DARAC) which provides assurances on risk management, control and governance within the Department.

DMB had responsibility for ensuring that an effective risk management process was in place and was regularly reviewed. It was supported in discharging this responsibility by DARAC and the Department's Internal Audit Team. The Chair of DARAC is privy to discussions in relation to departmental risk at Board meetings. This arrangement, in conjunction with written and verbal updates provided at each meeting, ensured DARAC was kept fully informed of the Department's risk profile to enable it to undertake its responsibilities effectively.

The Committee was satisfied that the Department's risk management arrangements and those of its arm's length bodies were in line with HM Treasury 'Orange Book' and that its risk registers, including the Arm's Length Bodies' risk registers, and were reviewed by the Board.

3. Risk and Control Framework

Risk management is an important aspect of good governance. It helps the achievement of objectives by constraining threats to acceptable levels and by exploiting opportunities. The Accounting Officer has ultimate responsibility for ensuring that an effective risk management process is in place. The risk management process adopted by the Department is detailed in the Department's risk management framework.

Assurances

A key element of the departmental risk management processes is the provision of regular assurances. All business areas across the Department provided quarterly and annual assurance statements that effective risk management arrangements are in place.

In addition, assurance on the effectiveness of the departmental risk management processes was provided from the work of the Department's Internal Audit Unit.

Enterprise Shared Services

The Permanent Secretary drew assurance from the audit opinion received from the Head of Internal Audit in the Department of Finance (DoF), formerly the Department of Finance and Personnel (DfP) on the various components of Enterprise Shared Services. These included Account NI which was responsible for the Department's transaction processing, HR Connect, which was responsible for the Department's human resource management arrangements, and IT Assist, which provided IT support services. It is noted that the Head of Internal Audit in the Department of Finance has provided a satisfactory audit opinion on Enterprise Shared Services overall.

Limited Audit Opinions

During 2014–15 Internal Audit had carried out a review of the NICIFC and issued a "limited" opinion audit report.

A follow up review was carried out in August 2015 and the audit opinion was upgraded to "satisfactory".

4. Risk and Control Framework

The Department is currently investigating the following issue in relation to the administration of the Fund.

Registration with the Charities Commission Northern Ireland

The Department is responsible for administering the NICIFC which, as a charity, is required to register with the Charity Commission for Northern Ireland (CCNI). DfC is the sponsor Department for CCNI.

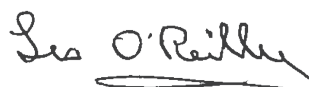
The Department has engaged with CCNI during 2016–17 on arrangements for managing any perceived conflict of interest in respect of the Department’s role as sponsor for CCNI. Pending this, no new members have been admitted to the NICIFC and registration with CCNI has not progressed. Arrangements are expected to be finalised early in 2017–18. The NICIFC can then be called forward for registration by CCNI and re-opened to new members.

5. Significant Fraud Investigations

None of the active or closed cases of potential fraud investigated in-year related to the Department’s administration of the NICIFC.

6. Conclusion

I am satisfied that the Department had an effective governance structure and operated to a high standard of integrity and probity. In signing this report I have taken assurances from the Department’s Temporary Permanent Secretary, Andrew Hamilton, and the Departmental Audit and Risk Assurance Committee. I will continue to monitor Internal Audit, Northern Ireland Audit Office and Public Accounts Committee recommendations to ensure that all issues are addressed.



Leo O’Reilly
Accounting Officer
Department for Communities
17 August 2017

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 |
| Dividends Interim | 1 June |
| Dividends Final | 1 December |
| Share Value at 30 September 2016 | 1224.78p (2014–15: 1078.25p) |
| Number of shares in issue at 30 September 2016 | 3,069,936 (2014–15: 3,130,080) |
| Number of shareholders in Fund | 426 (2014–15: 428) |

Valuation

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

Entry to the Fund

On 6 May 2015 the Department wrote to all shareholders informing them that they were conducting a review of the Fund and that new additions to the Fund were being temporarily suspended from this date. Aside from this, the Fund continues to operate as usual.

During the year £711,598.22 was withdrawn from the fund.

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 £171,944.

Management of the Fund

The Northern Ireland Central Investment Fund for Charities (the Fund) was established under the Charities Act (NI) 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 a recognised fund manager but its investment policy is guided by a locally based Advisory Committee appointed by the Department.

The Advisory Committee met five times during the year.

The current members are:

Mr P Keers (Chair)

Mr L Todd

Mr D Murphy (Appointed 1 September 2016)

Mr J Stewart (Appointed 1 September 2016)

Ms J Sloan (Term expired 31 July 2016)

Mrs P Wilson (Term expired 31 August 2016)

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 Standard Life Wealth.

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. Long-term investors have enjoyed significant capital gains in addition to regular dividends. The value of a share in the Fund increased by 13.6% over the past year whilst the income has decreased by 13.2% 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 2016, it was 22.5% fixed interest (including convertibles), 73.6% equities and 3.9% 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 income from the Fund has decreased by 13.2% from last year. The aggregate dividend paid in the current year was 41.0p, which is 2.0 pence less than last year.

Yield on shares

The yield on shares in the Fund for the twelve months to 30 September 2016 was 3.35%.

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 Certificate of the Comptroller and Auditor General to the Northern Ireland Assembly

I certify that I have audited the financial statements of the Northern Ireland Central Investment Fund for Charities for the year ended 30 September 2016 under the Charities Central Investment Fund Scheme (Northern Ireland) 1965. These comprise the Income and Expenditure account, the Statement of Financial Position and the related notes. These financial statements have been prepared under the accounting policies set out within them.

Respective responsibilities of the Accounting Officer and auditor

As explained more fully in the Statement of the Accounting Officer's Responsibilities, the Accounting Officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. My responsibility is to audit, certify and report on the financial statements in accordance with the Government Resources and Accounts Act (Northern Ireland) 2001. I conducted my audit in accordance with International Standards on Auditing (UK and Ireland). Those standards require me and my staff to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an

assessment of: whether the accounting policies are appropriate to the circumstances of the Northern Ireland Central Investment Fund for Charities and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Northern Ireland Central Investment Fund for Charities; and the overall presentation of the financial statements. In addition I read all the financial and non-financial information in the Fund Overview to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my certificate.

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

Opinion on regularity

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

Opinion on financial statements

In my opinion:

- the financial statements give a true and fair view of the state of Northern Ireland Central Investment Fund for Charities affairs as at 30 September 2016 and of the expenditure and income and movement in Members' Share Capital for the year then ended; and
- the financial statements have been properly prepared in accordance with the Charities Central Investment Fund Scheme (Northern Ireland) 1965 and the Department for Communities directions issued thereunder.

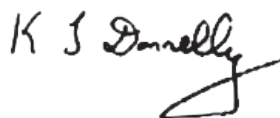
Opinion on other matters

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

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 Department of Finance's guidance.



KJ Donnelly

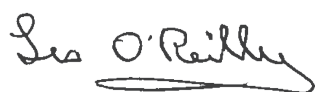
Comptroller and Auditor General
Northern Ireland Audit Office
106 University Street
Belfast
BT7 1EU
29 August 2017

Income and Expenditure Account for Year Ended 30 September 2016

| | Notes | 2015–16 £ | 2014–15 £ |
|---|-------|------------------|------------------|
| Gross Investment Income | 1b | 1,246,498 | 1,422,739 |
| Management Charges | 1c | (171,944) | (153,986) |
| General Expenses | 1e | (4,812) | – |
| Release from Capital | 1c | 137,944 | 122,986 |
| Net Income | | 1,207,686 | 1,391,739 |
| Distribution of Income: | | | |
| Dividends Payable | 10 | 1,276,230 | 1,332,961 |
| Sum transferred (from)/to Dividend Equalisation Reserve | | (68,544) | 58,778 |
| | | 1,207,686 | 1,391,739 |

Statement of Financial Position as at 30 September 2016

| | Notes | 2015–16 £ | 2014–15 £ |
|------------------------------------|-------|-------------------|-------------------|
| Fixed Assets: | | | |
| Investments at Mid-Market Value | 2, 3 | 36,561,049 | 32,549,589 |
| Total non-current assets | | 36,561,049 | 32,549,589 |
| Current Assets: | | | |
| Dividends Received | 3 | 911,067 | 951,610 |
| Dividends Receivable | 1b, 6 | 136,102 | 250,774 |
| Sundry Receivables | 3,7 | 601,814 | 697,777 |
| Dividend Equalisation Reserve Fund | 13 | 116,231 | 184,776 |
| Bank/Cash | | 6,616 | 3,704 |
| Total current assets | | 1,771,830 | 2,088,641 |
| Total assets | | 38,332,879 | 34,638,230 |
| Current Liabilities: | | | |
| Attributed Income – New Entrants | 9 | – | (62) |
| Dividends Payable (Final) | 10 | (688,050) | (848,104) |
| Accrued Management Fees | 11 | (45,449) | (40,000) |
| Total current liabilities | | (733,499) | (888,166) |
| Assets less liabilities | | 37,599,380 | 33,750,064 |
| Capital: | | | |
| Members' Share Capital | 12 | 37,483,149 | 33,565,288 |
| Dividend Equalisation Reserve | 13 | 116,231 | 184,776 |
| Total Capital | | 37,599,380 | 33,750,064 |



Leo O'Reilly
Accounting Officer
Department for Communities
17 August 2017

Notes to the Account

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, in recent years, 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 2015–16 year is £171,944. Of this, £34,000 (rounded to the nearest £1,000) has been charged to the income and expenditure account and £137,942 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

Advertising costs for the member positions on the advisory committee and the independent advisor fees.

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 2016

| | 2015–16 | | | 2014–15 | | |
|---|-------------------|--------------------------------|---------------|-------------------|--------------------------------|---------------|
| | Cost Price £ | Market Value ¹ £ | % | Cost Price £ | Market Value ¹ £ | % |
| Fixed Interest Bonds | 7,497,533 | 8,558,753 | 22.5% | 7,452,120 | 7,845,909 | 23.0% |
| Ordinary Shares | 21,385,118 | 28,002,296 | 73.6% | 21,273,624 | 24,703,680 | 72.4% |
| Total Value as per Balance Sheet | 28,882,651 | 36,561,049 | 96.1% | 28,725,744 | 32,549,589 | 95.4% |
| Dividends Received | | 860,777 ² | 2.3% | | 875,545 ² | 2.6% |
| Cash held (Sundry receivables) | | 601,814 | 1.6% | | 697,777 | 2.0% |
| Total Value of Portfolio | | 38,023,640 | 100.0% | | 34,122,911 | 100.0% |

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 £50,290 which was to be transferred from the dividend equalisation reserve for the final dividend payment of the 2015–16 year (2014–15: £76,065).

4. Distribution of Holdings

| | 2015–16 | | | 2014–15 | | |
|--|-----------|-------------------|-------------------------|-----------|-------------------|-------------------------|
| | Holding | Market Value £ | Total Market Value % | Holding | Market Value £ | Total Market Value % |
| FIXED INTEREST | | | | | | |
| British Government Bonds | | 3,175,715 | 8.32% | | 2,811,055 | 8.20% |
| GBP Bonds | | 4,483,830 | 11.49% | | 4,188,875 | 11.92% |
| Global/International Bond Funds | 1,780,257 | 899,208 | 2.37% | 1,780,257 | 845,978 | 2.49% |
| EQUITIES | | | | | | |
| Oil & Gas Producers | | | | | | |
| BP PLC | 155,268 | 698,706 | 1.84% | 155,268 | 518,595 | 1.52% |
| Royal Dutch Shell | 47,480 | 948,176 | 2.50% | 47,480 | 742,112 | 2.18% |
| Suncor Energy | 9,500 | 203,364 | 0.54% | 9,500 | 167,986 | 0.49% |
| Total SA | 15,344 | 560,774 | 1.48% | 10,817 | 321,021 | 0.94% |
| Chemicals | | | | | | |
| Air Liquide SA | 4,166 | 344,525 | 0.91% | 4,166 | 325,079 | 0.95% |
| Bayer AG | – | – | – | 7,632 | 644,185 | 1.89% |
| Covestro AG | 7,840 | 358,384 | 0.94% | – | – | – |
| Basic Resources | | | | | | |
| Rio Tinto | 20,656 | 531,789 | 1.40% | 11,772 | 260,161 | 0.77% |
| Mining | | | | | | |
| BHP Billiton | – | – | – | 28,788 | 289,319 | 0.85% |
| Construction & Materials | | | | | | |
| Persimmon | 17,100 | 310,365 | 0.82% | – | – | – |
| Industrial Goods & Services | | | | | | |
| Accenture PLC | – | – | – | 5,856 | 380,196 | 1.12% |
| BAE Systems PLC | – | – | – | 75,595 | 338,439 | 0.99% |
| CRH | 14,690 | 376,358 | 0.99% | – | – | – |
| CSX Corp Com | – | – | – | 10,285 | 182,910 | 0.54% |
| IMI Ord | – | – | – | 13,850 | 131,367 | 0.39% |
| Wolseley | 8,837 | 384,851 | 1.01% | 8,837 | 340,931 | 1.00% |

| | 2015–16 | | | 2014–15 | | |
|---------------------------------------|---------|-------------------|-------------------------|---------|-------------------|-------------------------|
| | Holding | Market Value £ | Total Market Value % | Holding | Market Value £ | Total Market Value % |
| Automobiles & Parts | | | | | | |
| Continental AG | 700 | 113,518 | 0.30% | 700 | 98,241 | 0.29% |
| Food & Beverages | | | | | | |
| Nestle SA | 7,938 | 482,346 | 1.27% | 7,938 | 394,920 | 1.16% |
| Unilever | 18,476 | 675,205 | 1.786% | 18,476 | 496,265 | 1.46% |
| Personal & Household Goods | | | | | | |
| Estee Lauder Companies INC | 5,460 | 372,648 | 0.98% | – | – | – |
| Reckitt Benckiser | 3,800 | 276,070 | 0.73% | 6,380 | 340,304 | 1.00% |
| Health Care | | | | | | |
| AstraZeneca PLC | 11,896 | 595,276 | 1.57% | – | – | – |
| Dechra Pharmaceuticals | 24,700 | 344,071 | 0.91% | 11,896 | 497,431 | 1.46% |
| GlaxoSmithKline | 65,527 | 1,076,609 | 2.83% | – | – | – |
| Lilly Eli & Co | 9,270 | 573,240 | 1.51% | 65,527 | 829,572 | 2.44% |
| Johnson & Johnson | – | – | – | 6,574 | 405,772 | 1.19% |
| Medtronic | 7,933 | 528,347 | 1.39% | 7,933 | 351,117 | 1.03% |
| Novartis AG | 9,506 | 576,493 | 1.52% | 9,506 | 577,163 | 1.69% |
| Roche Holdings AG | 4,662 | 891,374 | 2.34% | 4,662 | 813,164 | 2.39% |
| Sanofi | – | – | – | 5,520 | 346,239 | 1.02% |
| Retail | | | | | | |
| Amazon Com | 546 | 352,306 | 0.93% | – | – | – |
| Next PLC | 9,207 | 439,726 | 1.16% | 9,207 | 700,653 | 2.05% |
| Media | | | | | | |
| Relx PLC | 31,430 | 459,821 | 1.21% | 60,710 | 687,237 | 2.05% |
| WPP | 23,000 | 417,220 | 1.10% | 23,000 | 315,790 | 0.93% |
| Telecommunications | | | | | | |
| AT & T Inc | 31,430 | 434,215 | 1.21% | – | – | – |
| Deutsche Telekom AG NPV | 17,674 | 228,904 | 0.60% | 17,674 | 206,307 | 0.61% |

| | 2015–16 | | | 2014–15 | | |
|-----------------------------------|---------|-------------------|-------------------------|---------|-------------------|-------------------------|
| | Holding | Market Value £ | Total Market Value % | Holding | Market Value £ | Total Market Value % |
| Spark New Zealand | – | – | – | 135,260 | 170,747 | 0.60% |
| Swisscom AG | – | – | – | 807 | 266,261 | 0.78% |
| Telstra Corp Ltd | 59,600 | 182,488 | 0.48% | 59,600 | 154,945 | 0.46% |
| Verizon Communications | 11,485 | 460,064 | 1.21% | 12,869 | 370,038 | 1.09% |
| Vodafone Group | 355,808 | 789,004 | 2.08% | 355,808 | 741,682 | 2.18% |
| Utilities | | | | | | |
| Enel | 116,400 | 400,339 | 1.05% | 116,400 | 342,844 | 1.01% |
| National Grid Plc | 101,210 | 1,105,213 | 2.91% | 101,210 | 930,019 | 2.73% |
| Severn Trent | 24,061 | 602,728 | 1.59% | 24,061 | 525,492 | 1.55% |
| Banks | | | | | | |
| Danske Ban | 17,400 | 391,358 | 1.03% | – | – | – |
| Bankinter SA | – | – | – | 54,350 | 263,738 | 0.78% |
| Citigroup Inc | – | – | – | 14,980 | 491,359 | 1.44% |
| HSBC Holdings PLC | 108,683 | 628,949 | 1.65% | 108,683 | 542,002 | 1.59% |
| Swedbank AB | 16,050 | 290,334 | 0.76% | 16,050 | 234,174 | 0.69% |
| Insurance | | | | | | |
| Aviva | 63,000 | 277,515 | 0.73% | – | – | – |
| Legal & General | – | – | – | 151,400 | 360,483 | 1.06% |
| Prudential PLC | 45,924 | 627,551 | 1.65% | 45,924 | 639,951 | 1.88% |
| Zurich Insurance | 2,357 | 467,491 | 1.23% | 1,887 | 306,397 | 0.90% |
| Financial Services | | | | | | |
| Close Bros Group | 19,660 | 269,342 | 0.71% | 19,660 | 293,524 | 0.87% |
| Intermediate Capital Group PLC | – | – | – | 57,341 | 296,166 | 0.87% |
| UBS | – | – | – | 24,830 | 303,537 | 0.90% |
| Technology | | | | | | |
| Accenture | 5,856 | 551,322 | 1.45% | – | – | – |
| Alphabet Inc | 690 | 427,563 | 1.12% | – | – | – |
| Apple Inc | 4,342 | 378,214 | 0.99% | 4,342 | 316,642 | 0.93% |
| Facebook Inc | 3,756 | 371,287 | 0.98% | – | – | – |
| Arm Holdings PLC | – | – | – | 35,300 | 334,468 | 0.99% |

| | 2015–16 | | | 2014–15 | | |
|--|---------|-------------------|-------------------------|---------|-------------------|-------------------------|
| | Holding | Market Value £ | Total Market Value % | Holding | Market Value £ | Total Market Value % |
| Microsoft Corporation | 11,957 | 530,670 | 1.40% | 11,957 | 349,665 | 1.03% |
| Nokia OYJ | 59,000 | 263,685 | 0.69% | – | – | – |
| Sage Group | 114,973 | 848,501 | 2.23% | – | – | – |
| Taiwan Semiconductor Manufacturing Ads | 13,605 | 320,805 | 0.84% | – | – | – |
| UK Equity Funds | | | | | | |
| Aberforth Smaller Companies Trust | 42,659 | 450,052 | 1.18% | 42,659 | 465,836 | 1.37% |
| Global/International Equity Funds | | | | | | |
| BNY MFM Newton Asian Inc | 322,698 | 393,659 | 1.03% | 322,698 | 294,268 | 0.87% |
| Schroder Units Trusts Tokyo | – | – | – | 831,000 | 511,314 | 1.50% |
| Property Funds | | | | | | |
| Charities Property Fund | 318,000 | 380,025 | 1.00% | 318,000 | 369,278 | 1.08% |
| Empiric Student Property | 254,400 | 295,104 | 0.78% | – | – | – |
| Tritax Big Box | 260,000 | 361,140 | 0.95% | – | – | – |
| UK Commercial Property Trust | 292,385 | 230,838 | 0.61% | 292,385 | 250,866 | 0.74% |
| Alternative | | | | | | |
| Apax Global Alpha | 245,816 | 317,717 | 0.84% | 245,816 | 293,750 | 0.86% |
| Bilfinger Berger Global | 218,091 | 308,054 | 0.81% | 218,091 | 272,069 | 0.80% |
| Foresight Solar Fund | – | – | – | 359,200 | 362,792 | 1.06% |
| HICL Infrastructure Co Ltd | 162,895 | 276,433 | 0.73% | 162,895 | 248,089 | 0.73% |
| International Public P'tnership | 264,500 | 407,859 | 1.07% | 264,500 | 346,231 | 1.02% |
| John Laing Infrastructure Fund | 373,860 | 481,532 | 1.27% | 373,860 | 431,435 | 1.31% |
| The Renewables Infrastructure | 341,000 | 360,778 | 0.95% | 341,000 | 346,968 | 1.02% |
| Total Fixed Interest and Equities | | 36,561,049 | 96.1% | | 32,549,589 | 95.38% |
| CASH | | | | | | |
| Dividends Received | | 860,777 | 2.3% | | 875,545 | 2.57% |
| Cash Held (Sundry Receivables) | | 601,814 | 1.6% | | 697,777 | 2.05% |
| Total Holdings | | 38,023,640 | 100.00% | | 34,122,911 | 100.00% |

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:

| | 2015-16 £ | 2014-15 £ |
|--|----------------|----------------|
| Accrued interest on bonds | 106,009 | 161,061 |
| Dividends due on equities | 30,093 | 89,713 |
| Accrued interest on cash held | – | – |
| Dividends Receivable as at 30 September | 136,102 | 250,774 |

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. Attributed Income – New Entrants

This balance represents income accrued by new entrants calculated from receipt of funds until converted into shares. It is paid out as part of the dividend payment.

10. Dividends Payable (Final)

The Department proposed to pay a final dividend for the year of 22p (2014-15: final dividend 27p) per share. This was paid in December 2016.

An interim dividend of 19p was paid in June 2016 (2014-15: interim dividend 16p).

11. 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.

12. Members' Share Capital

Members' share capital is made up as follows:

| | 2015-16 £ | 2014-15 £ |
|--|-------------------|-------------------|
| Members' share capital as at 1 October | 33,565,288 | 33,954,017 |
| New contributions | – | 1,431,691 |
| Withdrawals | (711,598) | (515,575) |
| Net profit on sale of investments | 1,587,870 | 1,176,591 |
| Net loss on sale of investments | (595,408) | (410,218) |
| Appreciation on revaluation of investments | 3,774,941 | (1,948,232) |
| Management fees | (137,944) | (122,986) |
| Members' Share Capital as at 30 September | 37,483,149 | 33,565,288 |

No individual material gains or losses were made on the sale of investments for the 2015-16 year. There were no failed investments in the 2015-16 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:

| | 2015-16 £ | 2014-15 £ |
|-------------------------------|----------------|----------------|
| DER as at 1 October | 184,776 | 125,998 |
| Sums transferred from DER | (68,545) | 58,778 |
| DER as at 30 September | 116,231 | 184,776 |

No individual material gains or losses were made on the sale of investments for the 2015-16 year. There were no failed investments in the 2015-16 year.

14. Historical Analysis of Share Value and Annual Dividend

| Valuation Date | Share Value | Annual Dividend | Yield % |
|-------------------|-------------|-----------------|---------|
| 30 September 2006 | 996.49p | 42.00 | 4.21 |
| 30 September 2007 | 1036.16p | 40.00 | 3.86 |
| 30 September 2008 | 856.11p | 44.00 | 5.14 |
| 30 September 2009 | 881.43p | 39.00 | 4.42 |
| 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 |

15. Related Party Transactions

Under the Charities Act (NI) 1964 and the Charities Order 1987 the Department acts as trustee to some 300 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 2015–16 year dividends to the value of £266,373 were paid to these charities (2014–15: £279,367).

In addition related party transactions occur when the investment management company (Standard Life Wealth) 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 2016:

| 1. Investment – BNY MFM Newton Asian Inc | 2015–16 | | | 2014–15 | | |
|--|------------------|----------------|----------------------|------------------|----------------|----------------------|
| | Number of Shares | Market Value £ | Total Market Value % | Number of Shares | Market Value £ | Total Market Value % |
| Balance at 1 October | 322,698 | 294,268 | 0.86 | 185,450 | 342,415 | 0.99 |
| Movement | | 99,391 | | 137,248 | (48,147) | |
| Balance as at 30 September | 322,698 | 393,659 | 1.04 | 322,698 | 294,268 | 0.86 |

| 2. Investment – SLW (CI) Ltd Offshore Stgy Fixed Int | 2015–16 | | | 2014–15 | | |
|--|---------------------|-------------------|-------------------------|---------------------|-------------------|-------------------------|
| | Number of Shares | Market Value £ | Total Market Value % | Number of Shares | Market Value £ | Total Market Value % |
| Balance at 1 October | 1,780,258 | 907,610 | 2.63 | 850,300 | 885,587 | 2.83 |
| Movement | | (8,402) | | 929,958 | 22,023 | |
| Balance as at 30 September | 1,780,258 | 899,208 | 2.37 | 1,780,258 | 907,610 | 2.63 |

16. Events after the Reporting Period

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





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