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# Probation Board for Northern Ireland Account 2004-2005

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## Foreword to the Accounts

The Chief Executive submits the foreword and audited accounts for the year ended 31 March 2005. The accounts have been prepared in accordance with the accounts direction issued by the Northern Ireland Office in July 2000 on behalf of the Secretary of State.

### History and principal activities

#### Historical background

The Probation Board was established under the Probation Board (Northern Ireland) Order 1982 in accordance with a recommendation in the Report of the Review Group on Legislation and Services for Children and Young Persons in Northern Ireland (1979), that the probation service in Northern Ireland should be separated from central government and become responsible to a community based Board. The first Board, appointed in December 1982, has been followed by seven others, each of three years' duration, the last appointed in December 2003.

#### Statutory background

The Board's functions are set out in the Probation Board (Northern Ireland) Order 1982. In addition other legislation relating to probation activities is contained in the Criminal Justice (Northern Ireland) Order 1991, Criminal Justice (Northern Ireland) Order 1996, and the Criminal Justice (Children) (Northern Ireland) Order, and in relevant amendments thereto.

The Permanent Under Secretary of State, who is the principal Accounting Officer of the Northern Ireland Office, has designated the Chief Executive as NDPB Accounting Officer for the Probation Board for Northern Ireland.

#### Activities

The main activities of the Board are the supply of information to the courts through Pre-Sentence Reports (formerly Social Enquiry Reports), the supervision of offenders made subject to Probation Orders and Community Service Orders and since January 1st 1998, Custody Probation Orders, Combination Orders, sex offenders released on licence and the provision of welfare services to prisoners and their families and assistance with resettlement after release. Community initiatives in the prevention of offending are encouraged and supported.

The Board contributes to the funding of community organisations for the provision of hostels and other facilities and schemes in connection with the supervision and assistance of offenders and the prevention of crime.

The Board also directly operates a wide range of projects with objectives similar to its own. In the year under review there were 39 projects of this kind.

The Board has both mandatory functions which it shall perform, and discretionary functions which it may perform with the approval of the Secretary of State.

The mandatory functions are to

- secure the maintenance of an adequate and efficient probation service;
- make arrangements for persons to perform work under community service orders;
- provide such Probation Officers and other staff as the Secretary of State considers necessary to perform social welfare duties in Prisons and Young Offender Centres; and
- undertake such other duties as may be prescribed.

The discretionary functions are to

- provide and maintain probation hostels and other establishments for use in connection with the supervision and assistance of offenders;

- provide and maintain bail hostels;
- make and give effect to schemes for the supervision and assistance of offenders and the prevention of crime;
- make arrangements with voluntary organisations or any other persons (including Government Departments and public bodies) to
  - provide and maintain such hostels and other establishments as mentioned above; and
  - give effect to schemes for the supervision and assistance of offenders and the prevention of crime.

**Results for the year**

The results of the Probation Board for Northern Ireland are set out on page 11. The deficit for the year transferred to General Fund was £181,423 (2004 - deficit £340,232).

**Funding**

The Board is financed by a grant from the Northern Ireland Office Request for Resources 1 (supporting and developing an efficient, effective and responsive Criminal Justice System) the statutory authority being Article 7 (1) of the Probation Board (Northern Ireland) Order 1982.

**Events since the end of the financial year**

Two Board properties were extensively damaged by Fire in September 2005. The estimated value of the damage was £247,000.

**Future developments**

This coming year is the first year of the 2005-2008 Corporate Plan that identifies five core strategic areas. Within each of these areas a number of priorities have been set for 2005-2006:

**Strategic objectives**

**Key priorities**

Public Protection

Services to Courts  
 Implementation of Northern Ireland Standards  
 Delivery of accredited and approved programmes  
 Assessment and management of high risk and dangerous offenders  
 Resettlement of released prisoners  
 Needs of victims

Social Inclusion

Promote Community Service as a vehicle for social inclusion  
 Improve essential skills and education, training and employment opportunities for offenders  
 Services to female offenders

Modernisation

Community development  
 Criminal Justice Review implementation  
 Estate Review implementation  
 Internal and external communications

Workforce Planning

Information Technology  
 Workforce Planning  
 Workload Planning and control  
 Delivery of accredited learning  
 Staff survey

## Business Performance

Comply with statutory requirements in respect of Freedom of Information, Data Protection, Section 75, Human Rights and Records Management Legislation  
Continuously improve quality to achieve best results.

## Fixed assets

Fixed assets are valued at cost, adjusted as appropriate to reflect estimated current replacement costs. The estimated useful lives of assets are reviewed regularly and when necessary revised. There was £338,601 of additions to fixed assets during the year. Movements in fixed assets are disclosed in notes 10, 11 and 12.

## Board members

The Chief Executive is responsible for the day to day operation and performance of the Board.

The members of the Board for the financial year April 2004 to March 2005 were

Mr B Rowntree CBE	Chairman (until November 2004)
Mr R Spence CB	Chairman (from December 2004)
Mrs F Reid	Deputy Chairman
Mr J Daykin	
Mr T Flanagan	
Ms M Gilheany	
Mrs B Grant	
Dr R Hanna CBE	
Mrs J Hillen	(Temporary leave of absence from February 2005)
Mr P Killen OBE	
Mr A MacLaughlin	
Mr P McAteer	
Miss M McCann	(Until December 2004)
Dr R McKee	
Mrs G Rice	
Mrs G Shaw CBE	
Mr B Stuart	(Until February 2005)
Mr W Tweed	(Until August 2004)
Ms K Yiasouma	

## Supplier payment policy

The Board complies with the Confederation of British Industry's Better Payment Practice Code. Unless otherwise stated in the contract, payment is made within 30 days of receipt and agreement of invoices for goods and services completed to the satisfaction of the Board. The Board has in place a system for dealing quickly with complaints and disputes and advises suppliers without delay when invoices, or part invoices, are contested. Its Finance Section continually monitors for any payment outside the '30 days period'. Based on a sample of invoices for goods and services completed to the satisfaction of the Board during the year, 99.83% of bills were paid within this standard.

## Equal Opportunities Policy Statement

- 1 It is the policy of PBNI that all staff and all applicants for employment shall, in accordance with legislative requirements and/or good employment practice, be given equal opportunity in all aspects of employment, training and career development irrespective of their sex, marital status, religion, political opinion, race or sexual orientation.

- 2 The Board resolves that no applicant for employment, training, career development or promotion will receive less favourable treatment or be disadvantaged by unjustifiable conditions or requirements by virtue of any disability.
- 3 The Board also resolves that no applicant for employment, training, career development or promotion will receive less favourable treatment or be disadvantaged by unjustifiable conditions or requirements by virtue of age.
- 4 Application of conditions of service, all localised agreements and the operation of recruitment, training, career development, promotion and transfer policies for individuals shall be on the basis of service requirements and the individual's ability, qualifications and aptitude for the work.

### **Employee involvement**

The Board maintains arrangements for regularly consulting employees so that their views may be taken into account in decision making. Almost all professional staff are members of the National Association of Probation Officers (NAPO) and almost all administrative staff belong to the Northern Ireland Public Service Alliance (NIPSA). A Joint Negotiating and Consultative Committee, on which management and the two unions are represented, provides the formal consultative machinery for discussion of policy and other issues of concern to employees. In addition employees at all levels are kept informed by circular of decisions taken by the Board and senior management, as well as of matters bearing on the performance of the organisation and directly on their terms and conditions of employment.

### **Health and safety**

The Board continues to pay special attention to the welfare of staff and customers, including matters relating to their health and safety.

### **Charitable donations**

There were no charitable donations made by the Probation Board for Northern Ireland during the year.

### **Registers of interests**

In accordance with the Probation Board's Code of Practice for Members, a Register of Members' Interests and a Register of Senior Management Interests is maintained for Board Members and Senior Management. The Registers are available for inspection on the Board's website and they are updated on a regular basis.

### **Board member responsibilities**

The responsibilities of the Board Members are set out in the Probation Board for Northern Ireland Management Statement which was issued by the Northern Ireland Office in April 1999.

### **Audit**

These accounts are audited by the Comptroller and Auditor General (C&AG) who is appointed by statute and reports to Parliament on the audit examination. The audit fee for the year was £12,500 and relates solely to the audit of these financial statements. No statutory activities unrelated to the audit of the Board's financial statements, such as value for money audits, were undertaken during the year. His certificate and report is produced at pages 9 and 10.

*Mr N Rooney*  
Chief Executive  
Probation Board for Northern Ireland

## Statement of the Probation Board for Northern Ireland's and the Chief Executive's responsibilities

Under paragraph 2 of Schedule 3 to the Probation Board (Northern Ireland) Order 1982 the Probation Board for Northern Ireland is required to prepare a statement of accounts in the form and on the basis determined by the Secretary of State with the approval of HM Treasury. The accounts are prepared on an accruals basis and must give a true and fair view of the Probation Board for Northern Ireland's state of affairs at the year end and of its income and expenditure, total recognised gains and losses and cash flows for the financial year.

In preparing the accounts the Probation Board for Northern Ireland is required to

- observe the accounts direction issued by the Secretary of State 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 have been followed, and disclose and explain any material departures in the financial statements; and
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the entity will continue in operation.

The principal Accounting Officer of the NIO has designated the Chief Executive as the Accounting Officer for the Probation Board for Northern Ireland. His relevant responsibilities as Accounting Officer, including his responsibility for the propriety and regularity of the public finances and for the keeping of proper records, are set out in the Non-Departmental Public Bodies' Accounting Officer Memorandum, issued by HM Treasury.

# Statement on Internal Control

## Scope of responsibility

As designated NDPB Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of Probation Board policies, aims and objectives as set out in our three-year corporate plan supported by an annual business plan both of which take cognisance of the annual Ministerial Steer. I am personally responsible in accordance with the Treasury Memorandum entitled 'The responsibilities of an NDPB Accounting Officer' for the safeguarding of public funds and assets.

## The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness.

The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Board's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Probation Board for the year ended 31 March 2005 and up to the date of approval of the annual report and accounts, and accords with Treasury guidance.

## Capacity to handle risk

The capacity to handle risk is given high priority in the Probation Board. As Chief Executive, I and my Senior Management are pivotally involved in risk identification, evaluation and control.

Senior Staff have been trained on how to identify risks that threaten the objectives of the organisation, the controls in place to mitigate risk and how to devise actions to deal with gaps in the risk and control framework.

## The risk and control framework

Risk Management is now well embedded in the Probation Board. For a number of years, the organisation has maintained a Risk Register. This is updated on an annual basis and is monitored throughout the year.

Each year, the Senior Management Team (SMT) and I hold Risk Workshops in which the following areas are clearly identified and agreed

- the risks that threaten to undermine or prevent the achievement of the organisations objectives as laid out in the Corporate and Business Plans;
- an assessment of the likelihood of the risks occurring and an assessment of the impact of the risks to the organisation should they occur;
- the controls in place to mitigate, minimise or eliminate risks identified;
- the gaps in the risk management framework i.e. inactions or omissions that exist after identifying the controls in place;
- the specific actions that are required to address the identified gaps which allows the risks to exist; and
- assigning responsibilities to members of the Senior Management Team (SMT) to actions to address gaps and therefore risks.

Once the Risk Register has been agreed, it becomes a 'live document' which is monitored regularly by the SMT to ensure that identified actions are being carried out on a timely basis.

## Review of effectiveness

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control and have established the following processes:

- an annual report on performance to the Minister at the accountability review;
- six monthly report to the Northern Ireland Office and the Minister on performance against targets and objectives contained in the annual business plan;
- regular reviews by internal audit, to standards defined in the Government Internal Audit Manual, which include an Annual Report which contains an independent opinion on the adequacy and effectiveness of the Probation Board's system of internal control together with recommendations for improvement;
- periodic reports from the Audit Committee to the Board concerning internal control;
- reports from managers on the steps they are taking to manage risks in their areas of responsibility including progress on key projects;
- six weekly Board Meetings that consider regular monitoring reports on performance against targets; and
- annual Risk Workshops to maintain and update the Risk Register.

My review of the effectiveness of the system of internal control is informed by the work of the internal auditors and the executive managers within the organisation who have responsibility for the development and maintenance of the internal control framework, and comments made by the external auditors in their management letter and other reports.

*Mr N Rooney*  
Chief Executive  
Probation Board for Northern Ireland

12 December 2005

# The Certificate and Report of the Comptroller and Auditor General to the Houses of Parliament

I certify that I have audited the financial statements on pages 11 to 31 under the Probation Board (Northern Ireland) Order 1982. These financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out on pages 14 to 16.

## Respective responsibilities of the Probation Board for Northern Ireland, the Chief Executive and Auditor

As described on page 6, the Probation Board for Northern Ireland and Chief Executive are responsible for the preparation of the financial statements in accordance with the Probation Board (Northern Ireland) Order 1982 and directions made thereunder by the Secretary of State for Northern Ireland and for ensuring the regularity of financial transactions. The Probation Board for Northern Ireland and Chief Executive are also responsible for the preparation of the Foreword. My responsibilities, as independent auditor, are established by statute and I have regard to the standards and guidance issued by the Auditing Practices Board and the ethical guidance applicable to the auditing profession.

I report my opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Probation Board (Northern Ireland) Order 1982 and directions made thereunder by the Secretary of State for Northern Ireland, and whether in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them. I also report if, in my opinion, the Foreword is not consistent with the financial statements, if the Board has not kept proper accounting records, or if I have not received all the information and explanations I require for my audit.

I review whether the statement on pages 7 and 8 reflects the Board's compliance with Treasury's guidance on the Statement on Internal Control. I report if it does not meet the requirements specified by Treasury, or if the statement is misleading or inconsistent with other information I am aware of from my audit of the financial statements. I am not required to consider, nor have I considered whether the Chief Executive's Statement on Internal Control covers all risks and controls. I am also not required to form an opinion on the effectiveness of the Board's corporate governance procedures or its risk and control procedures.

## Basis of audit opinion

I conducted my audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts, disclosures and regularity of financial transactions included in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Board and Chief Executive in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Board's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by error, or by fraud or other irregularity and that, in all material respects, the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them. In forming my opinion I have also evaluated the overall adequacy of the presentation of information in the financial statements.

## Opinion

In my opinion

- the financial statements give a true and fair view of the state of affairs of the Probation Board for Northern Ireland at 31 March 2005 and of the deficit, total recognised gains and losses and cash flows for the year then ended, and have been properly prepared in accordance with the Probation Board (Northern Ireland) Order 1982 and directions made thereunder by the Secretary of State for Northern Ireland; and
- in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

I have no observations to make on these financial statements.

*John Bourn*  
Comptroller and Auditor General

20 January 2006

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## Income And Expenditure Account for the year ended 31 March 2005

	Notes	2004-2005 £	2003-2004 £
<b>Income</b>			
HMG grant received	2	<b>13,011,228</b>	12,084,212
Other operating income	2	<b>1,805,761</b>	1,407,870
<b>Total income</b>		<b>14,816,989</b>	13,492,082
<b>Expenditure</b>			
Salaries and wages	3	<b>9,139,738</b>	8,393,769
Depreciation	10, 11, 12	<b>407,538</b>	314,310
Grants for community Development	4	<b>1,519,540</b>	1,522,768
Community service and other schemes	5	<b>432,946</b>	445,399
Other operating costs	6	<b>3,498,049</b>	3,149,364
Notional cost of capital	7	<b>108,125</b>	104,747
<b>Total expenditure</b>		<b>15,105,936</b>	13,930,357
<b>Deficit of income over operating expenditure</b>		<b>(288,947)</b>	(438,275)
Loan interest payable	8	<b>(5,651)</b>	(12,627)
Loan interest receivable	9	<b>5,050</b>	5,923
<b>Deficit for year</b>		<b>(289,548)</b>	(444,979)
Credit in respect of notional cost of capital	7	<b>108,125</b>	104,747
<b>Amount transferred to General Fund</b>	16	<b>(181,423)</b>	(340,232)

This deficit relates to the continuing activities of the Board.

The movement on the General Fund is set out in Note 16.

*The notes on pages 14 to 31 form part of the accounts.*

## Statement of Total Recognised Gains and Losses for the year ended 31 March 2005

	Note	2004-2005 £	2003-2004 £
Deficit for the financial year		<b>(289,548)</b>	(444,979)
Unrealised surplus on revaluation of fixed assets	16	<b>248,407</b>	117,423
<b>Total recognised Losses for the year</b>		<b>(41,141)</b>	(327,556)

## Balance Sheet as at 31 March 2005

	Notes	2005 £	2004 £
<b>Fixed assets</b>			
Tangible assets	10, 11	<b>3,403,964</b>	3,383,039
Intangible assets	12	<b>143,022</b>	46,733
		<b>3,546,986</b>	3,429,772
<b>Current assets</b>			
Debtors and prepayments	13	<b>333,964</b>	236,575
Cash at bank and in hand		<b>129,032</b>	175,624
		<b>462,996</b>	412,199
Creditors: Amounts falling due within one year	14	<b>(724,333)</b>	(533,631)
<b>Net current (liabilities)</b>		<b>(261,337)</b>	(121,432)
Total assets less current liabilities		<b>3,285,649</b>	3,308,340
Creditors: amounts falling due after one year	15	<b>0</b>	(22,314)
Provision for liabilities and charges	21	<b>(176,992)</b>	(194,239)
		<b>3,108,657</b>	3,091,787
<b>Financed by</b>			
Capital and reserves	16		
General Fund		<b>(438,329)</b>	(270,715)
Government grant reserve		<b>3,525,129</b>	3,353,168
Revaluation reserve		<b>0</b>	9,334
Donated asset reserve		<b>21,857</b>	0
		<b>3,108,657</b>	3,091,787

*The notes on pages 14 to 31 form part of the accounts.*

Mr N Rooney  
Chief Executive  
Probation Board for Northern Ireland

12 December 2005

## Cashflow Statement for the year ended 31 March 2005

	Notes	2004-2005		2003-2004	
		£	£	£	£
<b>Net cash inflow/(outflow) from operating activities</b>	22		<b>54,166</b>		(284,968)
<b>Return on investments and servicing of finance</b>					
Interest paid	18	<b>(6,532)</b>		(13,392)	
Car loan interest received		<b>5,050</b>		5,923	
<b>Net cash (outflow) from return on Investments and servicing of finance</b>			<b>(1,482)</b>		(7,469)
<b>Capital expenditure</b>					
Proceeds from sale of fixed assets		<b>890</b>		223,723	
Payments for fixed assets	17	<b>(278,493)</b>		(693,111)	
<b>Net cash (outflow) from capital expenditure</b>			<b>(277,603)</b>		(469,388)
Financial investment					
Car loan principal advanced		<b>(35,090)</b>		(32,419)	
<b>Net cash (outflow) from financial investment</b>			<b>(35,090)</b>		(32,419)
<b>Net cash (outflow) before financing</b>			<b>(260,009)</b>		(794,244)
<b>Financing</b>					
Repayment of long term bank loan		<b>(84,625)</b>		(77,763)	
Capital grant received		<b>256,422</b>		710,993	
Car loan principal repaid		<b>41,620</b>		53,318	
<b>Net cash inflow from financing</b>			<b>213,417</b>		686,548
<b>(Decrease) in cash</b>			<b>(46,592)</b>		(107,696)

The notes on pages 14 to 31 form part of the accounts.

# Notes to the Accounts

## 1 Statement of accounting policies

The following accounting policies have been applied consistently in dealing with items considered material in relation to the accounts.

### *Accounting convention*

The financial statements are prepared under the historical cost convention modified to include the revaluation of tangible fixed assets, in accordance with the accounts direction issued by the Northern Ireland Office in July 2000 for year ended 31 March 2000 and in respect of all future financial years.

Without limiting the information given, the accounts meet

- the accounting and disclosure requirements of the Companies (Northern Ireland) Order 1986;
- the accounting standards issued or adopted by the Accounting Standards Board; and
- the accounting and disclosure requirements issued by HM Treasury;

in so far as those requirements are appropriate.

### *Advances to Probation Offices*

Amounts advanced to Probation Offices in respect of Probation Projects and not expended during the year on the appropriate project are recognised at the end of the year as a debtor balance. Other advances to offices are also treated as debtor balances in the balance sheet.

### *Northern Ireland Office Grant*

Grant income in respect of revenue expenditure is credited to income in the year to which it relates. Grant income in respect of capital expenditure is credited to Government Grant Reserve and released to the income and expenditure account over the expected useful economic life of the related assets, on a basis consistent with the depreciation policy.

### *Value Added Tax*

The Board is not registered for Value Added Tax. All transactions are therefore stated gross of VAT.

### *Fixed Assets – Tangible and Intangible*

The threshold for fixed assets adopted by Probation Board is given overleaf.

Category	Method of recording	Threshold	Estimated useful lives
Land	Individual	£Nil	Freehold - Infinite Leasehold - Length of Lease
Buildings	Individual	£Nil	Freehold - 20 to 100 years Leasehold - Length of Lease
Motor Vehicles	Individual	£1,000	5 years
Fixtures and fittings	Pooled	£1,000	10 years
Plant and equipment	Pooled	£1,000	5 years
Computer hardware	Pooled	£1,000	5 years
Computer Licence - Risk Assessment (Intangible)	Individual	£5,000	7 years

The threshold levels will be reviewed regularly and revised to reflect the effect of inflation on asset values.

#### *Measurement and valuation*

Tangible and Intangible fixed assets should be valued at the lower of replacement cost and recoverable amount. Recoverable amount is defined as the higher of net realisable value and value in use.

The estimated useful lives of assets are reviewed regularly and when necessary revised. Land and assets in the course of construction are not depreciated. Depreciation is provided on a straight line basis in order to write off the valuation of all other fixed assets over their estimated useful lives. A full year's depreciation is charged in the year of acquisition of assets, but no depreciation is charged in the year of disposal of the assets.

The Board has capitalised its non property assets at depreciated replacement cost. Donated assets have been capitalised at current value on receipt.

All fixed assets with the exception of land and buildings, assets under construction and computer licence are revalued by reference to appropriate Office for National Statistics indices. Revaluations are recognised on an asset-by-asset basis with no account taken of potential profit or loss on other fixed assets. A desk based valuation of land and buildings is completed annually by the Valuation & Lands Agency with a full professional valuation every 5 years. The next professional valuation will be carried out at 31 March 2008.

The computer licences for the Risk Assessment System and the Probation Information Management System are not revalued and are recorded at historic cost (See note 12).

#### *Pension costs*

Most staff of the Board are members of the Local Government Pension Scheme (NI). All contributions to this scheme are charges to the Income and Expenditure Account as incurred. Further details regarding the operation of the pension scheme are contained in the pensions section of note 3 to the accounts.

#### *Early departure costs*

The Board is required to provide in full for the cost of paying pensions of employees who retire early from the date of their retirement until the pension is no longer due to the individuals or their spouses.

Payments during the year in respect of these individuals are charged to the provision. Each year the provision is recalculated and restated if necessary with any under or over provision charged or credited to other operating costs.

*Grants for community development*

Grants paid to community bodies are part of the ordinary activities of the Board and are charged to operating expenditure as incurred. Grants are offered and issued in accordance with the Board's grant terms, conditions and finance instructions. Community bodies are required to incur all expenditure by the Board's financial year end. There are no unclaimed grants at year end.

*Insurance*

Except where there is a statutory requirement to do so the Board does not take out general insurance. Instead, expenditure in connection with uninsured risks is charged as incurred.

*Notional costs*

A notional cost reflecting the cost of capital utilised by the Board is included in operating expenditure. The charge is calculated at the Treasury's standard rate of 3.5% of average net assets excluding donated assets. There are no other notional costs relating to the running of the Board borne by Government Departments or organisations.

**2 Income**

	<b>2004-2005</b>	2003-2004
	£	£
<b>HMG grants received</b>		
Grant-in-Aid received from Northern Ireland Office		
Request for Resources 1	<b>13,192,650</b>	12,720,205
Capital grant to government grant reserve	<b>(256,422)</b>	(710,993)
	<b>12,936,228</b>	12,009,212
Belfast Regeneration Office – Request for Resources 1	<b>75,000</b>	75,000
	<b>13,011,228</b>	12,084,212

Grant-in-Aid received has been restated to show the amount of capital grant transferred to government grant reserve.

*Belfast Regeneration Office*

Non Violent Relationship Project – Funding of £75,000 has been provided for this project. The aim of the project is to reduce the level of domestic violence in identified households in Greater Belfast.

**Other income**

Early departure credit	<b>5,817</b>	0
Impact scheme	<b>108,932</b>	0
Prison service	<b>790,000</b>	756,000
Secondment	<b>307,763</b>	325,586
Government grant release (Note 19)	<b>362,668</b>	289,284
Donated asset release (Note 20)	<b>26,047</b>	0
Protect N & S	<b>140,924</b>	0
Miscellaneous	<b>63,610</b>	37,000
	<b>1,805,761</b>	1,407,870

Early departure credit - £5,817 represents a decrease in the early departure provision as indicated in Note 21.

Impact scheme – Funding of £108,932 has been provided for this project. The aim of the scheme is to address the level of car crime in Greater Belfast with a specific targeted initiative aimed at young people involved in car crime for the Greater West Belfast area.

Prison service - £790,000 as per Service Level Agreement between the Probation Board for Northern Ireland and the Prison Service Agency for the provision of social welfare services in prisons and young offenders centres as set out in the 1982 Order.

Secondment - £307,763 represents salary and travel income of seconded staff and student placement fees.

Government grant release – £362,668 represents release of grant from government grant reserve to match the consumption of the related assets over the expected useful economic lives.

Donated asset release – £26,047 represents release from donated asset reserve to match the consumption of the donated assets over the expected economic lives.

Protect N & S – Funding of £140,924 has been provided by the Special European Union Programmes Body. It is a joint initiative between the Probation Board for Northern Ireland and the Probation Welfare Service in the Republic of Ireland. The aim of the project is to contribute to community safety throughout Ireland.

Miscellaneous – £63,610 represents drink drive project income.

Income represents services provided to the Board's customers both in the public and private sectors as invoiced or transfer from government grant reserve.

### 3 Staff costs and numbers

	2004-2005 £	2003-2004 £
Board members' remuneration and expenses	93,135	54,914
Probation staff	6,459,266	6,278,481
The average number of staff in the period was 194 (2004: 186)		
Administration staff	1,793,627	1,719,706
The average number of staff in the period was 91 (2004: 86)		
<b>Sub total</b>	<b>8,346,028</b>	8,053,101
Inward secondments	240,419	51,376
Agency/temporary staff and contract staff	553,291	289,292
<b>Total</b>	<b>9,139,738</b>	8,393,769
Less recoveries in respect of outward secondments	(307,763)	(325,286)
<b>Total net costs</b>	<b>8,831,975</b>	8,068,483

The staff on outward secondment have been excluded from staff numbers.

The Chairman and Board members receive remuneration and expenses. The Board members received a remuneration by way of fixed attendance allowances until 26 October 2004. The attendance allowance rates for the deputy of the Board and the chairman of the Board committees is £32.45 for meetings lasting up to four hours and £64.90 for meetings over four hours. The attendance allowance rates of other Board members are £24.34 for meetings lasting up to four hours and £48.69 for meetings over 4 hours. All Board members are appointed for a fixed term of three years. From 27 October 2004 the Board members received remuneration of £4,645 per annum paid at a monthly rate of £387.08. The Chairman and the Board members are not members of the Board's pension scheme.

	Remuneration £K
Mr R Spence Chairman (from December 2004)	10 – 15
Mr B Rowntree Chairman (until November 2004)	20 – 25
Mrs F Reid Deputy Chairman	5 – 10
Ms J Daykin	0 – 5
Mr T Flanagan	0 – 5
Ms M Gilheany	0 – 5
Mrs B Grant	0 – 5
Dr R Hanna	5 – 10
Mrs J Hillen	0 – 5
Mr P Killen	0 – 5
Mr A MacLaughlin	0 – 5
Mr P McAteer	5 – 10
Miss M McCann	0 – 5
Dr R McKee	0 – 5
Mrs G Rice	0 – 5
Mrs G Shaw	0 – 5
Mr B Stuart	0 – 5
Mr W Tweed	0 – 5
Ms K Yiasouma	0 – 5

The average number of staff employed by the Probation Board for Northern Ireland during 2004-2005 together with details of staff costs were as follows

	Numbers	Gross Emols £k	Employers Nat. Ins. £k	Superann £k
<b>Professional staff</b>				
Probation management	13	586	56	24
Probation staff	181	5,166	404	223
Agency/temporary staff And contract staff	1	47	0	0
Inward secondments/staff on loan	6	149	0	0
<b>Administrative staff</b>				
Management	1	44	4	4
Administrative	90	1,517	96	129
Agency/temporary staff And contract staff	30	506	0	0
Inward secondments/staff on loan	3	91	0	0

(In addition an average of 20 sessional supervisors were employed in a part-time capacity).

#### *Pensions*

The Probation Board for Northern Ireland is an Employing Authority within the scheme provided by the Local Government Pension Scheme (NI).

Membership of the scheme is optional for employees, but in practice almost all staff opt into this pension provision arrangement.

Staff employed under National Negotiating Council based conditions (that is probation grades) contribute 6% of remuneration. The employer's contribution is determined by the Committee's Actuary every three years and for 2004-2005 year is 4.6% of remuneration.

Staff employed under the conditions based on those of the NICS (Administrative Staff) contribute 1.5% and the Board's contribution is 9.1%

Pension benefits are provided through the Local Government Pension Scheme (NI). This is a committee based scheme open to all permanent and temporary staff aged between 16 and 65 and provides benefits on final salary basis. Benefits accrue at the rate of 1/80th of pensionable salary for each year of service.

In addition, a lump sum at a rate of 3/80th of pensionable salary for each year of service is paid. Members pay contributions of 6% and 1.5% respectively as Professional and Administrative staff. Pensions increase in payment in line with the Retail Prices Index. On death, pensions are payable to the surviving spouse for a short-term period of three months payable at the rate of the member's pensionable remuneration at the date of death. Provided that the deceased member had statutory pension entitlement this is followed by a long-term pension which is payable for life. The calculation is 50% of the deceased's benefits had they taken early retirement. On death in service the scheme pays a lump sum benefit of twice pensionable pay and also provides a service enhancement on computing the spouse's pension.

The Local Government Pension Scheme (NI) is a multi employer defined benefit scheme. The Board's contributions are affected by a surplus or deficit in the scheme. The Board is unable to identify its share of the underlying assets and liabilities in the scheme on a consistent and reasonable basis. The most recent full actuarial valuation was completed as at 31 March 2004. The employer's rate for year commencing 1 April 2005 has been increased to 8.5%. The full actuarial revaluation as at 31 March 2004 shows a reduction in the scheme surplus and an employer contribution rate of 11% has been proposed for year commencing 1 April 2006.

Medical retirement is possible in the event of serious ill-health. In this case pensions are brought into payment immediately without actuarial reduction and with service enhanced as for widow(er) pensions.

Salaries include gross salaries and performance pay but exclude travel lump sums.

The salary and pension entitlements of the most senior managers of the Board were as follows

Name and title	Salary (as defined)	Real increase in pension and related lump sum at age 60	Total Accrued Pension at age 60 and related lump sum	CETV at 31 March 2003	CETV at 31 March 2004	Real incr in CETV after adjustment
	£k	£k	£k	£k	£k	£k
Mr N Rooney Chief Executive	70 - 75	0-2.5 plus lump sum 5 - 7.5	25 - 30 plus 75 - 80 lump sum	421	370	43
Mr D Van Der Merve Director of Corporate Services (started 22 February 2005)	45 - 50	Not applicable New appointment	0 - 5 plus lump sum 0 - 5	2	Not applicable New appointment	
Mr B McCaughey Director of Operations	55 - 60	0 - 2.5 plus lump sum 0 - 2.5	15 - 20 plus 50 - 55 lump sum	244	221	19

Column 5 (CETV at 31 March 2005) and Column 6 (CETV at 31 March 2004) show the member's cash equivalent transfer value (CETV) accrued at the beginning and the end of the reporting period. Column 7 (Real increase in CETV after adjustment for inflation and changes in market investment factors) reflects the increase in CETV effectively funded by the employer. It takes account of the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies.

The CETV figures include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the Local Government Pension Scheme (NI) and for which the scheme has received a transfer payment commensurate to the additional pension liabilities being assumed. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries.

#### 4 Grants for community development

Grants in respect of Hostels, other establishments and schemes for the supervision and assistance of offenders and the prevention of crime

	2004-2005 £	2003-2004 £
<b>Grants over £100,000</b>		
Northern Ireland Association for the Care and Resettlement of Offenders Extern Organisation	<b>374,018</b> <b>235,125</b>	353,363 215,170
<b>Grants £50,001 - £100,000</b>		
West Belfast Parent Youth Support Group - Roghanna	<b>95,977</b>	97,242
<b>Grants £25,001 - £50,000</b>		
Presbyterian Church in Ireland - Thompson House and Carlisle House	<b>29,467</b>	45,729
The Lynx Project	<b>48,733</b>	43,154
Stadium Youth & Community Centre	<b>42,836</b>	41,589
Duke of Edinburgh's Award/Belfast Activity Centre	<b>37,618</b>	36,522
Corner House Cross Community Family Centre	<b>35,623</b>	30,060
Prison Arts Foundation	<b>33,000</b>	32,204
Challenge for Youth	<b>32,700</b>	12,000
Community Safety Unit, NIO	<b>30,000</b>	0
<b>Grants up to £25,000</b>		
174 Trust	<b>(26)</b>	2,237
Action Cancer	<b>135</b>	0
Age Concern Cookstown	<b>1,700</b>	0
Age Concern Derry	<b>0</b>	3,750
Ait Na Mona Residents' Association	<b>0</b>	(1,105)
Antiville Community Group	<b>1,300</b>	0
Antrim Youth Council	<b>0</b>	660
Ardoyne Fleadh	<b>0</b>	6,000
Ardoyne Focus Group	<b>(992)</b>	2,340
Ardoyne Youth Club	<b>1,700</b>	2,000
Areema Residential Group	<b>1,100</b>	0
Artability NI Ltd	<b>14,910</b>	15,725
Ashmore Youth Club	<b>9,000</b>	0
Ballyclare Community Concerns	<b>0</b>	3,992

	<b>2004-2005</b>	2003-2004
	£	£
<b>Grants up to £25,000</b>		
Ballyduff Community Group	<b>0</b>	1,500
Ballymac Friendship Trust	<b>(1)</b>	2,731
Ballymagroarty Youth Club	<b>0</b>	(20)
Ballymena Family Addicts Support Group	<b>8,514</b>	0
Ballynafeigh Community Development Assoc	<b>0</b>	1,000
Ballynahinch Regeneration Ltd	<b>0</b>	3,950
Barnardos	<b>19,016</b>	15,200
Belfast Door Project	<b>0</b>	3,358
Breakthru	<b>0</b>	2,890
Business in the Community	<b>0</b>	46,250
Bytes Project (Derry)	<b>4,296</b>	4,224
Carnary Community Association	<b>2,000</b>	0
Carrickfergus Community Drug & Alcohol Advisory Group	<b>3,200</b>	0
Cancer Research (NI)	<b>0</b>	499
CODA (Community Drugs Awareness)	<b>0</b>	975
CODAG (Comber Drugs Awareness)	<b>0</b>	2,700
Conflict Trauma Resource Centre	<b>0</b>	1,500
Conservation Volunteers – Derry & Coleraine	<b>0</b>	8,000
Contact Youth Counselling Services	<b>(1,006)</b>	3,750
Corpus Christi Youth Centre	<b>1,158</b>	0
Corrymeela	<b>4,745</b>	4,711
County Down Leadership Group	<b>1,740</b>	0
Craigavon District Youth Council	<b>0</b>	10,000
Cregagh Community Churches Partnership	<b>(178)</b>	0
Crosskennan Lane Animal Sanctuary	<b>8,750</b>	5,880
Cuan Mhuire	<b>(1,248)</b>	1,248
Denmark Street Community Association	<b>1,177</b>	500
Dismas House Hostel	<b>14,828</b>	7,952
Docker's Social Club	<b>1,000</b>	0
Down Lisburn Trust – Victorian Garden CS Scheme	<b>0</b>	560
Dubblejoint Theatre Company	<b>2,500</b>	0
Dunlewey Substance Advice Centre	<b>0</b>	6,500
East Belfast Mission	<b>4,820</b>	3,629
Edward St Hostel	<b>5,300</b>	9,678
Factory Community Group	<b>0</b>	1,500
Family Caring Centre	<b>0</b>	1,000
Ffwd (Fast Forward)	<b>0</b>	3,432
First Housing Aid & Support Services	<b>19,743</b>	19,168
First Step Drop-in Centre	<b>3,030</b>	5,741
Flax Housing Association	<b>3,230</b>	0
Foyle Haven Association	<b>5,000</b>	0
Gleann Amateur Boxing Club	<b>3,700</b>	2,000
Glebeside Community Forum	<b>2,950</b>	0
Glen Rural Community Group	<b>7,812</b>	7,000
Glenbawn Youth Group	<b>0</b>	1,075
Glencairn Youth Initiative	<b>5,500</b>	4,000
Glentoran Community Initiative	<b>0</b>	3,325
Holy Trinity Community Counselling	<b>0</b>	3,500

	<b>2004-2005</b>	2003-2004
	£	£
<b>Grants up to £25,000</b>		
Horn Drive Drop-in	<b>0</b>	1,850
Include Youth	<b>25,000</b>	16,000
Inner East Youth Project	<b>3,654</b>	7,888
Inter Agency	<b>1,351</b>	1,539
Kansas Youth Group	<b>1,000</b>	1,000
Keady Athletic Football Club	<b>0</b>	2,100
Kilkeel Parish Bridge Association	<b>0</b>	6,000
Killyleagh Youth for Christ – Cross Drop-in Centre	<b>(59)</b>	780
Link Family & Community Centre	<b>3,000</b>	0
Lisburn YMCA	<b>0</b>	2,400
Little America Cross Community Group	<b>0</b>	500
Living Rivers Lighthouse Hostel	<b>8,550</b>	18,445
Londonderry YMCA	<b>6,800</b>	0
Lower Falls Newstart Project	<b>13,575</b>	45,341
Lower Shankill Community Association	<b>0</b>	(26)
Lower Shankill Football Club	<b>0</b>	500
Magnet Young Adult Centre	<b>376</b>	2,500
Megain Memorial Church	<b>0</b>	2,940
Methodist City Misson	<b>0</b>	4,999
Monkstown Amateur Boxing Club	<b>5,650</b>	0
Mornington Community Project	<b>1,040</b>	0
Mountainview Outreach Project	<b>0</b>	1,000
MUST Hostel	<b>11,907</b>	13,123
New Life Counselling Service	<b>7,000</b>	6,000
Newhill Youth & Community Centre	<b>2,000</b>	2,500
Newington Amateur Boxing Club	<b>380</b>	350
N I African Cultural Society	<b>2,187</b>	0
NICAS (NI Community Addiction Service)	<b>5,850</b>	0
North Belfast Play Forum	<b>18,552</b>	8,872
North & West Housing – Sheltered Help	<b>10,300</b>	7,160
North & West Housing – Strand Foyer	<b>0</b>	(269)
Oasis – Caring in Action	<b>0</b>	5,000
Oasis Youth Centre Limited	<b>0</b>	1,704
Off the Streets Community Youth Initiative	<b>10,000</b>	0
Old Warren Partnership	<b>0</b>	2,000
Open Door Housing Association	<b>0</b>	9,178
Oxfam (Ballyhackamore and Cregagh)	<b>1,295</b>	1,444
Paragon Services Limited	<b>12,238</b>	14,482
Parish of Mourne	<b>648</b>	0
Praxis Care Group	<b>0</b>	2,950
Prison Fellowship	<b>20,384</b>	19,622
Pub with No Beer (Coalisland Pioneer Assoc)	<b>3,000</b>	0
Realizing Potential	<b>13,322</b>	19,982
Regina Coeli Hostel	<b>6,020</b>	6,975
Rosario Youth Club	<b>0</b>	3,000
Shankill Lurgan Community Project	<b>0</b>	920
Simon Community	<b>21,066</b>	5,000
Sole Purpose Productions	<b>0</b>	2,400

	<b>2004-2005</b>	2003-2004
	£	£
<b>Grants up to £25,000</b>		
South Tyrone Empowerment Programme	<b>6,500</b>	0
Springfarm & District Community Association	<b>(14)</b>	1,939
Springhill Youth Development Programme	<b>2,250</b>	1,500
Springhill Park Community Development Association	<b>1,308</b>	0
St Columbs Park House	<b>(1,049)</b>	2,000
St John Bosco Youth Club	<b>0</b>	1,000
St Mary's Youth Centre (Portadown)	<b>0</b>	4,452
St Mary's Youth Association (Derry)	<b>4,500</b>	(248)
St Teresa's Youth Centre	<b>2,500</b>	0
St Vincent De Paul	<b>85</b>	0
Star Neighbourhood Centre	<b>17,093</b>	10,480
Stiles Community Association	<b>5,386</b>	3,040
Stiles Youth Project	<b>0</b>	500
Stop it Now! – NSPCC	<b>(524)</b>	5,200
Streetbeat Youth Project	<b>650</b>	0
Terry Enright Foundation	<b>6,989</b>	0
The Base Project (Previously Upper Springfield Youth Network)	<b>19,044</b>	19,655
The Bridge Community Association	<b>0</b>	1,735
The Churches Training Company Limited	<b>7,000</b>	0
The Fountain Project	<b>0</b>	1,660
The Salvation Army – Centenary House	<b>7,932</b>	4,434
The Y Zone	<b>6,000</b>	4,500
Ulster Quakers Service Committee	<b>(26)</b>	3,559
Ulster Temple	<b>0</b>	563
Upper Ardoyne Youth Club	<b>2,999</b>	2,493
Upper Springfield Development Co Ltd	<b>0</b>	2,300
Upper Springfield Development Co Ltd – Top of the Rock	<b>2,800</b>	0
Upper Springfield Youth Network – Holy Trinity Youth Centre	<b>4,000</b>	4,000
Voluntary Service Lisburn	<b>18,205</b>	18,205
Webciter	<b>(1)</b>	2,250
West Kirk Community Project	<b>8,500</b>	7,000
Wheatfield Action Project	<b>0</b>	1,800
Windsor Women's Centre	<b>8,114</b>	13,773
Women's Aid Ballymena	<b>3,213</b>	1,300
Women's Aid Coleraine (Causeway)	<b>3,890</b>	1,284
Women's Aid Cookstown & Dungannon	<b>735</b>	0
Women's Aid Craigavon & Banbridge	<b>0</b>	2,953
Women's Aid Foyle	<b>7,000</b>	5,000
Women's Aid Newry	<b>0</b>	2,754
Youthfirst Project	<b>2,875</b>	0
	<b>1,519,540</b>	1,522,768

## 5 Community service and other schemes

	2004-2005 £	2003-2004 £
Community Service and Other Schemes		
Community Service	<b>344,054</b>	298,093
Befriending Fund	<b>33,552</b>	27,467
Schemes for the supervision and assistance of Offenders and the prevention of crime	<b>55,340</b>	119,839
	<b>432,946</b>	445,399

## 6 Other operating costs

	2004-2005 £	2003-2004 £
<i>Other operating costs include</i>		
Travel and subsistence	<b>378,000</b>	372,617
Rent, rates, maintenance of buildings, electricity and fuel	<b>1,175,020</b>	1,107,829
Telephones, postage, stationery, office equipment and supplies	<b>804,711</b>	707,735
Training courses, conferences, library costs	<b>202,861</b>	199,351
Service costs	<b>215,382</b>	283,849
Professional fees related to buildings	<b>48,609</b>	31,184
Audit fee	<b>12,500</b>	12,500
Early departure costs	<b>0</b>	20,457
District valuer's fees and legal fees	<b>35,362</b>	19,557
Subscriptions	<b>10,851</b>	9,773
Consultancy	<b>313,693</b>	170,846
Vehicle	<b>39,768</b>	28,476
Loss on disposal of fixed assets	<b>3,666</b>	25,752
Permanent diminution in value of fixed assets	<b>57,700</b>	25,826
Miscellaneous	<b>199,926</b>	133,612
	<b>3,498,049</b>	3,149,364

## 7 Notional cost of capital

	2004-2005 £	2003-2004 £
Interest on capital employed	<b>108,125</b>	104,747

The income and expenditure account bears a non-cash charge for interest relating to the use of capital by the Board calculated at the Treasury Discount rate of 3.5% of the average net assets excluding donated assets.

## 8 Loan interest payable

	2004-2005 £	2003-2004 £
Interest payable	<b>5,651</b>	12,627

This represents the interest payable during the year on the loan used to fit out the Board's headquarters.

## 9 Loan interest receivable

	2004-2005 £	2003-2004 £
Interest receivable	<u>5,050</u>	<u>5,923</u>

This represents the interest receivable during the year on loans issued to essential car users from the Assisted Car Purchase Scheme.

## 10 Tangible fixed assets

The Valuation & Lands Agency carried out a desk based review of land and buildings at 31 March 2005. The valuations have been made in accordance with the Appraisal and Valuation Manual prepared and published by the Royal Institution of Chartered Surveyors on the basis of Existing Use Value. The last full valuation of land and buildings was 31 March 2003.

The market value of land and buildings for existing use is £2,674,205 with a corresponding historic net book value of £1,581,751. There is no material difference in the market value of land and buildings for alternative use. Included within land and buildings is land valued at £1,160,000 which is non-depreciable.

## 10 Tangible fixed assets

	Land and buildings (Freehold)	Expenditure on leasehold premises (Short Leasehold)	Plant and equipment	Computers	Fixtures and fittings	Motor vehicles	Assets under construction AUC	<b>Total</b>
	£	£	£	£	£	£	£	£
<b>Cost/valuation</b>								
At 1 April 2004	2,505,683	1,069,112	321,733	390,362	533,620	129,843	313,250	<b>5,263,603</b>
Additions	0	0	38,167	59,889	91,246	0	101,395	<b>290,697</b>
Completed AUC	0	0	878	253,525	0	0	(380,370)	<b>(125,967)</b>
Disposals	0	0	(12,988)	(14,977)	(28,899)	0	0	<b>(56,864)</b>
Revaluation	221,129	50,034	0	0	19,067	270	0	<b>290,500</b>
Diminution reversal	10,000	0	0	0	289	665	0	<b>10,954</b>
Permanent diminution in value	0	0	(4,145)	(77,501)	0	0	0	<b>(81,646)</b>
<b>At 31 March 2005</b>	<u>2,736,812</u>	<u>1,119,146</u>	<u>343,645</u>	<u>611,298</u>	<u>615,323</u>	<u>130,778</u>	<u>34,275</u>	<u><b>5,591,277</b></u>
<b>Accumulated depreciation</b>								
At 1 April 2004	202,683	782,102	227,586	214,651	356,855	96,687	0	<b>1,880,564</b>
Provision for year	49,129	111,237	36,839	99,071	38,669	22,702	0	<b>357,647</b>
Disposals	0	0	(11,359)	(13,618)	(27,331)	0	0	<b>(52,308)</b>
Backlog depreciation	0	36,602	0	0	5,364	127	0	<b>42,093</b>
Diminution reversal	0	0	0	0	29	532	0	<b>561</b>
Permanent diminution in value	0	0	(1,249)	(18,138)	0	0	0	<b>(19,387)</b>
<b>At 31 March 2005</b>	<u>251,812</u>	<u>929,941</u>	<u>251,817</u>	<u>281,966</u>	<u>373,586</u>	<u>120,048</u>	<u>0</u>	<u><b>2,209,170</b></u>
<b>Net book value</b>								
At 31 March 2005	<u>2,485,000</u>	<u>189,205</u>	<u>91,828</u>	<u>329,332</u>	<u>241,737</u>	<u>10,730</u>	<u>34,275</u>	<u><b>3,382,107</b></u>
At 31 March 2004	<u>2,303,000</u>	<u>287,010</u>	<u>94,147</u>	<u>175,711</u>	<u>176,765</u>	<u>33,156</u>	<u>313,250</u>	<u><b>3,383,039</b></u>

## 11 Tangible donated assets

Computers  
£

### Cost/valuation

At 1 April 2004	0
Additions	47,904
Disposals	0
Permanent diminution in value	(5,834)
<b>At 31 March 2005</b>	<b>42,070</b>

### Accumulated depreciation

At 1 April 2004	0
Provision for year	20,213
Disposals	0
Permanent diminution in value	0
<b>At 31 March 2005</b>	<b>20,213</b>

Net book value

<b>At 31 March 2005</b>	<b>21,857</b>
At 31 March 2004	0

## 12 Intangible fixed asset

Software Licences  
£

### Cost/valuation

At 1 April 2004	81,783
Additions	0
Completed AUC	125,967
Disposals	0
<b>At 31 March 2005</b>	<b>207,750</b>

### Accumulated depreciation

At 1 April 2004	35,050
Provision for year	29,678
Disposals	0
<b>At 31 March 2005</b>	<b>64,728</b>

Net book value

<b>At 31 March 2005</b>	<b>143,022</b>
At 31 March 2004	46,733

**13 Debtors**

	2005 £	2004 £
<b>Amounts falling due within one year</b>		
Prepayments	<b>175,421</b>	142,342
Assisted car purchase scheme	<b>27,090</b>	29,975
Protect N & S debtor	<b>44,535</b>	0
Office imprests	<b>10,605</b>	9,075
Other debtors	<b>46,476</b>	21,701
	<b>304,127</b>	203,093
Amount falling due after one year		
Assisted car purchase scheme	<b>29,837</b>	33,482
	<b>333,964</b>	236,575

**14 Creditors: amounts falling due within one year**

	2005 £	2004 £
Headquarters loan capital	<b>22,314</b>	84,625
Accruals	<b>557,993</b>	303,460
Deferred grant	<b>144,026</b>	145,546
	<b>724,333</b>	533,631

**15 Creditors: amounts falling due after one year**

	2005 £	2004 £
<i>Headquarters Loan is repayable as follows</i>		
Between one and two years	<b>0</b>	22,314
Between two and five years	<b>0</b>	0
In five years or more	<b>0</b>	0
	<b>0</b>	22,314

The loan is at a fixed rate of interest of 8.63%, with repayments on a quarterly basis, and is secured on seven freehold properties.

**16 Reconciliation of movement on general fund and reserves**

	General fund £	Government grant reserve £	Revaluation reserve £	Donated asset reserve £	2005 Total £	2004 Total £
At 1 April 2004	(270,715)	3,353,168	9,334	0	<b>3,091,787</b>	2,893,740
Transfer from Income and Expenditure Account	(181,423)	0	0	0	<b>(181,423)</b>	(340,232)
Surplus on revaluation of fixed assets arising in year	0	244,822	3,585	0	<b>248,407</b>	117,423
Transfer between reserves in respect of disposed assets	890	(890)	0	0	<b>0</b>	0
Gain reversals charged to government grant reserve	0	0	0	0	<b>0</b>	(853)
Asset under construction to Reserve (see note 17)	0	34,275	0	0	<b>34,275</b>	0
Capital grant to reserve	0	256,422	0	47,904	<b>304,326</b>	710,993
Revaluation realised during the year	12,919	0	(12,919)	0	<b>0</b>	0
Grant credit to Income and Expenditure Account	0	(362,668)	0	(26,047)	<b>(388,715)</b>	(289,284)
<b>Balance at 31 March 2005</b>	<b>(438,329)</b>	<b>3,525,129</b>	<b>0</b>	<b>21,857</b>	<b>3,108,657</b>	<b>3,091,787</b>

The balance on Government Grant Reserve (UK grant portion £3,519,153, EU grant portion £5,976) excludes the capitalised fit out for Headquarters which was funded by Loan (see note 15) and not by grant income.

**17 Reconciliation of fixed asset additions**

	2004-2005 £	2003-2004 £
Tangible fixed asset additions (Note 10)	<b>290,697</b>	710,993
Opening fixed asset creditor	<b>24,094</b>	6,212
Closing fixed asset creditor	<b>(2,023)</b>	(24,094)
Asset under construction	<b>(34,275)</b>	0
Cash outflow in respect of capital expenditure	<b>278,493</b>	693,111

Included in the additions to Assets Under construction are Causeway integration costs amounting to £34,275 incurred by the Causeway programme at no charge to the Board. As there was no cash outflow from the Board the adjustment has been made to correctly reflect the Board's capital expenditure in cash terms.

**18 Reconciliation of loan interest payable**

	2004-2005 £	2003-2004 £
Loan interest payable (Note 8)	<b>5,651</b>	12,627
Opening loan interest creditor	<b>1,113</b>	1,878
Closing loan interest creditor	<b>(232)</b>	(1,113)
Cash outflow in respect of loan Interest	<b>6,532</b>	13,392

**19 Analysis of government grant release**

	2004-2005 £	2003-2004 £
Depreciation charge	<b>387,325</b>	314,310
Depreciation – Headquarters fit out (original asset not funded by government grant)	<b>(80,189)</b>	(76,604)
Depreciation matched by government grant release	<b>307,136</b>	237,706
Permanent diminution matched by government grant release	<b>51,866</b>	25,826
Loss on disposal of fixed assets matched by government grant release	<b>3,666</b>	25,752
Government grant release	<b>362,668</b>	289,284

**20 Analysis of donated asset release**

	2004-2005 £	2003-2004 £
Depreciation charge	<b>20,213</b>	0
Permanent diminution matched by donated asset release	<b>5,834</b>	0
Donated asset release	<b>26,047</b>	0

**21 Provision for liabilities and charges**

	2004-2005 £	2003-2004 £
<b>Early departure provision</b>		
Opening balance	<b>194,239</b>	185,248
Arising during year	<b>(5,817)</b>	20,457
Utilised during year	<b>(11,430)</b>	(11,466)
Closing balance	<b>176,992</b>	194,239

The Board has provided in full for the cost of paying pensions of employees who retired early from the Board. These figures represent the best estimate of the amount payable.

**22 Reconciliation of operation surplus/(deficit) to net cash inflow/(outflow) from operating activities**

	2004-2005 £	2003-2004 £
Deficit	<b>(288,947)</b>	(438,275)
Depreciation charge	<b>407,538</b>	314,310
Notional cost of capital	<b>108,125</b>	104,747
Government grant credit	<b>(362,668)</b>	(289,284)
Permanent diminution in value of fixed assets	<b>57,700</b>	25,826
(Increase)/decrease in debtors	<b>(103,919)</b>	20,238
Increase/(decrease) in creditors	<b>275,965</b>	(57,273)
Loss on disposal of fixed assets	<b>3,666</b>	25,752
Net (decrease)/increase in provision for liabilities and charges	<b>(17,247)</b>	8,991
Donated asset credit	<b>(26,047)</b>	0
<b>Net Cash inflow/(outflow) from operating activities</b>	<b>54,166</b>	(284,968)

### 23 Reconciliation of net cash flow to movement in net funds

	2005		2004	
	£	£	£	£
(Decrease) in cash in the period	<b>(46,592)</b>		(107,696)	
Repayment of loan	<b>84,625</b>		<b>77,763</b>	
Debt received	<b>39,535</b>		<b>(19,828)</b>	
Change in debt/(net funds)		<b>77,568</b>		(49,761)
Net funds at 1 April 2004		<b>141,217</b>		190,978
Net funds at 31 March 2005 (Note 24)		<b>218,785</b>		141,217

### 24 Analysis of changes in net funds

	At 1 April 2004	Cash Flows	At 31 March 2005
	£	£	£
Cash in hand, at bank	175,624	(46,592)	<b>129,032</b>
Debt payable within one year	(84,625)	62,311	<b>(22,314)</b>
Debt payable after one year	(22,314)	22,314	<b>0</b>
Debt receivable within one year	39,050	43,180	<b>82,230</b>
Debt receivable after one year	33,482	(3,645)	<b>29,837</b>
Total	141,217	77,568	<b>218,785</b>

### 25 Related party transactions

Probation Board is a Non Departmental Public Body sponsored by the Northern Ireland Office.

The Northern Ireland Office is regarded as a related party. During the year the Board has had various transactions with the Department and other entities for which the Northern Ireland Office is regarded as the parent Department, i.e. Prison Service Agency, as disclosed in note 2.

To capture information on related party transactions, the Board has circularised members and senior management. Due to the nature of the Board's operations and the composition of the Board, it is inevitable that transactions will take place with organisations in which a member of the Board or senior manager may have an interest. All such transactions are conducted at arm's length and in accordance with the Board's policies.

The following related party transactions were incurred during the year

- The Northern Ireland Office incurred capital costs of £34,275 on behalf of Probation Board which are not required to be reimbursed but which are included as fixed assets of the Board;
- Probation Board received an amount of £35,000 from the Northern Ireland Office in respect of operating costs incurred or to be incurred by the Youth Justice Agency. At the end of the year this amount had not been expended;
- Ms K Yiasouma, a member of the Board, was a Director and Chief Executive of Include Youth which received £25,000 in grant from Probation Board;
- Probation Board received £24,000 from Northern Ireland office for the operating costs of the NI Justice and Care Assessment Centre of which Mr G Kelly, a senior manager of the Board representing the Probation Board, was Chairman. Mr G Kelly was succeeded as Chairman by Mrs P Best, a senior manager of the Board in an acting-up capacity representing the Probation Board; and

- Mr J Bourke, a senior manager of Probation Board representing the Probation Board, is a committee member of Belfast Activity centre and Terry Enright Foundation which respectively received £37,618 & £6,989 in grants from the Board.

**26 Key financial targets**

There were no key financial targets for the Probation Board for Northern Ireland.

**27 Financial instruments**

*Liquidity risk*

The Board’s revenue resources requirements are financed by resources voted annually by Parliament, just as its capital expenditure largely is. The Board is not therefore exposed to significant liquidity risk.

*Interest rate risk*

The headquarters loan account is repayable quarterly at a fixed interest of 8.63% and the Board is therefore not exposed to any significant interest rate risk.

*Foreign currency risk*

The Board has no foreign currency income and expenditure is restricted to secondee payments and some other operating costs. It is not therefore exposed to significant foreign currency risk.

**28 Losses statement**

Total Losses (42 cases)	£15,150
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