

Presented pursuant to S.I 1982 NO. 713 (N.I.10) sch.3 paragraph 2(3) of the Probation Board (Northern Ireland) Order 1982

Probation Board for Northern Ireland Account 2003-2004

ORDERED BY THE HOUSE OF COMMONS TO BE PRINTED 14 MARCH 2005

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Foreword

The Chief Executive submits the foreword and audited accounts for the year ended 31 March 2004.

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 1 January 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 voluntary 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 56 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 £340,232 (2003: deficit £254,599).

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

There have been no significant events since the end of the financial year which would affect the results for the year or the assets and liabilities at the year end.

Future developments

This coming year is the final year of the 2002-2005 Corporate Plan. The key future developments for the year 2004-2005 will include

- 1 The development and publication of a new Corporate Plan 2005-2008.
- 2 Implementation of the agreed recommendations stemming from the Strategic Review of PBNI. These will include reviews of
 - the estate;
 - the Community Development funding;
 - the governance and relationship with NIO; and
 - the structure of senior management.
- 3 The thematic inspection of MASRAM process conducted by the Criminal Justice Inspectorate.
- 4 The continued rollout of the Probation Information Management System and Causeway Project.
- 5 The implementation of the North/South Project.
- 6 The introduction of agreed Northern Ireland standards for community sentences.
- 7 The continued implementation of the Criminal Justice Review recommendations.

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 £710,993 of additions to fixed assets during the year. Movements in fixed assets are disclosed in notes 10 and 11.

Board members

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

A new Board was appointed with effect from 1 December 2003.

The members of the Board until November 2003 were

Mr B Rowntree	Chairman
Mr J Crozier CB	Deputy Chairman
Mrs E Bell	Resigned November 2003
Mrs M Clark-Glass CBE	
Ms M Gilheany	
Mrs B Grant	
Dr R Hanna CBE	
Mrs J Hillen	
Mr P Killen OBE	
Mr D Moloney	
Miss M McCann	
Mr T McGrath OBE	
Mrs F Reid	
Mrs G Rice	Resigned November 2003
Mr A Sherrard	
Mr B Stuart	

The members of the Board from December 2003 were

Mr B Rowntree	Chairman
Mrs F Reid	Deputy Chairman
Ms J Daykin	
Mr T Flanagan	
Ms M Gilheany	
Mrs B Grant	
Dr R Hanna CBE	
Mrs J Hillen	
Mr P Killen OBE	
Mr A MacLaughlin	
Mr P McAteer	
Miss M McCann	
Dr R McKee	
Mrs G Rice	From January 2004
Mrs G Shaw CBE	
Mr B Stuart	
Mr W Tweed	
Ms KYiasouma	

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, 99.92% 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.

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

2 February 2005

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 2004 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;
- monthly 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

2 February 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 28 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 with the approval of Treasury 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 with the approval of the Treasury, 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 Accounting Officer'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 Probation Board for Northern Ireland 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 2004 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 with the approval of the Treasury; 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

7 March 2005

National Audit Office
157-197 Buckingham Palace Road
Victoria
London SW1W 9SP

Income and Expenditure Account for the year ended 31 March 2004

	Notes	2003-2004 £	2002-2003 restated £
Income			
HMG grant received	1&2	12,084,212	12,271,071
Other operating income	1&2	1,407,870	1,156,436
Total income		<u>13,492,082</u>	<u>13,427,507</u>
Expenditure			
Salaries and wages	3	8,393,769	7,954,493
Depreciation	10 & 11	314,310	281,830
Grants to voluntary bodies	4	1,522,768	2,451,348
Community service and other schemes	5	445,399	384,830
Other operating costs	6	3,149,364	2,597,430
Notional cost of capital	7	104,747	177,406
Total expenditure		<u>13,930,357</u>	<u>13,847,337</u>
Deficit of income over operating expenditure		(438,275)	(419,830)
Loan interest payable	8	(12,627)	(19,109)
Loan interest receivable	9	5,923	6,934
Deficit for year		<u>(444,979)</u>	<u>(432,005)</u>
Credit in respect of notional cost of capital	7	104,747	177,406
Amount transferred to general fund	15	<u>(340,232)</u>	<u>(254,599)</u>

This deficit relates to the continuing activities of the Board.

The movement on the General Fund is set out in note 15.

The notes on pages 14 to 28 form part of the accounts.

Statement of Total Recognised Gains and Losses for the year ended 31 March 2004

	Note	2003-2004 £	2002-2003 restated £
Deficit for the financial year		(444,979)	(432,005)
Unrealised surplus on revaluation of fixed assets	15	117,423	144,948
Total recognised losses for the year		<u>(327,556)</u>	<u>(287,057)</u>

Balance Sheet as at 31 March 2004

	Notes	2004 £	2003 £
Fixed assets			
Tangible assets	10	3,383,039	3,133,404
Intangible assets	11	46,733	58,417
		3,429,772	3,191,821
Current assets			
Debtors and prepayments	12	236,575	277,711
Cash at bank and in hand		175,624	283,320
		412,199	561,031
Creditors: amounts falling due within one year	13	(533,631)	(566,925)
Net current (liabilities)		(121,432)	(5,894)
Total assets less current liabilities		3,308,340	3,185,927
Creditors: amounts falling due after one year	14	(22,314)	(106,939)
Provision for liabilities and charges	19	(194,239)	(185,248)
		3,091,787	2,893,740
Financed by			
Capital and reserves	15		
General fund		(270,715)	(163,540)
Government grant reserve		3,353,168	3,041,984
Revaluation reserve		9,334	15,296
		3,091,787	2,893,740

The notes on pages 14 to 28 form part of the accounts

Mr N Rooney
Chief Executive
Probation Board for Northern Ireland

2 February 2005

Cashflow Statement for the year ended 31 March 2004

	Notes	2003-2004		2002-2003	
		£	£	£	£
Net cash (outflow) from operating activities	20		(284,968)		(28,642)
Return on investments and servicing of finance					
Interest paid	17	(13,392)		(19,894)	
Car loan interest received		5,923		6,934	
Net cash (outflow) from return on investments and servicing of finance			(7,469)		(12,960)
Capital expenditure					
Proceeds from sale of fixed assets		223,723		277,056	
Payments for fixed assets	16	(693,111)		(169,879)	
Net cash (outflow)/inflow from capital expenditure			(469,388)		107,177
Financial investment					
Car loan principal advanced		(32,419)		(51,030)	
Net cash (outflow) from financial investment			(32,419)		(51,030)
Net cash inflow/(outflow) before management of liquid resources and financing			(794,244)		14,545
Financing					
Repayment of long term bank loan		(77,763)		(71,263)	
Capital grant received		710,993		168,488	
Car loan principal repaid		53,318		53,605	
Net cash inflow from financing			686,548		150,830
(Decrease)/increase in cash			(107,696)		165,375

The notes on pages 14 to 28 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	Five years
Fixtures and fittings	Pooled	£1,000	10 years
Plant and equipment	Pooled	£1,000	Five years
Computer hardware	Pooled	£1,000	Five years
Computer Licence - Risk Assessment (Intangible)	Individual	£5,000	Seven 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.

All fixed assets with the exception of land and buildings, 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 and Lands Agency with a full professional valuation every five years. The next professional valuation will be carried out at 31 March 2008.

The computer licence for the Risk Assessment System is not revalued and is recorded at historic cost (See note 11).

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 to voluntary bodies

Grants paid to voluntary 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. Voluntary 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% (2002-2003: 6%) of average net assets. There are no other notional costs relating to the running of the Board borne by Government Departments or organisations.

2 Income

	2003-2004	2002-2003
	£	restated £
HMG grants received		
Grant-in-Aid received from Northern Ireland Office		
Request for Resources 1	12,720,205	12,318,559
Capital grant to government grant reserve	(710,993)	(168,488)
	12,009,212	12,150,071
Belfast Regeneration Office – Request for Resources 1	75,000	121,000
	12,084,212	12,271,071

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

Prison service	756,000	720,000
Secondment	325,586	201,365
Government grant release (note 18)	289,284	184,815
Profit on disposal of fixed assets	0	22,616
Miscellaneous	37,000	27,640
	1,407,870	1,156,436

Prison Service - £756,000 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 - £325,586 represents salary and travel income of seconded staff and student placement fees.

Government grant release - £289,284 represents release of grant from government grant reserve to match the consumption of the related assets over the expected useful economic lives.

Miscellaneous - £37,000 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

	2003-2004	2002-2003 restated
	£	£
Board Members' remuneration and expenses	54,914	52,458
Probation staff	6,278,481	5,952,220
The average number of staff in the period was 186 (2003: 194)		
Administration staff	1,719,706	1,681,219
The average number of staff in the period was 86 (2003: 84)		
Sub total	8,053,101	7,685,897
Inward secondments	51,376	39,485
Agency/temporary staff and contract staff	289,292	229,111
Total	8,393,769	7,954,493
Less recoveries in respect of outward secondments	(325,286)	(201,365)
Total net costs	8,068,483	7,753,128

The staff costs and numbers in 2002-2003 have been restated to comply with new guidance on the disclosure of emoluments. The portion relating to inward secondments and agency/temporary staff and contract staff has been removed from service costs (note 6) and charged to staff costs. The staff on outward secondment have been excluded from staff numbers.

The Chairman receives remuneration and expenses. The Board members on the following page receive a remuneration by way of fixed attendance allowances. The attendance allowance rates for the deputy of the Board and the chairman of the Board committees is £31.72 for meetings lasting up to four hours and £63.44 for meetings over four hours. The attendance allowance rates of other Board members are £23.79 for meetings lasting up to four hours and £47.59 for meetings over four hours. All Board members are appointed for a fixed term of three years. The Chairman and the Board members are not members of the Board's pension scheme.

	Remuneration £k
Mr B Rowntree (Chairman)	30 - 35
Mr J Crozier	0 - 5
Mrs E Bell	0 - 5
Mr N Bole	0 - 5
Mrs M Clark-Glass	0 - 5
Ms M Gilheany	0 - 5
Mrs B Grant	0 - 5
Mr R Hanna	0 - 5
Mrs J Hillen	0 - 5
Mr P Killen	0 - 5
Mr D Moloney	0 - 5
Mr R Mullan	0 - 5
Miss M McCann	0 - 5
Mr T McGrath	0 - 5
Mrs F Reid	0 - 5
Mrs G Rice	0 - 5
Mr A Sherrard	0 - 5
Mr B Stuart	0 - 5

The average number of staff employed by the Probation Board for Northern Ireland during 2003-2004 together with details of staff costs were as follows

	Numbers	Gross Emols £k	Employers Nat. Ins. £k	Superann £k
Professional staff				
Probation management	10	463	45	20
Probation staff	176	5,130	398	222
Agency/temporary staff and contract staff	0	13	0	0
Administrative staff				
Management	1	42	4	4
Administrative	85	1,453	91	126
Agency/temporary staff and contract staff	17	276	0	0
Inward secondments/staff on loan	2	51	0	0

(In addition an average of 18 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 2003-2004 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 3 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 2001. The employer's rate for year commencing 1 April 2004 has been maintained at 4.6%. The full actuarial revaluation as at 31 March 2004, still to be finalised, shows a reduction in the scheme surplus and an employer contribution rate of 8.5% has been proposed for year commencing 1 April 2005.

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 incr in Pension & 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	65 - 70	0-5 plus lump sum 0-5	20 – 25 plus 70-75 lump sum	346	370	14
Mr B McCaughey Director of Operations	50 - 55	0-5 plus lump sum 0-5	15 – 20 plus 50-55 lump sum	204	221	12

Column 5 (CETV at 31 March 2003) 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, and from 2003-2004 the other pension details, 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 to voluntary bodies

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

	2003-2004 £	2002-2003 £
Grants over £100,000		
Northern Ireland Association for the Care & Resettlement of Offenders	353,363	566,995
Extern Organisation	215,170	315,470
Grants £50,001 - £100,000		
West Belfast Parent Youth Support Group - Roghanna	97,242	94,410
Grants £25,001 - £50,000		
Presbyterian Church in Ireland - Thompson House and Carlisle House	45,729	197,424
Business in the Community	46,250	34,295
Lower Falls 'New Start' Project	45,341	29,457
The Lynx Project	43,154	45,936
Stadium Youth & Community Centre	41,589	51,794
Duke of Edinburgh's Award/Belfast Activity Centre	36,522	35,458
Prison Arts Foundation	32,204	18,078
Corner House Cross Community Family Centre	30,060	26,039
Grants up to £25,000		
174 Trust	2,237	0
1825 Young Men's Project	0	3,000
Age Concern Derry	3,750	4,000
Ait Na Mona Residents' Association	(1,105)	2,000
Anchorage Resource Centre	0	(14)
Antrim Youth Council	660	0
Antrim Youth Information Centre	0	1,550
Ardoyne Fleadh	6,000	0
Ardoyne Focus Group	2,340	0
Ardoyne Youth Club	2,000	1,870
Artability NI Ltd	15,725	8,196
Ashmore Youth Club	0	4,000
Ballyclare Community Concerns	3,992	0
Ballyduff Community Group	1,500	0
Ballymac Friendship Trust	2,731	0
Ballymagroarty Youth Club	(20)	2,500
Ballymena Family Addicts Support Group	0	9,900
Ballynafeigh Community Development Assoc	1,000	3,000
Ballynahinch Regeneration Ltd	3,950	0
Barnardos	15,200	7,000
Belfast City Cup	0	6,700
Belfast Door Project	3,358	5,006
Breakthru	2,890	0
Bytes Project (Derry)	4,224	0
Bytes Project (Short Strand)	0	7,403
Bytes Project (Upper Springfield)	0	7,602
Cancer Research (NI)	499	827
Centre Care Monkstown	0	4,000
Challenge for Youth	12,000	40,000
Churches Training Company Limited	0	3,800
Cliftonville Community Centre	0	6,180
CODA (Community Drugs Awareness)	975	3,155
CODAG (Comber Drugs Awareness)	2,700	0
Colin Community Forum	0	5,000
Community Development Centre North Belfast	0	(1,648)
Concerned Residents of Upper Ardoyne	0	3,000
Conflict Trauma Resource Centre	1,500	0
Conservation Volunteers - Derry & Coleraine	8,000	10,000
Contact Youth Counselling Services	3,750	0
Contact Youth Support Group	0	8,450
Council for the Homeless	0	15,000
Corrymeela	4,711	5,067

4 Grants to voluntary bodies (continued)

	2003-2004	2002-2003
	£	£
Grants up to £25,000		
Craigavon District Youth Council	10,000	9,000
Cregagh Community Churches Partnership	0	11,172
Crosskennan Lane Animal Sanctuary	5,880	0
Cuan Mhuire	1,248	0
Dale Youth Group	0	(160)
Denmark Street Community Association	500	380
Dismas House Hostel	7,952	152,167
Down Lisburn Trust - Victorian Garden CS Scheme	560	989
Dunlewey Substance Advice Centre	6,500	0
East Belfast Mission	3,629	1,950
Edward St Hostel	9,678	60,408
Factory Community Group	1,500	0
Family Caring Centre	1,000	0
Ffwd (Fast Forward)	3,432	0
First Housing Aid & Support Services	19,168	18,610
Forum for Action on Substance Abuse	0	4,422
Gleann Amateur Boxing Club	2,000	2,000
Glen Rural Community Group	7,000	4,900
Glenbawn Youth Group	1,075	0
Glencairn Youth Initiative	4,000	4,000
Glengormley Amateur Boxing Club	0	500
Glentoran Community Initiative	3,325	0
Greater Shankill Partnership	0	2,776
Hillcrest House	0	2,500
Holy Trinity Community Counselling	3,500	4,000
Horn Drive Drop-in	1,850	0
Include Youth	16,000	22,066
Inner East Youth Project	7,888	11,884
Inter Agency	1,539	1,438
Kansas Youth Group	1,000	0
Keady Athletic Football Club	2,100	0
Kilkeel Parish Bridge Association	6,000	0
Killyleagh Youth for Christ – Cross Drop-in Centre	780	0
Lisburn YMCA	2,400	5,000
Little America Cross Community Group	500	0
Living Rivers Lighthouse Hostel	18,445	10,000
Londonderry YMCA	0	8,812
Lower Mid-Shankill Area Project	0	500
Lower North Belfast Area Project	0	500
Lower Shankill Community Association	(26)	2,000
Lower Shankill Football Club	500	0
Magnet Young Adult Centre	2,500	0
Megain Memorial Church	2,940	0
Methodist City Misson	4,999	0
Mid Skegoneill Community Group	0	495
Monkstown Boxing Club	0	1,500
Mountainview Outreach Project	1,000	0
MUST Hostel	13,123	75,661
New Life Counselling Service	6,000	6,818
Newhill Youth & Community Centre	2,500	0
Newington Amateur Boxing Club	350	240
NI Hospice Trading Limited	0	548
North Belfast Communities in Action	0	1,000
North Belfast Play Forum	8,872	9,660
North & West Housing - Sheltered Help	7,160	0
North & West Housing - Strand Foyer	(269)	4,845
Oasis - Caring in Action	5,000	23,180
Oasis Youth Centre Limited	1,704	0

4 Grants to voluntary bodies (continued)

	2003-2004	2002-2003
	£	£
Grants up to £25,000		
Ogras Youth Club	0	1,048
Old Warren Partnership	2,000	3,840
Open Door Housing Association – Clooney Terrace & Dillon Court	9,178	0
Oxfam NI – Ballyhackamore & Cregagh Road	1,444	980
Paragon Services Limited	14,482	11,536
Pop Bar Drop-In Centre	0	5,680
Praxis Care Group	2,950	1,000
Prison Fellowship	19,622	17,222
Randalstown Community Forum	0	3,000
Rathenraw Youth Scheme	0	2,000
Realizing Potential	19,982	16,000
Regina Coeli Hostel	6,975	4,547
Roden Street Community Development Group	0	2,045
Rosario Youth Club	3,000	0
SADI (Support Awareness Drugs Initiative)	0	(327)
Shankill Community Initiative	0	700
Shankill Lurgan Community Project	920	0
Short Strand Community Forum	0	270
Simon Community	5,000	0
Sole Purpose Productions	2,400	0
Springfarm & District Community Association	1,939	1,500
Springhill Youth Development Programme	1,500	2,408
St Columbs Park House	2,000	0
St Davog's Scheme	0	1,323
St John Bosco Youth Club	1,000	0
St Mary's Youth Centre (Portadown)	4,452	2,535
St Mary's Youth Association (Derry)	(248)	7,426
Star Neighbourhood	10,480	9,500
Stiles Community Association	3,040	4,000
Stiles Youth Project	500	0
Stop it Now! - NSPCC	5,200	0
Suffolk Community Centre	0	4,700
Terry Enright Foundation	0	1,000
The Base Project (Previously Upper Springfield Youth Network)	19,655	17,380
The Bridge Community Association	1,735	0
The First Step Drop-in Centre	5,741	5,486
The Fountain Project	1,660	845
The Salvation Army - Centenary House	4,434	70,161
The Y Zone	4,500	0
Ulster Quakers Service Committee	3,559	144,866
Ulster Temple	563	546
Upper Ardoyne Youth Club	2,493	0
Upper Springfield Development Co Ltd	2,300	0
Upper Springfield Resource Centre	0	3,200
Upper Springfield Youth Network – Holy Trinity Youth Centre	4,000	0
Vincent's Downpatrick Ltd	0	2,868
Voluntary Service Lisburn	18,205	17,675
Webciter	2,250	0
West Kirk Community Project	7,000	0
Wheatfield Action Project	1,800	0
Windsor Women's Centre	13,773	7,649
Women's Aid Ballymena	1,300	4,351
Women's Aid Belfast	0	(847)
Women's Aid Coleraine	1,284	1,967
Women's Aid Craigavon & Banbridge	2,953	0
Women's Aid Foyle	5,000	5,000
Women's Aid Newry	2,754	0
YMCA Workshop	0	8,607
	1,522,768	2,451,348

5 Community service and other schemes

	2003-2004	2002-2003
	£	£
Community Service and other schemes		
Community Service	298,093	272,942
Befriending Fund	27,467	23,591
Schemes for the supervision and assistance of offenders and the prevention of crime	119,839	88,297
	445,399	384,830

6 Other operating costs

	2003-2004	2002-2003
	£	restated £
<i>Other operating costs include</i>		
Travel and Subsistence	372,617	358,159
Rent, rates, maintenance of buildings, electricity and fuel	1,107,829	918,140
Telephones, postage, stationery, office equipment and supplies	707,735	533,169
Training courses, conferences, library costs	199,351	140,606
Service costs	283,849	243,896
Professional fees related to buildings	31,184	15,785
Audit fee	12,500	12,500
Early departure costs	20,457	17,896
District valuer's fees and legal fees	19,557	8,781
Subscriptions	9,773	8,136
Consultancy	170,846	184,673
Vehicle	28,476	28,614
Loss on disposal of fixed assets	25,752	0
Permanent diminution in value of fixed assets	25,826	519
Miscellaneous	133,612	126,556
	3,149,364	2,597,430

Early departure costs consist of an increase in the early departure provision as indicated in note 19.

7 Notional cost of capital

	2003-2004	2002-2003
	£	£
Interest on capital employed	104,747	177,406

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.

8 Loan interest payable

	2003-2004	2002-2003
	£	£
Interest payable	12,627	19,109

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

9 Loan interest receivable

	2003-2004 £	2002-2003 £
Interest receivable	<u>5,923</u>	<u>6,934</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

	Land and buildings	Expenditure on leasehold premises	Plant and equipment	Computers	Fixtures and fittings	Motor vehicles	Assets under construction	Total
	£	£	£	£	£	£	£	£
Cost/valuation								
At 1 April 2003	2,646,734	962,765	294,479	350,267	502,692	127,973	0	4,884,910
Additions	0	82,821	82,506	163,398	69,018	0	313,250	710,993
Disposals	(253,893)	0	(51,407)	(84,574)	(36,538)	0	0	(426,412)
Revaluation	108,673	23,526	0	0	0	134	0	132,333
Diminution/gain reversal	4,169	0	(611)	0	(1,257)	1,736	0	4,037
Permanent diminution in value	0	0	(3,234)	(38,729)	(295)	0	0	(42,258)
At 31 March 2004	<u>2,505,683</u>	<u>1,069,112</u>	<u>321,733</u>	<u>390,362</u>	<u>533,620</u>	<u>129,843</u>	<u>313,250</u>	<u>5,263,603</u>
Accumulated depreciation								
At 1 April 2003	181,234	660,965	245,496	231,820	358,764	73,227	0	1,751,506
Provision for year	45,342	106,265	31,560	64,787	32,158	22,514	0	302,626
Disposals	(23,893)	0	(48,513)	(71,058)	(33,472)	0	0	(176,936)
Backlog depreciation	0	14,872	0	0	0	38	0	14,910
Diminution/gain reversal	0	0	(407)	0	(609)	908	0	(108)
Permanent diminution in value	0	0	(550)	(10,898)	14	0	0	(11,434)
At 31 March 2004	<u>202,683</u>	<u>782,102</u>	<u>227,586</u>	<u>214,651</u>	<u>356,855</u>	<u>96,687</u>	<u>0</u>	<u>1,880,564</u>
Net book value								
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>3,383,039</u>
At 31 March 2003	<u>2,465,500</u>	<u>301,800</u>	<u>48,983</u>	<u>118,447</u>	<u>143,928</u>	<u>54,746</u>	<u>0</u>	<u>3,133,404</u>

The market value of land and buildings for existing use is £2,590,010 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 £1,025,000 which is non-depreciable.

11 Intangible fixed asset

	Risk assessment licence £
Cost/valuation	
At 1 April 2003	81,783
Additions	0
Disposals	0
At 31 March 2004	<u>81,783</u>
Accumulated depreciation	
At 1 April 2003	23,366
Provisions for year	11,684
Disposals	0
At 31 March 2004	<u>35,050</u>
Net book value	
At 31 March 2004	<u>46,733</u>
At 31 March 2003	<u>58,417</u>

12 Debtors

	2004 £	2003 £
Amount falling due within one year		
Prepayments	142,342	127,734
Assisted Car Purchase Scheme	29,975	38,783
Office imprests	9,075	8,005
Other debtors	21,701	57,617
	<u>203,093</u>	<u>232,139</u>
Amount falling due after one year		
Assisted Car Purchase Scheme	33,482	45,572
	<u>236,575</u>	<u>277,711</u>

13 Creditors: amounts falling due within one year

	2004 £	2003 £
Headquarters Loan Capital	84,625	77,763
Accruals	303,460	235,347
Deferred grant	145,546	253,815
	<u>533,631</u>	<u>566,925</u>

14 Creditors: amounts falling due after one year

	2004	2003
	£	£
<i>Headquarters Loan is repayable as follows</i>		
Between one and two years	22,314	84,625
Between two and five years	0	22,314
In five years or more	0	0
	22,314	106,939

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.

15 Reconciliation of movement on general fund and reserves

	General fund	Government grant reserve	Revaluation reserve	2004 Total	2003 Total
	£	£	£	£	£
At 1 April 2003	(163,540)	3,041,984	15,296	2,893,740	3,019,800
Transfer from Income and Expenditure Account	(340,232)	0	0	(340,232)	(254,599)
Surplus on revaluation of fixed assets arising in year	0	114,051	3,372	117,423	144,948
Transfer between reserves in respect of disposed assets	223,723	(223,723)	0	0	0
Gain reversals charged to Government grant reserve	0	(853)	0	(853)	(82)
Capital grant to reserve	0	710,993	0	710,993	168,488
Revaluation realised during the year	9,334	0	(9,334)	0	0
Grant credit to Income and Expenditure Account	0	(289,284)	0	(289,284)	(184,815)
Balance at 31 March 2004	(270,715)	3,353,168	9,334	3,091,787	2,893,740

The balance on Government Grant Reserve excludes the capitalised fit out for Headquarters which was funded by Loan (see note 14) and not by grant income.

16 Reconciliation of fixed asset additions

	2003-2004	2002-2003
	£	£
Tangible fixed asset additions (note 10)	710,993	168,488
Opening fixed asset creditor	6,212	7,603
Closing fixed asset creditor	(24,094)	(6,212)
Cash outflow in respect of capital expenditure	693,111	169,879

17 Reconciliation of loan interest payable

	2003-2004	2002-2003
	£	£
Loan interest payable (note 8)	12,627	19,109
Opening loan interest creditor	1,878	2,663
Closing loan interest creditor	(1,113)	(1,878)
Cash outflow in respect of loan interest	13,392	19,894

18 Analysis of government grant release

	2003-2004 £	2002-2003 £
Depreciation charge	314,310	281,830
Depreciation – Headquarters Fit Out (original asset not funded by Government grant)	(76,604)	(74,918)
Depreciation matched by Government grant release	237,706	206,912
Permanent diminution matched by Government grant release	25,826	519
Loss/(profit) on disposal of fixed assets matched by Government grant release	25,752	(22,616)
Government grant release	289,284	184,815

19 Provision for liabilities and charges

	2004 £	2003 £
Early departure provision		
Opening balance	185,248	178,622
Arising during year	20,457	17,896
Utilised during year	(11,466)	(11,270)
Closing balance	194,239	185,248

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.

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

	2004 £	2003 £
Deficit	(438,275)	(419,830)
Depreciation charge	314,310	281,830
Notional cost of capital	104,747	177,406
Government grant credit	(289,284)	(184,815)
Permanent diminution in value of fixed assets	25,826	519
Decrease/(increase) in debtors	20,238	(38,836)
(Decrease)/increase in creditors	(57,273)	171,074
Loss/(profit) on disposal of fixed assets	25,752	(22,616)
Net increase in provision for liabilities and charges	8,991	6,626
Net Cash (outflow) from operating activities	(284,968)	(28,642)

21 Reconciliation of net cash flow to movement in net funds

	2004 £	2003 £
(Decrease)/increase in cash in the period	(107,696)	165,375
Repayment of loan	77,763	71,263
Debt received	(19,828)	(1,905)
Change in net (funds)/debt	(49,761)	234,733
Net funds/(debt) at 1 April 2003	190,978	(43,755)
Net funds at 31 March 2004 (note 22)	141,217	190,978

22 Analysis of changes in net funds

	At 1 April 2003 £	Cash Flows £	At 31 March 2004 £
Cash in hand, at bank	283,320	(107,696)	175,624
Debt payable within one year	(77,763)	(6,862)	(84,625)
Debt payable after one year	(106,939)	84,625	(22,314)
Debt receivable within one year	46,788	(7,738)	39,050
Debt receivable after one year	45,572	(12,090)	33,482
Total	190,978	(49,761)	141,217

23 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 material transactions with the Department and other entities for which the Northern Ireland Office is regarded as the parent Department, ie Prison Service Agency.

None of the Board members, members of the key management staff or other related parties has undertaken any material transactions with the Board during the year.

24 Key financial targets

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

25 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 or expenditure, and so it is not exposed to foreign currency risk.

26 Losses statement

Total losses (58 cases) £21,250

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National Audit Office
Press Office
157-197 Buckingham Palace Road
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London
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Tel: 020 7798 7400
Email: enquiries@nao.gsi.gov.uk

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