

Annual Report and Accounts

2004 - 2005



Land Registers
of Northern Ireland

An Agency within the Department of Finance and Personnel



Land Registers of Northern Ireland

Annual Report and Accounts
for the year ended 31 March 2005

*Laid before the Houses of Parliament
by the Department of Finance and Personnel
in accordance with paragraph 12(2) and (4) of the Schedule to the
Northern Ireland Act 2000 and Paragraph 36 of the schedule to the
Northern Ireland Act 2000 (Prescribed Documents) Order 2004*

14 July 2005

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under section 11(3)(c) of the Government Resources
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by the Department of Finance and Personnel*

14 July 2005





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Foreword by the Chief Executive

Annual Report and Accounts

2004-2005 has been another very busy and challenging year for the Agency.

The number of transactions, which have taken place over the past 12 months, is the highest on record - over 770,000 - which is more than twice the number of transactions carried out in 2000.

Registrations have reached an all time high as well with 102,000 completed, bringing the Agency through the 100,000 barrier for the first time.

The Scheme for the Voluntary Redemption of Ground Rent continues and the review of the Scheme is to commence within the next 12 months.

Our LandWeb Direct Service has been very successful and there now are 280 Solicitors practices on line with another 200 varied organisations also registered as users. LandWeb Direct services are available to customers 24 hours a day, 7 days a week.

In January 2005 over 500,000 transactions had been completed using LandWeb Direct.

The backlog of work has been reduced again over the past 12 months and we continue to make efforts to achieve further reductions.

Staff from LRNI have again been involved in Training Sessions organised by the Law Society/ Belfast Solicitors' Association and Local Associations. By continuing to work together we hope to improve both the standard of documentation lodged with us and the turnaround times for completion of registrations.

Perhaps the most important development for us this year has however been the introduction of the Document Image Processing Information System [DIPIS] which scans all applications lodged. DIPIS currently is used for duplications for Dealings of Whole and will be rolled out later this year to cover Compulsory First Registrations. This will mean that approximately 85% of documents lodged will be scanned into our system. The benefits are that cases are electronically delivered to caseworkers who now work directly on applications through out IT system and all papers are retained in one area of the office which ensures that paper documents are no longer mislaid or misfiled.

Finally I would like to express my thanks to Arthur Moir the former Registrar for writing a second edition of the Land Registration Manual which was launched in April 2005. This book will be of enormous help to the Legal Profession and to my own staff.

In conclusion my thanks again go to all the staff in Land Registers Northern Ireland for their continuing effort to provide an improved service to customers. This has been an outstanding year for us and I wish to put on record my appreciation for the hard work and determination shown by every individual member of staff.

Patricia Montgomery (Mrs)



Part 1

Annual Report 2004 - 2005





Introduction

Organisation

The Land Registers of Northern Ireland was formed as an Executive Agency within the Department of the Environment but, following devolution, it transferred to the Department of Finance and Personnel on 2 December 1999. It is headed by a Chief Executive who is directly accountable to the Minister for the management of the Agency.

The Chief Executive is supported by the Agency Management Board which is made up as follows:

Mrs Patricia Montgomery
Chief Executive/Registrar of Titles

Mr Ignatius O'Doherty
Operations Manager

Mr John Gibson
Deputy Registrar of Titles

Mr Gerry McKenna
Director of Corporate Services and Planning

Aims

The Agency aims to support the conveyancing and property markets in Northern Ireland by:

- guaranteeing the validity of title to registered land;
- protecting the priority of conveyancing transactions for unregistered properties;
- responding quickly to requests for land information; and
- providing a forum for the resolution of disputes regarding registered land.

Objectives

In support of these aims, the Agency's key business objectives for 2004-2005 were to:

- respond to customers' requirements in relation to standards of service;
- provide electronic services to customers in accordance with the Modernising Government initiative and in pursuance of the Department's E-business strategy and

the over-arching ISIT Corporate Strategy Framework which is the key reference for Government organisations in Northern Ireland;

- increase the amount of land information available to the public by extending compulsory registration of title throughout Northern Ireland;
- secure ongoing value for money, quality and efficiency in the management of the Agency; and
- maintain high levels of staff performance, motivation and skills.

Vision

To become the most customer focused land registration service.

Values

The vision is underpinned by the Agency's three core values:

- commitment to customer service;
- commitment to quality; and
- commitment to staff.

Performance Measures

The Agency's annual targets are designed to reflect performance in the following areas:

- Efficiency
 - Processing times for registration and land information services.
- Output
 - Number of applications for registration processed per member of staff per 180 month.
- Quality
 - Customer Satisfaction Survey.
 - Number of complaints about standards of service.
 - Number of errors made in processing applications.
- Financial Performance
 - Level of financial and budgetary control achieved.
 - Percentage efficiency gains on running costs expenditure.
 - Achievement of full cost recovery.

Review of the Year

Performance against Key Targets

Details are given below on how the Agency has performed against its agreed key targets.

Key Ministerial Targets		Targets, Outturns & Achievements		
Efficiency				
Year		02/03	03/04	04/05
To achieve a weighted unit cost target of £x inclusive of PFI costs	Target	30	29	28
	Outturn	23.81	22.63	20.68
Output				
Year		02/03	03/04	04/05
To process x application units per member of staff per month	Target	140	140	160
	Outturn	186.38	216.39	244.65
Quality				
Year		02/03	03/04	04/05
To achieve a customer satisfaction rate based on customer surveys of at least x %	Target	75	75	75
	Outturn	82	86	86
Financial Performance				
Year		02/03	03/04	04/05
To cover Agency costs out of fee income	Target			
	Outturn	Achieved	Achieved	Achieved

Validation of Performance Targets

The Department's Internal Audit Unit independently examined and reported on the Agency's performance against the agreed targets set for 2004-05. Internal Audit was able to validate the above performance against targets.

Casework

Land Registry

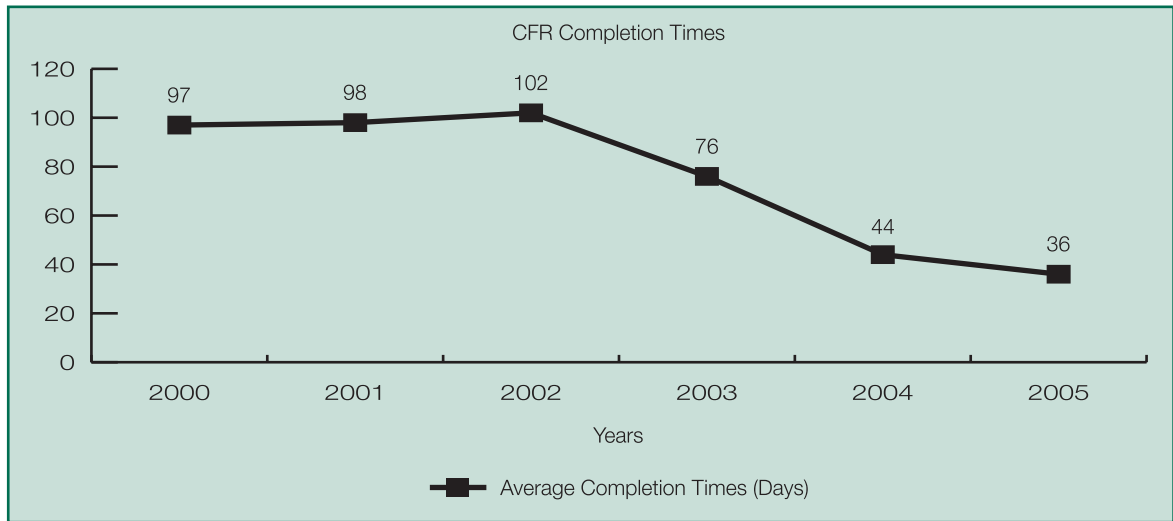
The continued buoyancy of the Northern Ireland property market resulted in 98,356 applications for registration being received during the year. The figure was considerably in excess of projections. In response to the increase in workload a significant milestone was achieved in that in excess of 100,000 were completed.

Steady progress continues to be made in reducing

the level of overdue work (applications which have exceeded target completion times) with a 20% reduction being achieved on the March 04 figure.

The agency aims to process regular dealing of whole applications in an average time of 20 days, a regular dealing is an application relating to one entire title, where the Agency is not obliged to raise queries or serve notices. Regular applications were completed in an average of 17.13 days.

Since the Compulsory First Registration (CFR) was extended to all of Northern Ireland CFR intake volumes have risen significantly. The agency has invested heavily in process redesign and staff training to deal with these increases. Those investments are now beginning to produce results in terms of reduced completion times. The chart below illustrates how completion times have fallen since the year 2000. Year 2005 only includes work completed prior to 1st April.



The agency's ability to respond swiftly to all applications submitted for registration continues to be compromised by the poor quality of work being presented by customers. The table below details the percentage of applications in the main categories, which fail to pass the initial minimal scrutiny test.

Application Type	% Rejected
Dealing of Whole - DOW	18.6
Compulsory First Registration - CFR	32.7
Transfer of Part - TOP	20
Others	25

Registry of Deeds

The registry received 103982 transactions for registration during the year a small increase on the previous year. Registrations were completed in an average of 5.67 days. It had been expected that with compulsory first registration in Land Registry now affecting all of Northern Ireland that there would be a fall in the volume registrations. However numbers are being maintained due to continued low interest rates which result in significant levels of re-mortgaging. A re-mortgage transaction does not trigger a compulsory first registration application.

While borrowing continues to be cheap registration transactions are unlikely to fall.

Statutory Charges

The registry received 6755 transaction for registration, which was slightly less than had been predicted. Registrations were completed in an average of 8.68 days. During the year the back conversion catch-up exercise was completed and in August the maintenance of paper records ceased. Statutory Charges records were made available for public searching in September via LandWeb Direct. The separate Statutory Charges public counter has been closed and searching services are now provided at the Land Registry counter. The completion of the back conversion catch-up exercise and transfer of public counter services to Land Registry have improved operational efficiency resulting in a 30% reduction in the staffing requirement.

Land Information Service (LIS)

During the year staff providing Land Information Services (staffing public counters, official searching, provision of copy documents / maps etc) for the three registries were amalgamated into a single unit. In excess of 500,000 LIS transactions were completed a 12.5% increase on the previous year.

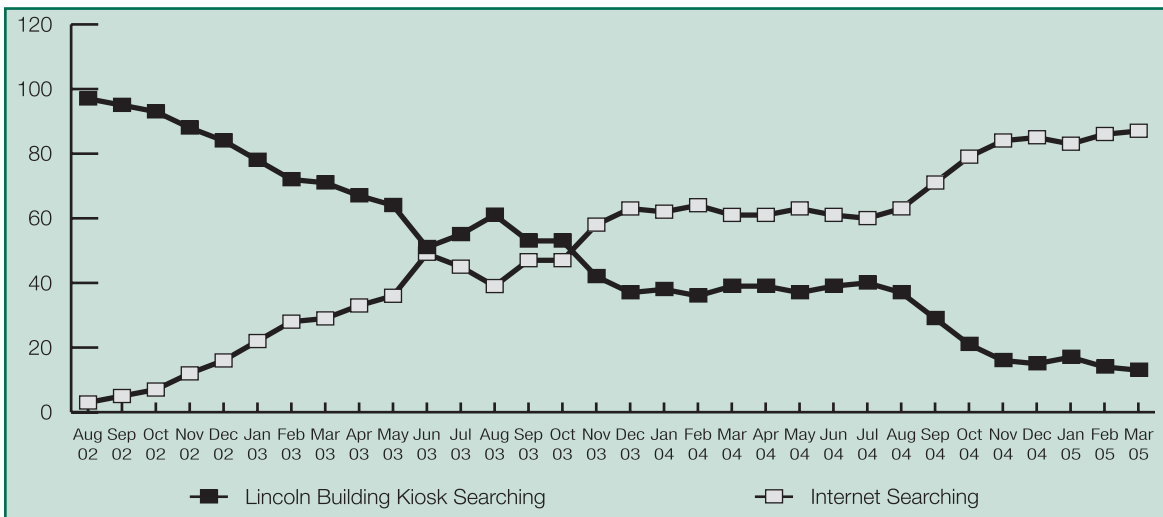
Better Quality and Efficiency Initiatives

LandWeb Direct

LandWeb Direct is the direct access service for Land Registers of Northern Ireland (LRNI) which speeds up the conveyancing process by providing:

- online viewing of Land Registry folios and maps;
- online viewing of Registry of Deeds memorials;
- owner name searches;
- automatic electronic delivery of uncertified copy folios, maps and memorials;
- access to secure authentication via the government gateway portal; and
- 24 - hour - 7 - day a week access

The service, which was launched in August 2002, has proved extremely popular with customers. The chart below illustrates the dramatic shift in monthly searching patterns afforded by the flexible availability hours.



The number of transactions completed each month is now in excess of 30,000. In January the total number of transactions completed via the Internet since the service went live passed the 500,000 mark.

During the year data held in the Statutory Charges registry became available for search via the direct access service. The data has

been integrated within LandWeb direct to allow users to easily switch between the Statutory Charge and Land Registry map bases while maintaining location. Thus enabling searching from two data sources within a single searching session.



The number of customer organisations registered for the direct access has risen to 473 a 34% increase on the March 04 figure. The table below details a breakdown of increased registration under the main customer groupings

Customer Group	Increase %
Government	43
Law Searchers	36
Lenders	9
Non Government	141
Solicitors	23

Document Image Processing Intake Service (DIPIS)

DIPIS was introduced into LRNI to facilitate the scanning of documents required as part of the registration process. When fully implemented further benefits will include:

- The potential reduction in registration completion times
- The elimination of the cumbersome movement of paper documents between disciplines
- The potential for loss of paper documents is vastly reduced
- The ability to share documents
- The ability to produce copy documents from the electronic source
- The security of documents received into LRNI is improved with the daily backup of images scanned and electronically saved on LandWeb
- Increased job satisfaction
- DIPIS paves the way for the introduction of on-line registration and eventually electronic conveyancing

DIPIS is being introduced on an application type basis and went live on 10th October 2004 with all Dealings of Whole (DOW) applications being scanned at intake stage. To date 33000 applications have passed through DIPIS. The functionality will be extended on 9th May 2005 to facilitate the scanning of Statutory Charges Registry applications and November 2005 has

been earmarked for the further expansion of DIPIS to include First Registration (FR) applications. The inclusion of FR applications will result in 80% of all applications passing through DIPIS. It is envisaged that mid 2006 will see all applications received into LRNI being processed by DIPIS.

What is the Government Gateway

The Government Gateway is a centralised registration service for e-government services in the UK. It is an important part of the government's strategy for delivering the 'joined up' government initiative and enables people to sign up for any of the UK government's services that are available on-line using a single user id and password. It is used by **LandWeb Direct** to provide enhanced security access and allows consolidation of user ids and passwords with other government systems, for example Inland Revenue.

People

Training Plan 2004-2005

The Agency's Training and Development Plan for 2004-2005 contained the strategies for implementing the training and development policy over the year. It also contained details of how and when training and development needs were to be met and how resources were to be allocated over the period.

The Plan set out the prioritised training and development needs for 2004-2005 as agreed



by the Chief Executive and the Agency Board, taking into account the Agency's key business objectives and challenges for the next 2 years.

Most of the training delivered was core business and on-line training to support the LandWeb computerisation programme. The Plan was revised throughout the year to take account of the roll out of the programme though in the latter part of the year staff received development training on management practice and current legislation.

Training Delivered

During the year 62 courses spanning numerous categories of training were delivered.

The main areas covered were:

- performance management framework;
- managing attendance;
- core business skills; and
- information technology.

Aids to Study Programme

During the year 36 members of staff received

support under the Aids to Study Scheme.

Evaluation of Training

All training and development activities are evaluated in line with Agency policy, to ensure that training objectives are met and to demonstrate the positive contribution that training makes to the achievement of the Agency's strategic objectives.

Customers

Standards of Service

Customers are entitled to expect the standards of service promised in the Agency's Charter and are encouraged to complain if the Agency fails to meet those standards. The number of complaints and errors remains low in relation to the total number of applications processed. Every error and complaint is recorded and investigated, and a response issued within 15 working days where possible.

Problem areas can be identified easily from the Agency's complaint register which is analysed

on a regular basis by the Customer Service Manager. A monthly statistical report is prepared for consideration by the Agency Board. This process enables the Board to identify areas for improvement. All expressions of dissatisfaction, whether written or oral, are recorded as potential complaints.

The Agency also maintains a "compliments file" and we are pleased to note that customers, including solicitors and members of the public, continue to express their appreciation of the high standards of service they have received from our staff. Their comments are fed back to the staff involved through the Chief Executive and their Line Managers.

[Analysis of complaints - see Appendix I.]

Customer Satisfaction Survey 2004

The survey was carried out by the Central Survey Unit of the Northern Ireland Statistics and Research Agency (NISRA) in March 2004. It was conducted by telephone and a representative sample of the Agency's customers, including firms of solicitors, law searchers and government departments, was selected at random to take part. A response rate of 88% was achieved.

The survey investigated standards of performance including:

- written contact;
- telephone contact;
- visit to Land Registry including public counter and staff;
- Land information services;
- quality of service; and
- direct access service.

All questions in the survey were asked of the Solicitors' firms and Government Departments, while only certain questions were applicable to Law Searchers.

Overall, the results were encouraging with the Agency achieving a customer satisfaction rate of 86%, exceeding its performance target of 75%.

Many of the results are consistent with previous surveys but customers appear to be particularly satisfied with the following:

- telephone handling in Land Registry;

- public counter service in Land Registry;
- written and telephone contact with Registry of Deeds;
- straightforward registrations in Land Registry;
- registrations in Registry of Deeds;
- courtesy and knowledge of Agency staff;
- customer enquiry service; and
- LandWeb Direct service.

The greatest area of concern is the delay in registrations in Land Registry.

We are grateful to those customers who agreed to be consulted for the survey and they can be assured that their candid feedback will lead to improved service delivery.

[Customer Survey Comparison Tables showing this and previous year's results are shown in Appendix II.]

Community and the Environment

Green Housekeeping

The Agency continues to review and develop policy regarding its impact on the environment. Energy conservation is promoted throughout the Agency and posters promoting energy conservation are prominently displayed on notice boards and other locations within the building. Timing switches are also installed where practicable with regard to heating, lighting and air conditioning appliances.

The Agency constantly seeks ways to reduce its paper usage by reviewing business procedures and printing related IT equipment and in consultation with its PFI partners BT.

Involvement with the Community

The Agency has this year pioneered the issue of Diversity Excellence in the workplace and has carried out the first Cabinet Office approved diversity audit in the Department of Finance and Personnel. The results of this work have given LRNI short, medium and long-term objectives for improving both internal policy and decision making and its interaction with customers thus promoting greater social inclusion.

The Agency encourages and supports staff

involvement in voluntary and charity work, promoting fund raising events and providing facilities when possible.

Financial Performance

2004-2005 Income and Expenditure

Land Registers has a statutory responsibility to cover, where practicable, all costs from fee income. This was achieved in 2004-2005 as detailed in the Annual Accounts which form part of this Report.

Land Registry Fees

The Agency is committed to providing an efficient and effective delivery of service to customers at the lowest cost possible while continuing to cover costs from fee income. A new Fees Order was introduced on 1 February 2004.

Net Departmental Running Costs (Net DRC)

The Agency's Net DRC funding arrangement allows it to use part of any surplus fee income to improve customer service. The Agency has continued to seek opportunities in 2004-2005 to improve customer service through the use of Net DRC.





Appendix I

Overall Analysis of Complaints April 2004 - March 2005

Category	Valid Complaints Received for all Three Registries	Non-Valid Complaints Received for all Three Registries
A. Registration is alleged to have been completed incorrectly, e.g. Clerical errors and entries not ruled out	1426	1066
B. Dissatisfaction with land information service e.g. Folio, copy/digital maps, priority searches	627	367
C. Dissatisfaction with staff attitudes and behaviour	0	0
D. Failure to achieve specified standards of service, e.g. Delays in responding	159	0
E. Documents not issued or issued incorrectly upon completion of registration	665	342
F. Fees e.g. Acknowledgements not issued or issued incorrectly, refunds	29	30
G. Miscellaneous e.g. Matters relating to policy issues, business practices, facilities or services	2	0
Total	2908	1805

Appendix II

Comparison Tables

NB: All percentages reported are rounded to the nearest whole number.

Table 1: Speed of written response by Land Registry

Response	2000 (%)	2001 (%)	2003 (%)	2004 (%)	2005 (%)
Excellent	15	-	9	6	9
Good	45	-	46	49	39
Satisfactory	27	-	29	29	32
Poor	10	-	12	15	16
Very poor	2	-	3	1	3
Not stated	1	-	-	-	-
Don't know	-	-	1	-	1

Table 2: Presentation of written response by Land Registry

Response	2000 (%)	2001 (%)	2003 (%)	2004 (%)	2005 (%)
Excellent	14	-	16	9	11
Good	47	-	55	59	52
Satisfactory	31	-	22	25	31
Poor	5	-	5	6	6
Very poor	-	-	1	-	-
Not stated	3	-	-	-	-
Don't know	-	-	1	1	-
Refusal	-	-	1	-	-

Table 3: Degree of knowledge of written response by Land Registry)

Response	2000 (%)	2001 (%)	2003 (%)	2004 (%)	2005 (%)
Excellent	16	-	12	9	10
Good	54	-	48	50	46
Satisfactory	18	-	30	31	35
Poor	5	-	8	8	8
Very poor	1	-	-	1	1
Not stated	5	-	-	-	-
Don't know	-	-	2	1	1



Table 4: Standards of service responding to written enquiries by Land Registry

(A) Routine (within an average of 5 working days)

(B) Complex (within 15 working days)

Response	2000 (%)		2001 (%)		2003 (%)		2004 (%)		2005 (%)	
	(A)	(B)	(A)	(B)	(A)	(B)	(A)	(B)	(A)	(B)
Excellent	9	6	-	-	6	5	4	3	8	7
Good	35	31	-	-	32	36	31	34	26	27
Satisfactory	39	39	-	-	32	34	33	31	29	29
Poor	12	15	-	-	25	15	29	24	26	23
Very poor	3	1	-	-	3	4	3	3	9	8
Uncertain	-	6	-	-	2	6	-	5	2	6
Not stated	1	2	-	-	-	-	-	-	-	-

Table 5: Courtesy of telephone calls with Land Registry

Response	2000 (%)	2001 (%)	2003 (%)	2004 (%)	2005 (%)
Excellent	45	-	44	34	35
Good	42	-	45	56	47
Satisfactory	12	-	9	7	12
Poor	1	-	2	3	3
Very poor	-	-	-	-	3
Not stated	1	-	-	-	-

Table 6: Speed of response to telephone calls by Land Registry

Response	2000 (%)	2001 (%)	2003 (%)	2004 (%)	2005 (%)
Excellent	21	-	20	10	13
Good	47	-	52	54	36
Satisfactory	21	-	20	19	33
Poor	8	-	7	16	15
Very poor	1	-	1	1	2
Not stated	2	-	-	-	-
Don't know	-	-	1	-	1

Table 7: Telephone calls returned by Land Registry

Response	2000 (%)	2001 (%)	2003 (%)	2004 (%)	2005 (%)
Excellent	28	-	21	9	12
Good	34	-	52	58	47
Satisfactory	28	-	21	21	26
Poor	7	-	4	9	12
Very poor	2	-	1	1	3
Not stated	3	-	-	-	-
Don't know	-	-	1	2	-

Table 8: Degree of knowledge of telephone calls with Land Registry

Response	2000 (%)	2001 (%)	2003 (%)	2004 (%)	2005 (%)
Excellent	19	-	12	9	9
Good	52	-	55	55	44
Satisfactory	23	-	24	26	39
Poor	3	-	9	9	5
Very poor	1	-	-	-	1
Not stated	1	-	-	-	-
Don't know	-	-	1	1	2

Table 9: Follow up completed for telephone calls to Land Registry

Response	2000 (%)	2001 (%)	2003 (%)	2004 (%)	2005 (%)
Excellent	20	-	10	8	7
Good	44	-	49	55	41
Satisfactory	25	-	29	24	43
Poor	5	-	9	11	9
Very poor	2	-	2	1	-
Not stated	4	-	-	-	-
Don't know	-	-	1	1	-

Table 10: Courtesy of staff on visits to Land Registry

Response	2000 (%)	2001 (%)	2003 (%)	2004 (%)	2005 (%)
Excellent	53	-	47	33	41
Good	38	-	44	60	46
Satisfactory	7	-	9	4	13
Poor	2	-	-	3	-
Very poor	-	-	-	-	-
Not stated	2	-	-	-	-



Table 11: Degree of knowledge of staff on visits to Land Registry

Response	2000 (%)	2001 (%)	2003 (%)	2004 (%)	2005 (%)
Excellent	36	-	29	20	23
Good	50	-	55	51	56
Satisfactory	13	-	13	24	21
Poor	-	-	4	3	-
Very poor	-	-	-	-	-
Not stated	1	-	-	2	-

Table 12: Attended to within 10 minutes of arrival at Land Registry Public Counter

Response	2000 (%)	2001 (%)	2003 (%)	2004 (%)	2005 (%)
Excellent	38	-	30	18	26
Good	39	-	50	60	48
Satisfactory	17	-	15	17	16
Poor	3	-	2	5	7
Very poor	1	-	1	-	-
Not stated	2	-	-	-	-
Don't know	-	-	1	-	3

Table 13: Satisfaction with average length of time taken to process Priority Searches

Response	2000 (%)	2001 (%)	2003 (%)	2004 (%)	2005 (%)
Very satisfied	18	-	8	8	12
Satisfied	59	-	56	73	70
Dissatisfied	4	-	11	13	11
Very dissatisfied	6	-	7	6	7
N/A	6	-	13	-	-
Not stated	6	-	-	-	-
Don't know	-	-	6	-	-

Table 14: Satisfaction with average length of time taken to process Folio Searches

Response	2000 (%)	2001 (%)	2003 (%)	2004 (%)	2005 (%)
Very satisfied	19	-	11	8	9
Satisfied	63	-	66	84	82
Dissatisfied	6	-	4	6	6
Very dissatisfied	1	-	3	1	3
N/A	11	-	10	-	-
Not stated	-	-	-	-	-
Don't know	-	-	5	1	-

Table 15: Satisfaction with average length of time taken to process Copy Folios

Response	2000 (%)	2001 (%)	2003 (%)	2004 (%)	2005 (%)
Very satisfied	16	-	10	8	10
Satisfied	64	-	68	81	77
Dissatisfied	11	-	11	8	10
Very dissatisfied	2	-	5	3	3
N/A	4	-	4	-	-
Not stated	3	-	-	-	-
Don't know	-	-	2	-	-

Table 16: Satisfaction with average length of time taken to process Copy Maps

Response	2000 (%)	2001 (%)	2003 (%)	2004 (%)	2005 (%)
Very satisfied	15	-	15	13	10
Satisfied	61	-	66	77	77
Dissatisfied	18	-	16	9	10
Very dissatisfied	2	-	2	1	3
N/A	2	-	1	-	-
Not stated	3	-	-	-	-
Don't know	-	-	1	-	-

Table 17: Satisfaction with average length of time taken to process Official Statutory Charges Searches

Response	2000 (%)	2001 (%)	2003 (%)	2004 (%)	2005 (%)
Very satisfied	13	-	8	4	9
Satisfied	62	-	57	91	81
Dissatisfied	4	-	3	4	6
Very dissatisfied	-	-	-	-	2
N/A	13	-	24	-	-
Not stated	8	-	-	-	-
Don't know	-	-	8	1	2

Table 18: Quality of service provided by the Land Registry in the last 12 months

Response	2000 (%)	2001 (%)	2003 (%)	2004 (%)	2005 (%)
Improved greatly	11	3	1	8	2
Improved	43	17	35	48	37
Neither improved nor declined	34	27	39	31	43
Declined	8	30	18	9	15
Declined greatly	1	23	4	2	2
Not stated	3	-	-	-	-
Don't know	-	-	2	2	1

Table 19: Quality of service currently provided by the Land Registry

Response	2000 (%)	2001 (%)	2003 (%)	2004 (%)	2005 (%)
Very satisfied	13	-	7	8	9
Satisfied	71	-	53	67	67
Dissatisfied	11	-	29	16	15
Very dissatisfied	2	-	7	5	6
Uncertain	2	-	4	4	3
Not stated	1	-	-	-	-

Table 20: Speed of reply of written response by Registry of Deeds

Response	2000 (%)	2001 (%)	2003 (%)	2004 (%)	2005 (%)
Excellent	10	-	11	16	15
Good	33	-	61	69	49
Satisfactory	29	-	18	9	31
Poor	26	-	11	6	2
Very poor	3	-	-	-	3

Table 21: Presentation of written response by Registry of Deeds

Response	2000 (%)	2001 (%)	2003 (%)	2004 (%)	2005 (%)
Excellent	13	-	11	14	15
Good	36	-	60	65	49
Satisfactory	36	-	23	19	34
Poor	13	-	4	2	2
Very poor	2	-	1	-	-
Don't know	-	-	-	-	-

Table 22: Degree of knowledge of written response by Registry of Deeds

Response	2000 (%)	2001 (%)	2003 (%)	2004 (%)	2005 (%)
Excellent	9	-	11	12	13
Good	42	-	52	68	49
Satisfactory	33	-	26	15	31
Poor	13	-	4	1	7
Very poor	3	-	2	-	-
Don't know	-	-	4	1	-

Table 23: Standard of service responding to written enquiries by Registry of Deeds

- (A) Routine (within 5 working days)
 (B) Complex (within 15 working days)

Response	2000 (%)		2001 (%)		2003 (%)		2004 (%)		2005 (%)	
	(A)	(B)	(A)	(B)	(A)	(B)	(A)	(B)	(A)	(B)
Excellent	7	5	-	-	8	11	11	9	7	5
Good	31	28	-	-	48	41	57	62	39	39
Satisfactory	34	42	-	-	24	24	20	16	35	36
Poor	23	18	-	-	8	4	8	2	13	8
Very poor	3	3	-	-	3	2	1	2	3	-
Uncertain	-	-	-	-	10	19	3	9	3	12
N/A	3	5	-	-	-	-	-	-	-	-

Table 24: Courtesy of telephone calls with Registry of Deeds

Response	2000 (%)	2001 (%)	2003 (%)	2004 (%)	2005 (%)
Excellent	35	-	40	25	24
Good	38	-	39	71	52
Satisfactory	26	-	18	2	20
Poor	-	-	-	2	-
Very poor	-	-	1	-	4
Don't know	1	-	1	-	-



Table 25: Speed of response to telephone calls by Registry of Deeds

Response	2000 (%)	2001 (%)	2003 (%)	2004 (%)	2005 (%)
Excellent	10	-	24	17	15
Good	55	-	48	68	52
Satisfactory	32	-	21	8	20
Poor	2	-	4	7	13
Very poor	1	-	1	-	-
Don't know	-	-	1	-	-

Table 26: Telephone calls returned by Registry of Deeds

Response	2000 (%)	2001 (%)	2003 (%)	2004 (%)	2005 (%)
Excellent	15	-	15	17	11
Good	43	-	45	63	46
Satisfactory	33	-	27	9	26
Poor	5	-	3	6	11
Very poor	4	-	1	-	-
Don't know	-	-	8	5	6

Table 27: Degree of knowledge of telephone calls with Registry of Deeds

Response	2000 (%)	2001 (%)	2003 (%)	2004 (%)	2005 (%)
Excellent	11	-	18	15	15
Good	40	-	43	71	48
Satisfactory	37	-	26	7	24
Poor	9	-	4	3	13
Very poor	3	-	7	2	-
Don't know	-	-	1	2	-

Table 28: Follow up completed for telephone calls to Registry of Deeds

Response	2000 (%)	2001 (%)	2003 (%)	2004 (%)	2005 (%)
Excellent	11	-	17	15	11
Good	41	-	42	65	41
Satisfactory	44	-	32	10	33
Poor	4	-	3	3	11
Very poor	-	-	6	2	-
Don't know	-	-	1	5	4

Table 29: Quality of service provided by the Registry of Deeds in the last 12 months

Response	1998 (%)	2000 (%)	2001 (%)	2003 (%)	2004 (%)	2005 (%)
Improved greatly	7	4	2	-	5	1
Improved	25	26	17	34	45	31
Neither improved nor declined	39	44	43	50	44	57
Declined	16	19	26	10	2	6
Declined greatly	7	2	12	1	-	-
Not stated	-	8	-	1	-	-
Don't know	-	-	-	5	4	5

Table 30: Quality of service currently provided by the Registry of Deeds

Response	1998 (%)	2000 (%)	2001 (%)	2003 (%)	2004 (%)	2005 (%)
Very satisfied	14	15	-	9	13	10
Satisfied	55	56	-	72	77	71
Dissatisfied	11	17	-	12	6	14
Very dissatisfied	7	3	-	2	-	-
Uncertain	7	4	-	4	4	5
Not stated	-	5	-	1	-	-

Table 31: Overall rating for the quality of service provided by the Agency

Response	1999/2000 (%)	2000/2001 (%)	2001/2002 (%)	2002/2003 (%)	2003/2004 (%)	2004/2005 (%)
Excellent	14	14	6	6	8	10
Good	53	41	42	39	47	41
Satisfactory	38	41	-	37	33	36
Poor	-	5	36	14	9	12
Very poor	-	-	16	4	2	1
Don't know	-	-	-	-	1	-

Part 2

Annual Financial Statements for the year ended 31 March 2005







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Foreword to the Financial Statements for the Year Ended 31 March 2005

History and Statutory Background

The Land Registers of Northern Ireland (LRNI) became an executive Agency within the Department of the Environment for Northern Ireland (DoE(NI)) on 1 April 1996 and transferred, following devolution, to the Department of Finance and Personnel on 2 December 1999. The Agency is headed by a Chief Executive who is directly accountable to the Minister of the Agency.

These accounts have been prepared in accordance with a direction given by the Department of Finance and Personnel in accordance with the Government Resources and Accounts Act (Northern Ireland) 2001.

Principal Activities

The following functions are the principal activities of the Agency:

- administer the Land Registry which provides registration of legal interests relating to registered land;
- administer the Registry of Deeds which provides registration of documents relating to interests in unregistered land;
- administer the Statutory Charges Registry, which provides a map based record of statutory charges and restrictions.

Funding

The Agency operates under the funding arrangement known as Net Departmental Running Costs.

Business Review

A full business review of the year is contained within the body of the Chief Executive's Annual Report.

The Agency made a surplus for the year of £3,996k as shown on page 10.

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

Planned future developments are:

- to complete computerisation of the Land Registry processes;
- to introduce e-conveyancing

Supplier Payment Policy

The Agency is committed to the prompt payment of bills for goods and services received in accordance with the Better Payment Practice Code and British Standards BS 7890 - Achieving Good Payment Performance in Commercial Transactions. Unless otherwise stated in the contract, payment is due within 30 days of the receipt of the goods or services, or presentation of a valid invoice or similar demand, whichever is later.

The Departmental System continually monitors for any payment outside the '30 day period'. Regular reviews conducted to measure how promptly the Agency paid its bills found that 98.6% of bills were paid within this standard. (2003/04 was 94.6%)

Employment Policy

The maintenance of a highly skilled workforce is key to the future of the business. The Agency is committed to, and complies with, the policies of the Department of Finance and Personnel for Northern Ireland on equal opportunity and responsibility for employment and career development of disabled staff.



Disabled Employees

LRNI follows the NI Civil Service Code of Practice on the Employment of Disabled People and, as an Agency within the Department of Finance & Personnel, it shares that Department's commitment to the Northern Ireland Civil Service Equal Opportunities policy. The Agency aims to ensure that disablement is not a bar to recruitment or advancement. The Agency complies with all existing legislation in regard to its disabled employees.

Treatment of Pension Liabilities

The Principal Civil Service pension Scheme (NI) (PCSPS (NI)) is an unfunded defined benefit scheme that produces its own resource accounts. The Agency is unable to identify its share of the underlying assets and liabilities. The PCSPS (NI) is administered by the department for which separate scheme statements are prepared.

Employee Involvement

The Agency recognises the benefit of keeping employees informed of the progress of the business and of involving them in the Agency's performance. During the year employees were regularly provided with information regarding the financial and economic factors affecting the performance of the Agency and on other matters of concern to them, as employees, through meetings and notices. Formal Team Briefing was held monthly and all staff received a copy of the Agency's Corporate & Business Plan.

Consultation took place with trade Union representatives through a formal Whitley structure.

Health and Safety

The Agency is committed to adhering to all existing legislation on health and safety at work to ensure that staff and customers enjoy the benefits of a safe environment. A Health and Safety committee operates within the Agency.

Charitable Donations

In place of issuing Christmas cards to customers, the Agency made a donation of £200 to NSPCC.

Fixed Assets

The Agency does not believe there is any material difference between the market value and the net book value of its assets as at 31 March 2005. Details of fixed assets are set out in Note 6 to the Accounts.

Management

The Permanent Secretary of the Department of Finance and Personnel appointed

Mrs Patricia Montgomery Registrar and Chief Executive of LRNI. The appointment is for an indefinite term under the terms of the Senior Civil Service Management Code.

The Chief Executive is supported by the Agency Board and Senior Management team. The Agency Board is responsible for determining LRNI's long term strategy and oversight of the successful discharge of the remit assigned to the Agency by the Minister. The board consists of:

Mrs Patricia Montgomery
Registrar/Chief Executive

Mr Ignatius O'Doherty
Deputy Chief Executive

Mr John Gibson
Deputy Registrar of Titles

Mr Gerry McKenna
Director of Corporate Services

Details of the remuneration of the Chief Executive and the Board are provided in note 3C of these accounts.

The Chief Executive's pay is determined by the Permanent Secretary in accordance with the rules set out in Chapter 7.1 Annex A of the Civil Service Management Code.

Operational Management

The operational management of the Agency and responsibility for implementing the Agency's Corporate and Business Plans lay with the Senior Management Team during 2004-05. The team consisted of

Mr Gerry McKenna
Director of Corporate Services

Fiona White
Head of Finance



Wally Gamble

Operations Manager

Helen McCallan

Casework Manager

Bernadette Hughes

Casework Manager

Colin Loughheed

Intake, DIPIS, Despatch, Post & SCR

David Patterson

Head of Human Resources & Corporate Services, IT and Customer Services

Customers' Forum

The Agency's Customers' Forum was established to provide an opportunity for managers to:

- consult customers about changes which may impact upon their business;
- allow customers to specify their requirements and put forward their views about the Agency's services; and
- allow discussion about external developments which may affect the Agency and its customers. Participation in the Customers' Forum is entirely voluntary and members do not receive any payment.

Patricia Montgomery

Chief Executive

23 June 2005

Auditors

The Agency's accounts are audited by the Comptroller and Auditor General for Northern Ireland (C&AG) in accordance with the Government Resources and Accounts Act (Northern Ireland) 2001. He is head of the Northern Ireland Audit Office and he and his staff are wholly independent of the Agency and he reports his findings to Parliament.

The audit of the financial statements for 2004-05 resulted in a notional audit fee of £8,000 and is included in the administration costs in the operating cost statement.



Statement of Agency's and Chief Executive's Responsibilities

Under the Government Resources and Accounts Act (Northern Ireland) 2001, the Department of Finance and Personnel has directed the Agency to prepare a statement of accounts for each financial year, detailing the resources acquired, held or disposed of during the year and the use of resources by the Agency during the year.

The accounts are prepared on an accrual basis and must give a true and fair view of the Agency'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.

DFP has appointed the Chief Executive as Accounting Officer of the Agency, with responsibility for preparing the Agency's accounts and for transmitting them to the Comptroller and Auditor General.

In preparing the accounts, the Accounting Officer is required to comply with the Northern Ireland Resource Accounting Manual (NIRAM) prepared by DFP, and in particular to:

- observe 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 Agency will continue in operation.

The relevant responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which an Accounting Officer is answerable, for the keeping of proper records and for safeguarding the Agency's assets, are set out in the Accounting Officers' Memorandum in "Government Accounting in Northern Ireland" issued by the Department of Finance and Personnel.

Patricia Montgomery
Chief Executive

23 June 2005



Statement on Internal Control

Scope of responsibility

As Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of departmental policies, aims and objectives, set by the Agency's Minister, whilst safeguarding the public funds and Agency's assets for which I am personally responsible, in accordance with the responsibilities assigned to me in Government Accounting Northern Ireland (GANI).

Prior to the commencement of the financial year and in consultation with departmental representatives, I review actual Agency performance against annual ministerial targets. Thereafter and in light of current departmental aims and cognizant of any constraints on Agency performance, new targets are discussed and agreed. These are subsequently communicated to staff through the Business Plan and the Agency's Risk Management Framework updated accordingly.

The purpose of the system of internal control

The system of internal control is designed to manage rather than eliminate the 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 principal risks to the achievement of the Agency'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. This process has been in place for the year ended 31 March 2005 and up to the date of approval of the annual report and accounts, and it accords with DFP guidance.

Capacity to handle risk

Following the publication of the business plan and ministerial targets, key internal objectives are constructed in consultation with the Board and Senior Management Team to allow the

Agency to respond effectively. This includes a review of the associated risks and requisite management activities needed to mitigate their potential impact. The nature and degree of risk dictates the number of management activities. Consequently, and in keeping with the Agency's stated purpose, risk relating to the delivery and quality of customer services and the reduction of fees is of primary concern.

For each key business risk identified in the Framework, a Risk Owner is appointed and charged with its management through the implementation of routine and strategic activities. These activities are translated into policy and procedures and as a result, appropriate control is applied across the Agency at all levels.

The risk and control framework

The Risk and control framework drawn-up at the beginning of the year is formally reviewed in year by senior management. Activities such as management checks, fault reporting, system back-up and recovery and line management procedures ensure that risks are monitored on an almost daily basis, whilst asset registers, internal audits, documented procedures and staff training provide over-arching assurance of risk management. In addition as many of the major risks in LRNI relate to the provision of electronic services, our PFI partners BT also monitor the associated controls.

Such activities allow for the identification of developing additional risk and allow remedial action to be taken to limit their effect or fully mitigate against them.

Review of effectiveness

As Accounting Officer, I also have responsibility for reviewing the effectiveness of the system of internal control. 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 Agency 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. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Board and the Senior Management Team and a plan to address weaknesses and ensure continuous improvement is in place.

The Agency has established the following processes:

- a management board which meets monthly to consider the plans and strategic direction of the Agency;
- regular reports by Internal Audit, to standards defined in the Government Internal Audit Manual, which include the Head of Internal Audit's independent opinion on the adequacy and effectiveness of the Agency's system of internal control together with recommendations for improvement;
- regular reports from managers on the steps they are taking to manage risks in their areas of responsibility including progress reports on key projects;
- establishment of a Corporate Services Unit with responsibility for risk management to further reinforce regular review and identification of risks;
- a regular programme to identify and keep up to date the record of risks facing the organisation;
- maintenance of an organisation-wide risk register
- Performance against key targets is regularly reviewed and reported at monthly Board meetings

Patricia Montgomery
Chief Executive

23 June 2005



Land Registers of Northern Ireland Agency

The Certificate and Report of the Comptroller and Auditor General to the House of Commons and the Northern Ireland Assembly

I certify that I have audited the financial statements on pages 38 to 50 under the Government Resources and Accounts Act (Northern Ireland) 2001. 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 40 to 42.

Respective responsibilities of the Agency, the Chief Executive and Auditor

As described on page 33, the Agency and Chief Executive are responsible for the preparation of the financial statements in accordance with the Government Resources and Accounts Act (Northern Ireland) 2001 and Department of Finance and Personnel directions made thereunder and for ensuring the regularity of financial transactions. The Agency and Chief Executive are also responsible for the preparation of the other contents of the Annual Report. 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 Government Resources and Accounts Act (Northern Ireland) 2001 and Department of Finance and Personnel directions made thereunder, 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 Agency has not kept proper accounting records, or if I have not received all the information and explanations I require for my audit.

I read the other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. I consider the implications for my certificate if I become aware of any apparent mis-statements or material inconsistencies with the financial statements.

I review whether the statement on pages 34 & 35 reflects the Agency's compliance with the Department of Finance and Personnel's guidance on the Statement on Internal Control. I report if it does not meet the requirements specified by DFP, 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 Agency'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 Agency and Chief Executive in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Agency'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 mis-statement, 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 Land Registers of Northern Ireland at 31 March 2005 and of the net cost of operations, recognised gains and losses and cash flows for the year then ended and have been

properly prepared in accordance with the Government Resources and Accounts Act (Northern Ireland) 2001 and directions made thereunder by the Department of Finance and Personnel; 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.

J M Dowdall CB

Comptroller and Auditor General

Northern Ireland Audit Office, 106 University Street' Belfast BT7 1EU

5th July 2005

The maintenance and integrity of LRNI's website is the responsibility of the Accounting Officer; the work carried out by the auditors does not involve consideration of these matters and accordingly the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.



Income and Expenditure Account for the Year Ended 31 March 2005

	Notes	2005 £'000	2004 £'000
Income	2	17,940	13,263
Expenditure			
Staff Costs	3	4,690	4,470
Depreciation	6	(12)	7
Other operating costs	4,5	9,536	8,498
Total Expenditure		14,214	12,975
Surplus from			
Operations before Interest		3,726	288
Return on Capital Employed		270	252
Net Surplus from Operations		3,996	540

The net cost of operations arises wholly from continuing operations, which are administrative in nature.

This large surplus was due in part to failure to complete significant projects during the financial year. End of Year Flexibility has been requested from DFP to enable this money to be carried forward into the budget for 2005/06

Statement of Total Recognised Gains and Losses for the Year Ended 31 March 2005

	2005 £'000	2004 £'000
Unrealised surplus on revaluation of fixed assets	3	0
Recognised Gains for the Year	3	0

The notes on pages 40 to 50 form part of these accounts.

Balance Sheet

As at 31 March 2005

	Notes	2005 £'000	2004 £'000 restated
Fixed Assets			
Tangible Assets	6	61	8
Current Assets			
Debtors: due within one year	7	1,200	520
Current Liabilities			
Creditors - amounts falling due within one year	8	(2,195)	(2,387)
Deferred Income	9	(6,199)	(6,425)
		(8,394)	(8,812)
Net Current Assets (Liabilities)		(7,194)	(8,292)
Total Assets less Current Liabilities		(7,133)	(8,284)
Financed by:			
Capital and Reserves			
General Fund	10	(7,136)	(8,284)
Revaluation Reserve	10	3	-
		(7,133)	(8,284)

The notes on pages 40 to 50 form part of these accounts.

Patricia Montgomery

Chief Executive

23 June 2005

Cash Flow Statement

For the Year Ended 31 March 2005

	Notes	2005 £'000	2004 £'000
Net cash inflow from operating activities	13	4,134	3,691
Purchase of fixed assets	6	(40)	(1)
Financing	14	(4,094)	(3690)
Movement in cash		0	0

The notes on pages 40 to 50 form part of these accounts.



Notes to the Financial Statements

1. Statement of accounting policies

The financial statements have been prepared in accordance with the 2004-05 Northern Ireland Resource Accounting Manual (NIRAM) issued by Department of Finance & Personnel (DFP). The accounting policies contained in the NIRAM follow UK generally accepted accounting practice for companies (UK GAAP) to the extent that it is meaningful and appropriate to the public sector. Where the NIRAM permits a choice of accounting policy, the accounting policy which has been judged to be the most appropriate to the particular circumstances of the Agency for the purpose of giving a true and fair view has been selected. The Agency's accounting policies have been applied consistently in dealing with items considered material in relation to the accounts.

1.1 Accounting Convention

The financial statements have been prepared under the historical cost convention modified to account for the revaluation of fixed assets at their value to the business by reference to their current costs.

1.2 Tangible Fixed Assets

Fixed assets are valued at cost adjusted as appropriate to reflect estimated current replacement costs.

Assets have been re-valued by reference to the Office of National Statistics Indices as published by the Stationery Office under the title "Price Index Numbers for Current Cost Accounting".

Surpluses and deficits arising on revaluation are taken to the revaluation reserve. Where appropriate, permanent reductions in the value of fixed assets are charged to the income and expenditure account.

Minor new works and furniture are written off in the year of purchase as are all other items costing less than £1,000 (with the exception of personal computers for which a threshold of £500 has been applied). The fixed assets do not include the value of the Registers created and maintained by the Agency, nor the records ancillary to them.

The Agency does not own the property it occupies, but incurs a notional charge for accommodation costs, which is included in the Income and Expenditure Account.

1.3 Depreciation

Tangible fixed assets are depreciated at rates calculated to write them down to estimated residual value on a straight-line basis over their estimated useful life. The useful lives of all fixed assets are periodically and systematically reviewed to ensure that there are no fully depreciated assets in current use by the Agency.

Average useful lives are normally as follows:

- Computer equipment, 3 years
- Office equipment, 5 years

1.4 Stock

Items are charged to I&E as incurred.

1.5 Operating Income

Operating income is income that relates directly to the operating activities of the Agency. It comprises fees and charges for services provided on a full-cost basis to external customers. All services attract a fee. Operating income is stated net of refunds and VAT.

1.6 Expenditure

Expenditure on the Income and Expenditure account is deemed to be wholly programme in nature and reflect the costs of running the Agency.

1.7 Capital Charge

A non cash charge, reflecting the cost of capital utilised by the Agency, is included in operating costs. The charge is calculated at the government's standard rate of 3.5% in real terms on the average carrying amount of all assets less liabilities.

1.8 Pension Costs

Past and present employees are covered by the provisions of the Principal Civil Service Pension



Schemes (PCSPS), described in Note 3. The defined benefit schemes are unfunded and are non-contributory except in respect of dependants' benefits. The department recognises the expected cost of these elements on a systematic and rational basis over the period during which it benefits from employees' services by payment to PCSPS of amounts calculated on an accruing basis. Liability for payment of future benefits is a charge on the PCSPS. In respect of the defined contribution schemes, the department recognises the contributions payable for the year.

1.9 Private Finance Initiative (PFI) transactions

PFI transactions have been accounted for in accordance with Technical Note No.1 (Revised) entitled How to Account for PFI Transactions as required by NIRAM.

The balance of risks and rewards of ownership of the PFI property are borne by the PFI operator and thus the PFI payments are recorded as an operating cost.

1.10 Provisions

The Agency provides for legal or constructive obligations which are of uncertain timing or amount at the balance sheet date on the basis of the best estimate of the expenditure required to settle the obligation. Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are discounted using the real rate set by HM Treasury (currently 3.5%).

1.11 Contingent liabilities

In addition to contingent liabilities disclosed in accordance with FRS 12, the Agency discloses for parliamentary reporting and accountability purposes certain contingent liabilities where the likelihood of a transfer of economic benefit is remote. These comprise:

- Items over £100,000 (or lower, where required by specific statute) that do not arise in the normal course of business and which are reported to Parliament by departmental minute prior to the Agency entering into the arrangement
- All items (whether or not they arise in the normal course of business) over £100,000

(or lower, where required by specific statute or where material in the context of resource accounts) which are required by NIRAM to be noted in the resource accounts.

Where the time value of money is material, contingent liabilities which are required to be disclosed under FRS 12 are stated at discounted amounts and the amount reported to Parliament separately noted. Contingent liabilities which are not required to be disclosed by FRS 12 are stated at the amounts reported to Parliament.

1.12 Taxation

As an Executive Agency of a Government Department, LRNI is not liable to pay corporation tax. Expenditure is shown net of recoverable VAT. Irrecoverable VAT is charged to the most appropriate expenditure heading or capitalised if it relates to an asset.

1.13 Leases

Where substantially all the risks and rewards of ownership of a leased asset are borne by the Agency, the asset is recorded as a tangible fixed asset and a debtor is recorded to the lessor of the minimum lease payments discounted by the interest rate implicit in the lease. The interest element of the finance lease period is charged to the Operating Cost Statement over the period of the lease at a constant rate in relation to the balance outstanding. Other leases are regarded as operating leases and the rentals are charged to the Operating Cost Statement on a straight line basis over the term of the lease.

1.14 Research and Development

The Agency undertakes no research and development work.

2. Income

	Land Registers	Registry of Deeds	Stat. Charges Registry	Total	Total
	2004/05			2003/04	
	£'000	£'000	£'000	£'000	£'000
Fee Income	16,704	906	330	17,940	13,263
Cost of Service	(11,803)	(1,741)	(400)	(13,944)	(12,723)
Surplus/(Deficit)	4,901	(835)	(70)	3,996	540

The Agency's financial objective is to cover the costs of services and to make a return on average capital employed of 3.5%.

Income represents services provided to the Agency's customers both in the public and private sectors.

3. Staff Numbers and Related Costs

A. Staff Costs

Staff costs consist of:

	2005 £'000	2004 £'000
Salaries and wages	4,020	3,832
Social security costs	242	231
Pension costs	428	407
	4,690	4,470

The Principal Civil Service Pension Schemes (NI) (PCSPS(NI)) of which most of the Agency's employees are members is an unfunded, multi-employer defined benefit scheme which produces its own resource accounts, but LRNI is unable to identify its share of the underlying assets and liabilities. The most up to date actuarial valuation was carried out as at 31 March 2003 and details of this valuation are available in the PCSPS (NI) resource accounts.

For 2004/05, employers' contributions of £428,060 were payable to the PCSPS (NI) (2003/04 £406,520) at one of four rates in the range 12 to 18% of pensionable pay, based on salary bands. From 1 April 2005 these rates have increased as a result of the latest actuarial valuation to between 16.5% and 23.5%. The contribution rates reflect benefits as they are

accrued, not when the costs are actually incurred and reflect past experience of the scheme.

Employees joining after 1 October 2002 could opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employer contributions are age related and range from 3 to 12.5% of pensionable pay. Employers also match employee contributions up to 3% of pensionable pay. In addition, employer contributions of 0.8% of pensionable pay, were payable to the PCSPS (NI) to cover the cost of the future provision of lump sum benefits on death in service and ill health retirement of these employees.

Contributions due to the partnership pension providers at the balance sheet date were nil. Contributions prepaid at that date were nil.



B. Average number of persons employed

The average number of full time equivalent persons employed by the Agency during the year was as follows:

	2005	2004
Management Team	8	7
Professional staff	6	4
Administrative staff	232	223
Temporary Staff	0	2
Total	246	236

C. Salary and pension entitlements

The salary, pension entitlement and the value of any taxable benefits in kind of the Agency's Board were as follows:

	2004-05		2003-04	
	Salary £'000	Benefits in kind (to nearest £100)	Salary £'000	Benefits in kind (to nearest £100)
Mrs P Montgomery		Consent for disclosure withheld		Consent for disclosure withheld
O'Doherty		Consent for disclosure withheld		Consent for disclosure withheld
J G McKenna		Consent for disclosure withheld		Consent for disclosure withheld
J Gibson		Consent for disclosure withheld		Consent for disclosure withheld

Salary

"Salary" includes gross salary; performance pay or bonuses; overtime; reserved rights to London weighting or London allowances; recruitment and retention allowances; private office allowances and any other allowance to the extent that it is subject to UK taxation.

This presentation is based on payments made by the Agency and thus recorded in these accounts.

Benefits in kind

The monetary value of benefits in kind covers any benefits provided by the employer and treated by the Inland Revenue as a taxable emolument. No senior employee received benefits in kind during 2004/05.



Name	Real increase in pension at age 65 2005	Total accrued pension at age 65 at 31 March 2005	CETV at 31 March 2005	CETV at 31 March 2004	Real increase CETV	Employer contribution to partnership pension account
	£'000	£'000	£'000	£'000	£'000	Nearet £100
Mrs P Montgomery			Consent for disclosure withheld			
I O'Doherty			Consent for disclosure withheld			
J G McKenna			Consent for disclosure withheld			
J Gibson			Consent for disclosure withheld			

Pension

Pension benefits are provided through the Civil Service pension arrangements. From 1 October 2002, civil servants may be in one of three statutory based "final salary" defined benefit schemes (classic, premium and classic plus). The Schemes are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under classic, premium and classic plus are increased annually in line with changes in the Retail Prices Index. New entrants after 1 October 2002 may choose between membership of premium or joining a good quality "money purchase" stakeholder based arrangement with a significant employer contribution (partnership pension account)

Employee contributions are set at the rate of 1.5% of pensionable earnings for classic and 3.5% for premium and classic plus. Benefits in classic accrue at the rate of 1/80th of pensionable salary for each year of service. In addition, a lump sum equivalent to three years' pension is payable on retirement. For premium, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike classic, there is no automatic lump sum (but members may give up (commute) some of their pension to provide a lump sum). Classic plus is essentially a variation of premium, but with benefits in respect of service before 1 October 1992 calculated broadly as per classic.

The partnership pension account is a stakeholder pension arrangement. The employer makes a basic contribution of between 3% and 12.5% (depending on the age of the member) into a stakeholder pension product chosen by the

employee. The employee does not have to contribute but, where they do make contributions, these will be matched by the employer up to a limit of 3% (in addition to the employer's basic contribution). Employers also contribute a further 0.8% of pensionable salary to cover the cost of centrally provided risk benefit cover (death in service and ill health retirement).

Further details about the CSP arrangements can be found at the website www.civilservicepensions-ni.gov.uk.

Cash Equivalent Transfer Values

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 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 2003-04 the other pension details, include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the CSP arrangements and for which the CS Vote 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 expense. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries.

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.

Real increase in CETV

This reflects the increase in CETV effectively funded by the employer. It takes account of the

4. Other Operating Costs

	2005 £'000	2004 £'000
Travel & Subsistence	10	16
Hospitality	3	5
Postage	97	60
Contract Cleaning	44	41
Security	46	42
Stationery & Printing	116	86
Consultancy	8	-
Training & Conferences	38	25
Office Equipment	19	9
Computer Consumables	52	31
PFI Contract	7,038	6,733
Advertising & Publicity	3	1
OSNI	163	120
Telephones	51	36
Refurbishment	260	30
Miscellaneous	71	53
Notional costs	1,517	1,210
	9,536	8,498

All operating costs are considered to be programme expenditure by the Agency.

5. Notional Costs

These costs relate to services received for which no actual payment is made. They are included in the accounts so as to reflect the full economic cost of provision.

	2005 £'000	2004 £'000
Services provided by parent department		
Finance & Accounts	55	54
Personnel & Training	111	109
Office Accommodation Branch	1,172	924
Information Systems Unit	63	16
Central Policy and Management Unit	45	45
Internal Audit Branch	12	9
Departmental Solicitor's Office	6	1
Business Development Service	45	44
	1,509	1,202
Other Notional Costs		
Northern Ireland Audit Office	8	8
Total Notional Costs	1,517	1,210

6. Fixed Assets

	Computer Hardware £'000	Office Equipment £'000	Total 2005 £'000	Total 2004 £'000
Cost/Valuation				
At 1 April 2004	15	89	104	105
Additions	9	31	40	1
Disposals	(3)	-	(3)	-
Revaluation	(2)	4	2	(2)
At 31 March 2005	19	124	143	104
Accumulated Depreciation				
At 1 April 2004	8	88	96	90
Current year charge	4	(16)	(12)	7
Disposals	(3)	-	(3)	-
Revaluation	(1)	2	1	(1)
At 31 March 2005	8	74	82	96
Net Book Value				
At 31 March 2005	11	50	61	8
At 1 April 2004	7	1	8	15

During the year a number of fully depreciated items of office equipment were relifed, adjusting the value of these assets to what it would have been had the revised life originally been applied. Adjustment was made by a reduction in

Accumulated Depreciation through the period depreciation charges, resulting in a negative depreciation charge for office equipment in the financial year.

7. Debtors: Due Within One Year

	2005 £'000	2004 restated £'000
Trade Debtors	690	79
Other Government Bodies	28	
Non Government Bodies	662	
Prepayments	2	1
Other Debtors	508	440
	1,200	520

8. Creditors: Amounts falling Due Within One Year

	2005 £'000	2004 £'000
Refunds Due	22	31
Trade Creditors	-	-
Accruals	1,673	1,963
Other Creditors	500	393
	2,195	2,387

9. Deferred Income

The deferred income figure on the balance sheet arises from cash received in advance of work being completed. This cash has been received by the Agency during the year 2004/2005.



10. Reconciliation of Government Funds and Movement on Capital and Reserves

	Revaluation Reserve 2005 £'000	General Fund 2005 £'000	Total 2005 £'000	Total 2004 £'000
At 1 April 2004	-	(8,287)	(8,287)	(6,094)
Opening balance adjustment	-	3	3	(1)
At 1 April 2004 restated	-	(8,284)	(8,284)	(6,095)
Surplus	-	3,996	3,996	540
Notional Funding	-	1,517	1,517	1,210
Interest on Capital	-	(270)	(270)	(252)
Revaluation Reduction Reserve	-	(1)	(1)	-
Cash surplus	-	(4,094)	(4,094)	(3,690)
Revaluation of fixed assets	-	-	-	-
Realised Revaluation written back	1	-	1	-
Realised Revaluation	2	-	2	-
Balance at 31 March 2005	3	(7,136)	(7,133)	(8,287)

Opening balance adjustment is reflected in restatement of debtors at note 7

11. Capital and Other Commitments

There were no capital commitments at 31 March 2005 (2004: Nil).

The Agency entered into a PFI agreement for the computerisation of the Agency's operations and archive. The contract was signed on 8th July 1999 and will run for 10 years with an option to extend to 15 years. As the contract is service based there are no commitments, capital or otherwise, relating to it.

12. Contingent Liabilities

There are a small number of cases under negotiation at 31 March 2005, based on claims against the Agency. Settlement of such cases is unlikely to result in a material liability to the Agency.

13. Reconciliation of Net Expenditure to Net Cash Inflow from Operating Activities

	2005 £'000	2004 £'000
(Deficit)/Surplus	3,996	540
Adjustments for non-cash transactions:		
Depreciation Charge	(12)	7
Loss on disposal of fixed assets	-	-
Notional Costs	1,517	1,210
Realised revaluation	1	1
Interest on Capital	(270)	(252)
Adjustments for movements in working capital other than cash		
Decrease in stock	-	-
(Increase)/Decrease in Debtors	(679)	(200)
Increase/(Decrease) in Creditors	(192)	1,223
Increase/(Decrease) in Deferred Creditor	(227)	1,162
Net Cash Inflow from Operating Activities	4,134	3,691

14. Financing

	2005 £'000	2004 £'000
Cash Receipts	17,103	14,396
Cash Expenditure	(13,009)	(10,706)
Cash Surplus	4,094	3,690

15. Key Corporate Financial Target

The Agency is required by Statute to cover costs from fee income. In 2004/2005 income exceeded costs by £3,996K. This large surplus was due in part to failure to complete significant projects during the financial year. End of Year Flexibility has been requested from DFP to enable this money to be carried forward into the budget for 2005/06

regarded as a related party. During the year the Land Registers of Northern Ireland has had various material transactions with the Department and other entities for which the Department is regarded as the parent department.

In addition, the Land Registers of Northern Ireland has had a number of transactions with other Government Departments.

During the year none of the board members or key management staff or other related parties have undertaken any material transactions with the Agency.

16. Related Party Transactions

Land Registers is an executive Agency of the Department of Finance and Personnel. The Department of Finance and Personnel (DFP) is



17. Financial Instruments

FRS 13, Derivatives and Other Financial Instruments, requires disclosure of the role which financial instruments have had during the period in creating or changing the risks an entity faces in undertaking activities. LRNI is not exposed to the degree of financial risk faced by business entities. The Agency has no powers to borrow or to invest surplus funds. Financial assets and liabilities are generated by day-to-day operational activities and are not held to change the risks facing the business in undertaking its activities.

Liquidity risk

The Agency's net revenue resource requirements are financed by resources voted annually by Parliament as is capital expenditure. LRNI is not therefore exposed to liquidity risks.

Interest rate risk

The Agency's financial assets and liabilities carry nil or fixed rates of interest. LRNI is not therefore exposed to significant interest rate risk.

Foreign currency risk

LRNI currently trades only with local customers dealing in local currency. The Agency is therefore not exposed to foreign currency risk.

18. Public Private Partnership

A contract was awarded in July 1999 to BT (formerly BT Syntegra) to design, implement and manage the IT infrastructure for LRNI's registration systems. This contract will run for 10 years with an option to extend to 15 years. The NIAO has examined the Public Private Partnership contract and confirmed that it should be treated as off balance sheet. This complies with the criteria set out in the "Treasury Taskforce Private Finance - Technical Note (Revised)" issued July 1999 and amendment to FRS 5 - "Reporting the substance of transactions: Private Finance Initiative and Similar Contracts". As the contract is service based there is a zero capital value.

For 2004/05 £6.859m (2003/04 £6.488m) was charged to the Income and Expenditure account under the BT contract. The total cost of the contract to the Agency is likely to be £45m.

19. Previous Years Figures

Some regrouping of figures for 2003/2004 has been carried out to facilitate comparison with current year.

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