





**The Charity Commission for Northern  
Ireland Annual Report and Accounts  
For the year ended 31 March 2012**

*The Accounting Officer authorised the financial statements for issue on  
22 July 2012*

*Laid before the Northern Ireland Assembly  
under the Charities Act (NI) 2008  
by the Department for Social Development*

*on*

*06 July 2012*

The Charity Commission for Northern Ireland (CCNI) is the new regulator of charities in Northern Ireland, a non-departmental public body sponsored by the Department for Social Development.

Our aims

- the Commission aims to develop a regulatory framework in which the public have confidence and in which charities can grow and flourish, clear in the knowledge of their rights and responsibilities;

And

- manage the establishment of the organisation to a statutory non-departmental public body following the full implementation of the Charities Act (Northern Ireland) 2008.

Further information about our activities is available from:

**The Charity Commission for Northern Ireland**  
**257 Lough Road**  
**Lurgan**  
**Craigavon**  
**BT66 6NQ**

**[www.charitycommissionni.org.uk](http://www.charitycommissionni.org.uk)**

**Tel: 028 3832 0220**

**Fax: 028 3834 5943**

**TextPhone: 028 3834 7639**

**This document is available in large print or other formats on request**

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# Directors Report

## 1. The Report of the Chief Commissioner and Chief Executive

The past year has been one of significant and tangible progress for the Charity Commission for Northern Ireland. Change has been a theme of the year, both in terms of the external context and the powers of the Commission.

What has not changed, however, is the importance of maintaining and enhancing public trust and confidence in charities, particularly in straitened times. The Northern Ireland public can be satisfied that meaningful charity oversight and support now exists, with good governance promoted alongside good intention.

The Commission has engaged with many of the charities that come under our regulatory scope in the past year. We have worked alongside them to promote good governance and contribute to an environment in which charities can flourish.

The public is the driving force behind charitable work in terms of giving of their time and money. Furthermore, many charities are funded by the public purse. It is justified, therefore, that charities are expected to maintain good governance, accountability and transparency in their work.

This year has brought an opportunity for the public to consult an accessible list of organisations that

have registered with Her Majesty's Revenue and Customs (HMRC) for charitable tax purposes, along with details of their income levels. This is the first step towards the advancement of charity transparency and accountability in Northern Ireland.

The Commission has conducted a sizeable number of investigations during the year, involving issues concerning a broad cross-section of charities. We have been keen to share learning from our first year of this regulatory work, hence the publication of a report highlighting lessons for all charities.

The report details that the Charity Commission's first 100 investigations have demonstrated four common themes, specifically:

- poor governance in charities;
- poor financial control;
- lack of transparency; and,
- damaging disputes.

The Commission has proactively disseminated the report and the lessons it provides in an effort to assist charities in getting the basics right from the outset.

Investigations, however, is only one facet of the work of the Charity Commission. We have been engaging in a meaningful way with charities across the year, including

by attending many seminars, meetings and briefings, increasing understanding around our role, functions and powers.

This engagement has demonstrated to us that charity registration remains a priority issue for Northern Ireland charities as well as for members of the public. Clarity around a definitive list of Northern Ireland charities is still needed.

The Charities Act (NI) 2008 set out the registration of charities as a key task of the Charity Commission. The Charity Commissioners are frustrated that rolling out this aspect of our work has been hampered by a series of legislative hold-ups and problems. We look forward to finally putting in place the policies and procedures that we have developed in order to implement charity registration.

The year, did however, see progress in, the relocation to a permanent office in Lurgan. This has been a crucial move for the organisation as we make our regulatory impact felt.

The recruitment of key members of staff has been similarly important for us as we progress our policies and procedures. Creating a new team of people from different backgrounds and levels of experience has been a novel and enriching experience. Indeed the year as a whole has been marked by its unique challenges and opportunities and, of course, by change. We thank the staff and Commissioners for their continuing work and look forward to the future.



**Frances McCandless**  
Chief Executive  
Charity Commission  
for Northern Ireland

**Tom McGrath CBE**  
Chief Commissioner  
Charity Commission  
for Northern Ireland

## 2. Introduction

The Charity Commission is the new independent regulator of Northern Ireland charities, as created by the Charities Act (NI) 2008 (the Act). The Act made provision for the establishment of an independent Commission that would be able to respond to the needs of local charities. The Commission is a non-departmental public body (NDPB) and is sponsored by the Department for Social Development (DSD).

This Annual Report and Statement of Accounts encompasses three elements:

- documenting the work of the Commission in 2011-2012;
- looking forward to the next year, and;
- providing a financial statement for 2011-2012.

The Charities Act (NI) 2008 introduced a new regulatory framework for the charitable sector in Northern Ireland. The previous framework was “light touch” in nature, with only limited provisions for enforcement and no form of charity registration.

The main objective of the Act was to introduce an integrated system of registration and regulation as well as support and supervision of registered charities. The Act also intended to bring Northern Ireland into line with the regulatory regimes of Scotland, England and Wales.

The Charity Commission for Northern Ireland now works to provide the structure and process through which charities can demonstrate their contribution to society and the public can be assured that charitable resources are being properly applied.

### Auditor

The Comptroller and Auditor General was appointed the Statutory Auditor under the Charities Act (Northern Ireland) 2008. He is the head of the Northern Ireland Audit Office and he and his staff are wholly independent of the Charity Commission for Northern Ireland and reports his findings to the Northern Ireland Assembly.

### Disclosure of relevant audit information

There is no relevant audit information of which the auditors are unaware; and the Accounting Officer has taken all the necessary steps to ensure that both she and the auditors are aware of all relevant audit information.

### 3. Objectives

The objectives of the Charity Commission are set out in the Charities Act (NI) 2008:

<b>Public confidence objective</b>	To increase public trust and confidence in charities
<b>Public benefit objective</b>	To promote awareness of the need to demonstrate public benefit
<b>Compliance objective</b>	To ensure proper management and administration of charities
<b>Charitable resources objective</b>	To promote effective use of charitable resources
<b>Accountability objective</b>	To enhance accountability to donors, beneficiaries and the public

To achieve these objectives, the Commission works with other regulators, including the Charity Commission for England and Wales (CCEW), the Office of the Scottish Charity Regulator (OSCR) and the Department of Justice in Ireland.

The working relationship between the Department for Social Development and the Commission is similarly important and the full implementation of the Act requires close co-operation between both parties. The Commission does, however, exist as an independent organisation, working to further our aims and objectives, as set out in the Act.

# 4. Vision

Our vision is for

“a dynamic and well governed charities sector in which the public has confidence, underpinned by CCNI’s effective delivery of its regulatory and advisory role”

## 5. The Board of the Charity Commission for Northern Ireland



**Chief Charity  
Commissioner**

Tom McGrath



**Charity  
Commissioner**

Paul Cavanagh



**Deputy Chief  
Commissioner**

Paddy Sloan



**Charity  
Commissioner**

Philip McDonagh



**Legal  
Commissioner**

Rosemary Connolly



**Charity  
Commissioner**

Angila Chada



**Charity  
Commissioner**

Walter Rader

The register of interests for the Charity Commissioners can be viewed at:

[www.charitycommissionni.org.uk/About\\_us/Governance/Conflict\\_of\\_Interests\\_Register.aspx](http://www.charitycommissionni.org.uk/About_us/Governance/Conflict_of_Interests_Register.aspx)

## 6. Northern Ireland charities

Engagement with a broad cross section of local charities in the past year has provided us with a sense of their vibrancy and diversity. Charities touch the everyday lives of many people and the societal benefits of civil society cannot be underestimated. This was tacitly recognised by the NI Executive in the Programme for Government 2011-2015, something welcomed by the Commission.

A complete list of Northern Ireland charities does not yet exist. Instead, the law as it stands deems charities to be organisations in receipt of charitable tax status through Her Majesty's Revenue and Customs (HMRC). This "deemed list" of Northern Ireland charities is published on the Charity Commission for Northern Ireland website and the powers of the Commission have applied to these organisations since February 2011.

Some 6,500 charities, on average, have appeared on the HMRC

"deemed list" across the year. Many charities do not apply for charitable tax exemption and therefore do not appear on the list, making it an incomplete picture. While the list enables the Commission to carry out its work for now, in the longer term, the compulsory registration of all Northern Ireland charities will provide for a definitive register.

In the interim, this "deemed list" is published on our website and is accompanied by information on income levels for around two thirds of the organisations on the list. We also publish the website addresses of many of these organisations, if provided to us.

Indeed of the 35,037 visits to the Charity Commission website across the year, the "deemed list" was viewed almost 12,000 times. The publication of this information sees the Commission promote increased transparency and accountability across charities.



## 7. The developing context

The Charity Commission's regulatory functions are exercised within a wider context and will be informed by external developments. As we develop as a new organisation, and indeed like any organisation, we are influenced by external factors.

Expectations of donors, the public and broader civil society are evolving. Difficult economic conditions require charities to think differently as to how they operate today and into the future. Charity registration will provide a new way for charities to demonstrate public benefit and charitable purpose.

The legal context for the Commission's work has developed incrementally during the year also. The nature of the decision and timeframe for the requisite amendment to the Act was indicated by the Social Development Minister in February 2012.

This has provided clearer timeframes for when charity registration will begin. The Commission has now developed a timetable for a public consultation on our Public Benefit Guidance, which is likely to be held in spring 2013, leading onto the commencement of charity registration, likely to start late in 2013.

The format of the proposed amendment is in keeping with the Commission's preferred solution since we referred the problem with the legislation back to DSD in June 2010. Despite the work to be done on the issue, the departmental decision on the issue does signal progress, however overdue. The Commission hopes that that the indicative timeframe, notified to us by DSD, will now be adhered to.



## 8. Progress and delivery

The Commission continues to exert a regulatory influence despite legislative delays around charity registration. The use of the interim “deemed list” has allowed for the implementation of commenced sections of the Act. The investigatory functions of the Commission have particularly set the tone for a year of change and progress.

### • Events and engagement

As a new regulator, it has been important for the Commission to communicate our work and new powers, as well as listen to the views of those affected by our work. The Commission’s stakeholders are wide and varied, constituting, for example, the general public, trustees, the media, politicians and decision makers, as well as our own staff and Commissioners. We have met regularly with these stakeholders in a variety of ways. We have, for example, attended 44 events and seminars during the year, bringing us into contact with almost 1,400 individuals.

These engagement opportunities have involved two way dialogue between ourselves and our stakeholders. This has been important for us as a new organisation, in garnering an understanding of the views of our stakeholders.

The Commission has also endeavoured to engage with organisations based outside of Belfast during the past year. This included holding Board meetings in

Cookstown and Derry/Londonderry with subsequent “Meet the Commissioners” sessions, offering an opportunity for discussion and dialogue with local organisations.

The impetus for this focus comes from the results of an Omnibus Survey (January 2011). The survey indicates that members of the public from the west of Northern Ireland have less understanding of the work of the Charity Commission compared with members of the public based in eastern areas. Our engagement programme has sought to correct this imbalance in a proactive way.

In a year when we began to investigate charities for the first time, our engagement process has been important in increasing understanding of how this process works and where we will, and will not, intervene. Our focus this year has also been on assisting charities to improve and enhance their governance. This work has often involved working with charity umbrella and representative groups.

The year has involved regular contact between the Commission and other regulators, including CCEW and OSCR. The experience and history of both these regulators have assisted the Charity Commission in building our skills, knowledge and organisational culture.

On a more formal basis, the Commission has entered into a number of Memoranda of

Understanding with statutory agencies including the PSNI, HMRC and the Independent Safeguarding Authority (ISA). More informal working relationships now exist with other statutory agencies and organisations including other government departments and Trading Standards.

- **Investigatory work**

The year has been marked by the Commission beginning its investigatory and regulatory work in February 2011. We received 106 concerns about charities in the twelve months between April 2011 and April 2012. 74 of these investigations were progressed to conclusion during the year with 32 still under investigation at year end.

The majority of these concerns originated from members of the public and were submitted using a confidential concerns form which is hosted on the Commission website. Indeed website statistics indicate that there were 550 visits to the concerns form page during the year.

The Act allows us to intervene and treat charity misconduct and mismanagement where it occurs. Working alongside charities and preventing problems by improving governance is our preferred way of working. Prevention, in terms of promoting good charity governance will always be better than cure but experience, including that of charity regulators in other jurisdictions, indicates that charity misconduct and mismanagement will still crop up.

Indeed January 2012 saw the Commission receive its 100th concern about a charity. This led to

the publication of a report, "100 lessons to be learned", which flagged up the common mistakes that have prompted many of these concerns. The report is aimed at benefiting charities by highlighting recurring problems and helping them to get the basics right.

Furthermore, Commencement Order 3 to the Act has allowed for the provision of formal advice and guidance to charities, when a charity trustee applies for that advice. In practice this has enabled our caseworkers to work alongside charities to avert potential problems before they materialise.

- **The public register of charities**

The development of the online system of charity registration is at an advanced stage, and has been subject to testing across the past twelve months. The system has been developed from CCEW's register but is tailored to meet the specific needs of the Charity Commission for Northern Ireland. We are confident that the system is fit for purpose, intuitive and responsive to the needs of users.

The Commission has enlisted twenty local charities to "test drive" the online registration system before registration commences. This testing will inform the final sign off before the beginning of full charity registration, due in the autumn of 2013.

Both our website and the online system have been subject to rigorous accessibility testing from the Shaws Trust during the course of the past year. The Shaws Trust is a UK wide charity which works with people with disabilities offering web

accessibility testing as a business service. This demonstrates our commitment to equality and accessibility.

- **Organisational development**

Substantial internal focus in the past year has resulted in the development, implementation and monitoring of a long list of core operational policies and procedures which are essential for any public body.

The development and launch of the Commission's Equality Scheme and Action Plan public consultation was another significant piece of work. The scheme and action plan set out how we will embed equality into all our work practices and in doing so meet our statutory obligations. The Commission is committed to enhancing equality of opportunity and promoting good relations in all that we do. We look forward to working with the Equality Commission in finalising our scheme and plan in the next year.

During the year various activities were undertaken in order to mainstream equality and good relations considerations into all of our work. This involved, for example, reviewing the use of images on the website to further promote positive attitudes towards people with a disability, integrating disability duties into our investigatory practices and engagement work and creating an audit of inequalities as part of our Equality Scheme and Plan. This work has been underpinned by Omnibus

Survey (January 2011) results, which included the attitudes and opinions of people with a disability towards charities and the Charity Commission.

We have now substantially completed recruitment of a full permanent staff complement. A staffing structure was designed and agreed with DSD and the Department for Finance and Personnel (DFP) before recruitment began. Recruitment has been followed by a programme of training for staff and Commissioners. The staff sickness absence rate stands at 2.67 per cent, set against a 3 per cent Business Plan target.

A milestone in the Commission's organisational development came with the relocation to permanent premises in Lurgan in November 2011. Sustainable working practices have been embedded into all of our working procedures and have become a feature of our new Lurgan office. The relocation involved significant work on behalf of Commission staff and our colleagues in DSD. The office was officially opened in March 2012, with Minister Nelson Mc Causland MLA, and the Mayor of Craigavon Borough Council, Councillor Alan Carson in attendance.

## 9. Future focus

The Corporate Plan 2012-2015 is the basis upon which much of the future work of the Commission is planned. This has been informed by our work with other individuals and organisations throughout the year.

Progress on the registration of Northern Ireland's 7,000-10,000 charities is the key objective for the forthcoming year. The Commission is eager for speedy movement on the registration process and believes that progress of a necessary legislative amendment through the Northern Ireland Assembly must be swift. While the Commission has limited scope for influencing this legislative process, our focus will be on continued development of registration policies and processes.

Alongside this, regulatory work will continue, specifically in response to suspected or alleged charity misconduct and mismanagement. Concerns are received on an almost daily basis by the Commission and significant work goes into assessing whether we can deal with these concerns, and where necessary, progressing investigations.

A year of regulatory work will also prompt further reflection and analysis on how we deal with concerns about charities. This will involve reviewing policies and procedures to ensure that our work is efficient and effective.

A series of Commencement Orders is planned for the forthcoming year, bringing additional sections of the Act into force and increasing our powers and responsibilities. The Commission completed a body of work in preparation for this in 2012-2013, including a scoping exercise in relation to cy-près powers.

Cy-près is a legal term meaning "as near as possible". A cy-près scheme is a legal document which transfers a charitable gift from a charitable purpose which cannot be carried out, to another charitable purpose which is as close as possible to the original. In applying the legal cy-près principle, the Commission will seek to apply charitable property where it may otherwise have failed. We look forward to these positive capabilities.

Continuing with our engagement process will be another key facet of our work next year. A series of engagements are scheduled for 2012-2013, involving a significant number of our stakeholder groups. We value the input of these various groups and benefit greatly from listening to what is happening on the ground with, amongst others, charities and members of the public.

Growth and progression look likely to be the defining characteristics of the year ahead as we continue to promote dynamic and well governed Northern Ireland charities, in which the public can have confidence.

## 10. Remuneration report

### Remuneration policy

The Commissioners and the Chief Executive of the Charity Commission for Northern Ireland are appointed by the Minister for Social Development in line with the Code of Practice issued by the Commissioner for Public Appointments.

The Board has corporate responsibility to appoint, subject to the Minister's and sponsor Department's approval, a Chief Executive to CCNI and in consultation with the sponsor Department set performance objectives and remuneration terms linked to these objectives for the Chief Executive which give due weight to the proper management and use of public monies.

### Service contracts

Both the Chief Commissioner and the Deputy Chief Commissioner have been appointed for a five year term of office. All other Commissioners have been appointed for a three year term. The Chief Executive of the Commission was appointed in April 2010 and this appointment is open-ended.

### Salary and pension entitlements

#### *Emoluments of Chief Executive and Senior Management*

The following sections provide details of salary, pension entitlements and the value of any taxable benefits in kind of the most senior members of the Commission.

#### Remuneration (audited)

Commissioners	2011-12		2010-11	
	Salary £'000	Benefits in kind (to nearest £100)	Salary £'000	Benefits in kind (to nearest £100)
Tom McGrath, Chief Commissioner	0 - 5	Nil	0 - 5	Nil
Paddy Sloan, Deputy Chief Commissioner	0 - 5	Nil	0 - 5	Nil
Angila Chada, Commissioner	0 - 5	Nil	0 - 5	Nil
Rosemary Connolly, Legal Commissioner	0 - 5	Nil	0 - 5	Nil
Walter Rader, Commissioner	0 - 5	Nil	0 - 5	Nil
Paul Cavanagh, Commissioner	0 - 5	Nil	0 - 5	Nil
Philip McDonagh, Commissioner	0 - 5	Nil	0 - 5	Nil

Senior Management	2011-12		2010-11	
	Salary	Benefits in kind (to nearest £100)	Salary	Benefits in kind (to nearest £100)
<b>Chief Executive</b> Frances McCandless	55-60	Nil	55-60	Nil
<b>Head of Charity Services</b> Punam McGookin	40-45	Nil	Nil	Nil
<b>Head of Corporate Services &amp; Compliance</b> Aubrey McCrory	40-45	Nil	Nil	Nil

	2011-12	2010-11
<b>Band of Highest Paid Director's Total Remuneration</b>	<b>55-60</b>	55-60
<b>Median Total Remuneration</b>	<b>25,226</b>	27,300
<b>Ratio</b>	<b>2.3</b>	2.1

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the median remuneration of the organisation's workforce.

The highest paid director in the Commission in the financial year 2011-12 was £55k-£60k (2010-11, £55k-£60k). This was 2.3 times (2010-11, 2.1) the median remuneration of the workforce, which was £25,226 (2010-11, £27,300)

Total remuneration includes salary, non-consolidated performance-related pay, benefits-in-kind as well as severance payments. It does not include employer pension contributions and the cash equivalent transfer value of pensions.

### **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.

### **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.

### **Pension benefits (audited)**

No Commissioners received pension benefits. In 2011-12 year steps were taken to provide pension benefits through membership of the Principal Civil Service Pension Scheme to the Chief Executive and staff. However, DFP approval was not given until after year end. Therefore the costs have been accrued in the year-end financial statements pending confirmation of an entry to the Principal Civil Service Pension Scheme (NI).

### **Bonuses**

The Commission does not operate any form of bonus scheme.

### **Compensation payments**

No compensation payments were made in the 2011/2012 financial year.

### **Ex-gratia payments**

No ex-gratia payments were made in the 2011/2012 financial year.

### **Exit packages**

No exit packages were awarded in the years 2010/2011 or 2011/2012.

### **Signed**



**Francesc McCandless**  
**Chief Executive**  
**Date 22 June 2012**

## 11. Statements of the Responsibilities of the Commission and Chief Executive

Under Schedule 1, Section 8(2), of the Charities Act (NI) 2008, the Department for Social Development (DSD), with the approval of the Department of Finance and Personnel (DFP), has directed the Charity Commission for Northern Ireland to prepare for each financial year a Statement of Accounts in the form and on the basis set out in the Accounts Direction. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the Commission and of its income and expenditure, changes in taxpayers' equity, and cash flows for the financial year.

In preparing the accounts, the Accounting Officer is required to comply with the requirements of the Government Financial Reporting Manual and in particular to:

- observe the accounts direction issued by DSD, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;

- state whether applicable accounting standards as set out in the Government Financial Reporting Manual have been followed, and disclose and explain any material departures in the financial statements; and
- prepare the financial statements on a going concern basis.

The Accounting Officer of DSD has designated the Chief Executive of the Charity Commission for Northern Ireland as Accounting Officer of the Commission. The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper accounting records, and for safeguarding the Commission's assets, are set out in Managing Public Money Northern Ireland published by DFP.

## 12. Statement on Internal Control 2011-12

### 1. Scope of responsibility

As Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the Commission's policies, aims and objectives, whilst safeguarding the public funds and managing the assets assigned to the Charity Commission for Northern Ireland, for which I am personally responsible, in accordance with the responsibilities assigned to me in Managing Public Money. The Commission was established on 27 March 2009 and established internal controls from this point onwards which are, and will continue to be, reviewed on an annual basis.

### 2. 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 the Commission'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 brought into place in the Charity Commission for Northern Ireland since establishment, during the period ended 31 March 2012 and up to the date of approval of the annual report and accounts, and accords with Treasury guidance.

### 3. Capacity to handle risk

The identification and impact of risk is incorporated into the corporate planning and decision making processes of the Commission. Consequently the Commission ensures that there are procedures in place for verifying that internal control and aspects of risk management are regularly reviewed and reported on.

In addition to the actions mentioned above, in the coming year the Commission plans to:

- continue and update the records of risk;
- ensure that the Commission's Audit and Risk Committee reviews the risk framework at its meetings;
- further develop a system of key performance and risk indicators;
- continue to identify and arrange for appropriate training for staff and audit committee members;
- continue to provide assurance to senior management and the Commissioners that agreed processes and procedures are in

place and are being acted upon and complied with;

- implement recommendations from an IT Review commissioned during 2011-12 to identify any potential weaknesses which might present information risks.

#### **4. The risk and control framework**

As part of the Commission's corporate planning process, the Commission identifies the inherent risks for each corporate objective, and assesses each inherent risk for impact and likelihood using a risk matrix. The Commission also identifies the controls to mitigate each risk.

Thus key areas of risk are identified, risk ownership assigned to staff and action plans drawn up.

The Audit and Risk Committee was established in June 2009 and these risks are reported to and managed by the Audit and Risk Committee who review and report to the Commissioners on risk management issues. Risk is reviewed on a quarterly basis by the Audit and Risk Committee and in turn they inform the Commissioners of any emerging issues. An internal audit review was carried in February and March 2012 by the DSD Internal Audit Unit which examined the risk management framework and the management of information risks. The Audit and Risk Committee commissions reports on specific issues where they feel this necessary. The Audit and Risk Committee has also reviewed the systems and controls in place to protect our information. Risk registers are maintained by the Commission.

The Audit and Risk Committee has noted in 2011-12 that the risk environment continued to include delays in amending charity legislation which impact on the Commission's business plan. The business plan included beginning the registration of charities, which has had to be postponed until a legislative resolution is found. Preparation for registration has, however, continued as planned. Although these external factors lie outside of the organisation's internal control mechanisms, the risk framework has included mitigating actions where feasible. These have included a temporary legal provision allowing the Commission to bring forward other work on investigation and charity governance.

#### **5. Review of effectiveness**

As Accounting Officer, I 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 those within the organisation who have responsibility for the development and maintenance of the organisation's internal control framework and comments made by the external auditors in their Report to Those Charged with Governance 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 Audit Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

In respect of 2011/12 I have been informed by internal and external audit on the adequacy and effectiveness of internal controls operating within the Charity Commission for Northern Ireland. In the internal auditors report they have stated that in their opinion the Commission's internal control systems were adequate and operated effectively thereby providing satisfactory assurance regarding the effective and efficient achievement of the Commission's objectives. A number of recommendations were made and an implementation plan is in place.

Progress on issues raised by internal and external audit continues to be formally monitored through the Audit and Risk Committee.

#### **6. Significant internal control issues**

There are no significant control issues which might prejudice achievement of a Public Service Agreement, have a material impact on the accounts, divert resources from another aspect of the business, damage the organisation's reputation nor any regarded as significant by the Audit and Risk Committee.

However, the Charity Commission for Northern Ireland is a new organisation and was still at a relatively early stage of development during the year relating to this Annual Report and Accounts.

A small number of the organisation's governance processes became fully functioning only in the year under consideration and are still being tested and monitored. Substantial progress has continued in the past year on the development of assurance systems and governance procedures relating to risk management policy, gifts and hospitality, health and safety, conflicts of interest, attendance management and performance management. A revised assurance framework has also been implemented. The organisation has substantially completed recruitment of a full permanent staff complement and successfully relocated to new premises.

**Signed**



**Frances McCandless**  
**Chief Executive**  
**Date 22 June 2012**

## 13. The Certificate of the Comptroller and Auditor General

### Charity Commission for Northern Ireland

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

I certify that I have audited the financial statements of the Charity Commission for Northern Ireland for the year ended 31 March 2012 under the Charities Act (Northern Ireland) 2008. These comprise the Statement of Comprehensive Net Expenditure, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Taxpayers' Equity and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

#### Respective responsibilities of the Chief Executive and auditor

As explained more fully in the Statement of Chief Executive's Responsibilities, the Chief Executive is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. My responsibility is to audit the financial statements in accordance with the Charities Act (Northern Ireland) 2008. I conducted my audit in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require me and my staff to comply with the Auditing Practices

Board's Ethical Standards for Auditors.

#### Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Charity Commission for Northern Ireland's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Charity Commission for Northern Ireland; and the overall presentation of the financial statements. In addition I read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my certificate.

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

### Opinion on Regularity

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

### Opinion on financial statements

In my opinion:

- the financial statements give a true and fair view, of the state of the Charity Commission for Northern Ireland's affairs as at 31 March 2012 and of its net expenditure, cash flows and changes in taxpayers' equity for the year then ended; and
- the financial statements have been properly prepared in accordance with the Charities Act (Northern Ireland) 2008 and Department of Finance and Personnel directions issued thereunder.

### Opinion on other matters

In my opinion:

- the part of the Remuneration Report to be audited has been properly prepared in accordance with Department of Finance and Personnel directions issued under the Charities Act (Northern Ireland) 2008; and
- the information given in the Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

### Matters on which I report by exception

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept; or
- the financial statements and the part of the Remuneration Report to be audited are not in agreement with the accounting records; or
- I have not received all of the information and explanations I require for my audit; or
- the Statement on Internal Control does not reflect compliance with Department of Finance and Personnel's guidance.

### Report

I have no observations to make on these financial statements.



### KJ Donnelly

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

**25 June 2012**

## 14. Statement of Comprehensive Net Expenditure

For the year ended 31 March 2012

	Notes	2011-12 £	2010-11 Restated £
<b>Expenditure</b>			
Staff costs	2	<b>583,970</b>	447,576
Commissioners costs	2	<b>18,169</b>	19,644
Depreciation	3	<b>32,796</b>	2,286
Other expenditure	3	<b>242,132</b>	274,092
Notional costs	4	<b>12,538</b>	9,650
Net Expenditure		<b>889,605</b>	753,248
Reversal of notional costs	4	<b>(12,538)</b>	(9,650)
		<b>877,067</b>	743,598
<b>Other comprehensive expenditure</b>			
Net gain on revaluation of property,			
Property, plant and equipment	5	<b>(2,364)</b>	(406)
Net gain on revaluation of Intangible assets	6	<b>(390)</b>	-
<b>Total Comprehensive Expenditure for the year ended 31 March 2012</b>		<b>874,313</b>	743,192

Other than grant-in-aid from the Department for Social Development, the Charity Commission for Northern Ireland received no income in the year.

The notes on pages 30 to 42 form part of these accounts.

## 15. Statement of Financial Position

As at 31 March 2012

	Notes	2012 £	2011 Restated £	2010
<b>Non-current assets:</b>				
Property, plant and equipment	5	<b>157,070</b>	18,823	7,679
Intangible assets	6	<b>180,925</b>	183,586	116,186
<b>Total non-current assets</b>		<b>337,995</b>	202,409	123,865
<b>Current assets:</b>				
Trade and other receivables	8	<b>8,062</b>	5,026	-
Cash and cash equivalents	9	<b>36,914</b>	51,167	-
<b>Total current assets</b>		<b>44,976</b>	56,193	-
<b>Total assets</b>		<b>382,971</b>	258,602	123,865
<b>Current liabilities</b>				
Trade and other payables	10	<b>(171,439)</b>	(177,158)	(128,770)
<b>Total current liabilities</b>		<b>(171,439)</b>	(177,158)	(128,770)
<b>Non-current assets less net current liabilities</b>		<b>211,532</b>	81,444	(4,905)
<b>Assets less liabilities</b>		<b>211,532</b>	81,444	(4,905)
<b>Taxpayers Equity</b>				
Revaluation reserve		<b>3,160</b>	406	-
General reserve		<b>208,372</b>	81,038	(4,905)
		<b>211,532</b>	81,444	(4,905)

The financial statements on pages 26 to 29 were approved by the Board on 11 June 2012 and were signed on its behalf by;



**Tom McGrath CBE**  
**Chief Commissioner - Charity Commission for Northern Ireland**  
**22 June 2012**



**Frances McCandless**  
**Chief Executive - Charity Commission for Northern Ireland**  
**22 June 2012**

The notes on pages 30 to 42 form part of these accounts.

## 16. Statement of Cash Flows

For the year ended 31 March 2012

	Notes	2011-12 £	2010-11 Restated £
<i>Cash flows from operating activities</i>			
Net expenditure		<b>(877,067)</b>	(743,598)
(Increase)/Decrease in trade and other receivables		<b>(3,036)</b>	(5,026)
(Decrease) / Increase in trade and other payables		<b>(26,869)</b>	146,229
Depreciation charge	5+6	<b>32,796</b>	2,286
<b>Net cash outflow from operating activities</b>		<b>(874,176)</b>	(600,109)
<i>Cash flows from investing activities</i>			
Purchase of property, plant and equipment	5	<b>(153,163)</b>	(13,024)
Purchase of intangible assets	6	<b>(12,465)</b>	(67,400)
Increase / (Decrease) in Capital Payables	10.1	<b>21,150</b>	(97,841)
<b>Net cash outflow from investing activities</b>		<b>(144,478)</b>	(178,265)
<i>Cash flows from financing activities</i>			
Grants from sponsor Department - Capital		<b>165,628</b>	80,424
Grants from sponsor Department - Revenue		<b>838,773</b>	749,117
<b>Net financing</b>		<b>1,004,401</b>	829,541
<b>Net (Decrease)/Increase in cash and cash equivalents in the period</b>		<b>(14,253)</b>	51,167
<b>Cash and cash equivalents at the beginning of the period</b>		<b>51,167</b>	-
<b>Cash and cash equivalents at the end of the period</b>	9	<b>36,914</b>	51,167

The notes on pages 30 to 42 form part of these accounts.

## 17. Statement of Changes in Taxpayers' Equity

For the year ended 31 March 2012

	Notes	General Reserve £	Revaluation Reserve £	Total Reserves £
Balance at 31 March 2010		(4,905)	-	(4,905)
<i>Changes in Taxpayers' Equity 2010-11</i>				
Total comprehensive expenditure		(756,120)	198	(755,922)
<b>Total recognised Income and expense for 2010-11</b>		<b>(756,120)</b>	<b>198</b>	<b>(755,922)</b>
Grants from sponsor Department - Capital		67,400	-	67,400
Grants from sponsor Department - Revenue		762,141		762,141
<b>Total grant from sponsor Department</b>		<b>829,541</b>	<b>-</b>	<b>829,541</b>
		<b>68,516</b>	<b>198</b>	<b>68,714</b>
<b>Balance at 31 March 2011</b>		68,516	198	68,714
Changes in Accounting Policy	1.3	12,522	208	12,730
Restated balance at 1 April 2011		<b>81,038</b>	<b>406</b>	<b>81,444</b>
<i>Changes in Taxpayers' Equity 2011-12</i>				
Total comprehensive expenditure		(877,067)	2,754	(874,313)
<b>Total recognised Income and expense for 2011-12</b>		<b>(877,067)</b>	<b>2,754</b>	<b>(874,313)</b>
Grants from sponsor Department - Capital		165,628	-	165,628
Grants from sponsor Department - Revenue		838,773	-	838,773
<b>Total grant from sponsor Department</b>		<b>1,004,401</b>	<b>-</b>	<b>1,004,401</b>
<b>Balance at 31 March 2012</b>		<b>208,372</b>	<b>3,160</b>	<b>211,532</b>

The notes on pages 30 to 42 form part of these accounts.

# 18. Notes to the accounts of the Charity Commission for Northern Ireland

## 1. Statement of accounting policies

These financial statements have been prepared in accordance with the 2011-12 Government Financial Reporting Manual (FRoM) issued by HM Treasury. The accounting policies contained in the FRoM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context.

Where the FRoM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the Charity Commission for Northern Ireland for the purpose of giving a true and fair view has been selected. The particular policies adopted by the Charity Commission for Northern Ireland are described below. They have been applied consistently in dealing with items that are considered material to the accounts.

Without limiting the information given, the financial statements meet the accounting and disclosure requirements of the Companies Act 2006 and of the accounting standards issued or adopted by the Accounting Standards Board, so far as those requirements are appropriate. The accounts direction is reproduced as an appendix to these financial statements.

### 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 Charity Commission for Northern Ireland by reference to their current costs.

### 1.2 Financing

In accordance with the amendments to FRoM, Grant in Aid has been treated as Financing and had been credited directly to the Income and Expenditure Reserve. Capital Grant in Aid has been credited to the Income and Expenditure Reserve.

### 1.3 Property, plant and equipment

Expenditure on property, plant and equipment of £1,000 or more is capitalised. On initial recognition, assets are measured at cost including any costs attributable to bringing them into working condition.

In the prior year Capitalisation threshold was changed from £3,000 to £1,000 reflecting the standard accounting policy of our parent organisation. This represented a change in accounting policy and comparative figures have been restated accordingly.

#### 1.4 Intangible assets

Expenditure on intangible assets, which are primarily the Commission's database and the associated costs of implementation, is capitalised where the cost is £1,000 or more. Intangible assets utilised by the Commission are purchased externally.

In the prior year capitalisation threshold has changed from £3,000 to £1,000 reflecting the standard accounting policy of our parent organisation. This represents a change in accounting policy and comparative figures have been restated accordingly.

#### 1.5 Depreciation

Non-current assets, with the exception of leased assets, are depreciated on a straight line basis in order to write off the cost, less estimated residual value of each asset over its expected useful life at the following rates.

Furniture fixtures and fittings  
*20% per annum*

Equipment  
*25% per annum*

Information technology  
*25% per annum*

Charity Commission database  
*10% per annum*

Leased equipment  
*Period of Lease*

Buildings under lease  
*Period of Lease*

Leasehold improvements  
*Period of Lease*

#### 1.6 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as non-current assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in current liabilities net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce constant periodic rates of charge on the net obligations outstanding in each period.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

#### 1.7 Impairments

The value of non-current assets is reviewed at the end of each full financial year after acquisition for evidence of reduction in value. Where impairment is identified that is attributable to the clear consumption of economic benefit, the loss is charged to the Statement of Comprehensive Net Expenditure. Impairment reviews will also take place in other periods if events or changes in circumstances occur which indicate that the carrying values may not be recoverable.

#### 1.8 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as non-current assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements

are included in current liabilities net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce constant periodic rates of charge on the net obligations outstanding in each period.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

### **1.9 Foreign currencies**

There were no foreign currencies purchased during 2011/2012. Any monetary assets and liabilities denominated in foreign currencies will be translated into sterling at the rates of exchange prevailing at the accounting date. Transactions in foreign currencies will be recorded at the date of the transactions. Translation differences will be dealt with in the Statement of Comprehensive Net Expenditure.

### **1.10 Value added tax**

All items in these financial statements are inclusive of VAT, which is not recoverable.

### **1.11 Staff costs**

Under IAS 19 Employee Benefits legislation, all staff costs must be recorded as an expense as soon as the organisation is obligated to pay them. This includes the cost of any untaken leave as at the year end. The cost of untaken leave has been determined using data from electronic leave records.

### **1.12 Accounting estimates**

No material accounting estimates or judgements were made by the Commission in preparing these accounts.

### **1.13 Financial instruments**

The Commission does not hold any complex financial instruments. The only financial instruments in the accounts are receivables and payables (Notes 9 and 11). Receivables are recognised initially at fair value less a provision for impairment. A provision for impairment is made when there is evidence that the Commission will be unable to collect an amount due in accordance with agreed terms.

### **1.14 Analysis of net expenditure by segment**

The Charity Commission for Northern Ireland has one purpose, and as such is considered to have only one operating segment. All income, expenditure, assets and liabilities relate to the Commission's sole activity.

### **1.15 Accounting standards, interpretations and amendments to published standards adopted to the year ended 31 March 2012**

The Commission has reviewed the standards, interpretations and amendments to published standards that became effective during 2011-12 and which are relevant to its operations. The Commission anticipates that the adoption of these standards will have no material impact on the Commission's financial position or results of operations.

### **1.16 Accounting standards, interpretations and amendments to published standards not yet effective**

Certain new standards, interpretations and amendments to existing standards have been published that are mandatory for the Commission's accounting periods beginning on or after 01 April 2012, but which the Commission has not adopted early. The Commission does not anticipate that the adoption of these standards will have a material impact on its accounts in the period of initial application.

### **1.17 General reserve**

The general reserves of the Commission represent the net of its total assets and total liabilities at the Statement of Financial Position date. The non-current assets of the Commission have been funded through grant-in-aid and capitalised in accordance with the policies set out under notes 1.3 and 1.4. The current assets and liabilities are a result of receivables, cash and payables arising due to the timing of invoices received and payments made as at 31 March 2012. The reserves of the Commission are non-distributable.

## 2. Staff numbers and related costs

### 2(a) Staff costs comprise:

	Total	2011-12 Permanently employed staff	Others	2010-11 Total
Wages and salaries	<b>464,057</b>	345,514	118,543	408,094
Commissioners' remuneration	<b>18,169</b>	18,169	-	19,644
Social security costs	<b>39,054</b>	36,065	2,989	7,572
Other pension costs	<b>80,859</b>	71,691	9,168	31,910
<b>Total net costs</b>	<b>602,139</b>	<b>471,439</b>	<b>130,700</b>	467,220

During 2011-12 the Commission commenced employment of the majority of its permanent staff complement and steps were taken to provide pension benefits through membership of the Principal Civil Service Pension Scheme (NI) to the Chief Executive and staff. The costs above include staff seconded from the Department for Social Development, and Courts & Tribunals Service for part of the year, who are members of the pension scheme in which that body participates, and to amounts accrued in respect of permanently employed staff pending entry to the Principal Civil Service Pension Scheme.

### 2(b) Average number of persons employed

The average number of whole-time equivalent persons (including senior management but excluding Charity Commissioners) employed during the year was as follows:

	Total	2011-12 Permanently employed staff	Others	2010-11 Total
Directly employed	<b>15</b>	<b>11</b>	<b>4</b>	11
<b>Total</b>	<b>15</b>	<b>11</b>	<b>4</b>	11

### 3. Other expenditure

	2011-12	2010-11 Restated
Commission Costs:	£	£
Rent and service charges	<b>33,322</b>	32,025
Rates	<b>11,525</b>	10,000
Maintenance and repairs	<b>1,000</b>	1,529
Cleaning	<b>4,083</b>	2,769
Telephone and postage	<b>6,578</b>	4,776
Heat, light and power	<b>2,635</b>	2,550
IT consumables and stationery	<b>15,933</b>	10,278
Publicity, printing and advertising	<b>5,907</b>	6,107
Staff/Commissioners training	<b>22,571</b>	6,346
Travel and subsistence	<b>11,144</b>	5,156
Conference fees	<b>1,970</b>	1,157
Recruitment costs	-	13,073
Hospitality	<b>1,800</b>	600
Accountancy	<b>807</b>	3,921
Legal fees	<b>13,047</b>	6,008
Legal case resource	-	25,000
Miscellaneous expenses	<b>20</b>	196
Membership and licence fees	<b>3,753</b>	2,136
Library costs	<b>1,534</b>	2,110
Charity register maintenance	<b>63,960</b>	55,245
Minor Equipment	<b>7,024</b>	344
Computer software	<b>204</b>	2,178
Communication and research costs	<b>10,606</b>	29,815
Business process mapping exercise	-	30,786
Relocation Costs	<b>17,269</b>	-
Superannuation options research	<b>1,440</b>	10,810
Pre-registration mailing	-	5,177

Online Registration / Website a ccessibility audit	<b>4,000</b>	4,000
<b>Total</b>	<b>242,132</b>	274,092
<b>Non-cash items</b>		
Depreciation	<b>32,796</b>	2,286
	<b>274,928</b>	276,378

#### 4. Notional Costs

	2011-12	2010-11
Notional costs incurred during the year relate to:	£	£
Audit fee	<b>9,618</b>	9,650
Internal Audit Fee	<b>2,920</b>	-
<b>Total</b>	<b>12,538</b>	9,650

During the year the Commission purchased no non-audit services from its auditor, the Northern Ireland Audit Office, and the notional cost above relates to the audit of the financial statements.

## 5. Property, plant and equipment

2011-12	Buildings £	Furniture & Fittings £	Information technology £	Total £
<b>Cost or valuation</b>				
At 31 March 2011	-	-	21,326	21,326
Additions	121,586	30,296	1,281	153,163
Revaluations	2,040	508	49	2,597
<b>At 31 March 2012</b>	<b>123,626</b>	<b>30,804</b>	<b>22,656</b>	<b>177,086</b>
<b>Depreciation</b>				
At 31 March 2011	-	-	2,503	2,503
Charged in year	10,554	2,525	4,201	17,280
Revaluations	177	42	14	233
<b>At 31 March 2012</b>	<b>10,731</b>	<b>2,567</b>	<b>6,718</b>	<b>20,016</b>
<b>Net book value at 31 March 2012</b>	<b>112,895</b>	<b>28,237</b>	<b>15,938</b>	<b>157,070</b>
Net book value at 31 March 2011	-	-	18,823	18,823

2010-11	Information technology Restated £	Total Restated £
<b>Cost or valuation</b>		
At 31 March 2010	7,842	7,842
Additions	13,024	13,024
Revaluations	460	460
<b>At 31 March 2011</b>	<b>21,326</b>	<b>21,326</b>
<b>Depreciation</b>		
At 31 March 2010	163	163

Charged in year	2,286	2,286
Revaluations	54	54
<b>At 31 March 2011</b>	<b>2,503</b>	<b>2,503</b>
<b>Net book value at 31 March 2011</b>	<b>18,823</b>	<b>18,823</b>

The Commission owns all assets and has no finance leases or PFI contracts.

The Commission's assets are re-valued annually on the basis of appropriate indices from the Office for National Statistics.

## 6. Intangible assets

Intangible assets comprise the Commission's database, and the associated costs of implementation. The Commission's Charity Register Database was brought into use in June 2011. There have been no events or changes in circumstances, including legislation not being put in place that has prompted an impairment review in 2011-12.

<b>2011-12</b>	<b>Total £</b>
<b>Cost or valuation</b>	
At 1 April 2011	183,586
Additions	12,465
Revaluation	424
<b>At 31 March 2012</b>	<b>196,475</b>
<b>Amortisation</b>	
At 1 April 2011	-
Charged in year	15,516
Revaluation	34
<b>At 31 March 2012</b>	<b>15,550</b>
<b>Net book value at 31 March 2012</b>	<b>180,925</b>
Net book value at 31 March 2011	183,586

2010-11	Total £
<b>Cost or valuation</b>	
At 1 April 2010	116,186
Additions	67,400
<b>At 31 March 2011</b>	<b>183,586</b>
<b>Amortisation</b>	
At 1 April 2010 <b>and 31 March 2011</b>	-
Net book value at 31 March 2011	183,586

## 7. Financial instruments

As the cash requirements of the Charity Commission for Northern Ireland are met through grant-in-aid provided by the Department for Social Development, financial instruments play a more limited role in creating and managing risk than would apply to a non-public sector body. The majority of financial instruments relate to contracts to buy non-financial items in line with the Charity Commission's expected purchase and usage requirements and the Charity Commission is therefore exposed to little credit, liquidity or market risk.

## 8. Trade receivables and other current assets

	2011-12	2010-11
	£	£
<b>Amounts falling due within one year:</b>		
Prepayments and accrued income	<b>8,062</b>	5,026
<b>Total</b>	<b>8,062</b>	5,026

## 9. Cash and cash equivalents

	2011-12	2010-11
	£	£
Balance at 1 April	<b>51,167</b>	-
Net change in cash and cash equivalent balances	<b>(14,253)</b>	51,167
<b>Balance at 31 March</b>	<b>36,914</b>	51,167
The following balances at 31 March were held at: Commercial banks and cash in hand	<b>36,914</b>	51,167

## 10.1 Trade payables and other current liabilities

	2011-12	2010-11
	£	£
<b>Amounts falling due within one year:</b>		
Trade payables	-	78,323
Capital payables	<b>21,870</b>	720
Creditors DSD	-	36,830
Other Tax and Social Security	<b>17,525</b>	5,261
Accruals and deferred income	<b>132,044</b>	56,024
<b>Total</b>	<b>171,439</b>	177,158

## 10.2 Public Sector Payment Policy – Measure of Compliance

The Department requires that CCNI pay their non CCNI Trade Creditors in accordance with the Account NI Prompt Payment Code and Government Accounting Rules. CCNI payment policy is consistent with the Accounts NI Prompt Payment codes and Government Accounting rules and its measure of compliance for invoices paid 01 April 2011 to 31 March 2012.

	2011-12		2010-11	
Total invoices in accounting period	<b>550</b>		237	
Invoices paid within 10 days	<b>508</b>	<b>92.40%</b>	219	92.41%
Invoices paid 10 - 30 days	<b>39</b>	<b>7.10%</b>	15	6.33%
Invoices paid over 30 days	<b>3</b>	<b>0.50%</b>	3	1.37%

## 11. Commitments under leases

Total future minimum lease payments under operating leases are given in the table below for each of the following periods:

	2011-12 £	2010-11 £
<b>Buildings</b>		
Not later than one year	<b>34,093</b>	7,891
Later than one year and not later than five years	<b>119,326</b>	-
Later than five years	-	-
<b>Total</b>	<b>153,419</b>	7,891
	2011-12 £	2010-11 £
<b>Other</b>		
Not later than one year	<b>472</b>	925
Later than one year and not later than five years	-	462
Later than five years	-	-
<b>Total</b>	<b>472</b>	1,387

The Charity Commission for Northern Ireland had no commitments under finance leases at the statement of financial position date (2011: £nil).

## 12. Capital commitments

The Charity Commission for Northern Ireland had no capital commitments at the statement of financial position date (2011: £nil).

### **13. Related party transactions**

The Charity Commission for Northern Ireland is a non-departmental public body sponsored by the Department for Social Development.

DSD is regarded as a related party. During the year the Commission had a number of material transactions with the Department. In addition, the Commission had a small number of material transactions with other government departments and other central government bodies.

The Commission received capital grants of £165,628 and revenue grant of £838,773 from the sponsor department (Total £1,004,401). Capital grants received were £12,231 for a capital IT project and £153,397 for the Commissions' relocation to the new premises. The Commission also paid the Courts and Tribunal Services an amount of £19,344 for a seconded member of staff. This amount includes an accrual for £8,472 for invoices outstanding at year end.

None of the Commissioner's or key members of staff has undertaken any material transactions with the Commission in the financial year.

### **14. Contingent liabilities**

The Charity Commission for Northern Ireland had no contingent liabilities at 31 March 2012 (2011: £nil).

### **15. Losses and special payments**

An amount of £10,000 has been accrued within the accounts for dilapidation costs at the Commission's previous premises in Belfast. This relates to amounts due to the landlord, in order to bring the property back to good tenable repair, removing modifications made during the lease by the Commission. This is considered to be a fruitless payment as there is no benefit to the Charity Commission.

### **16. Events after the reporting period**

There were no events after the reporting period, as defined by IAS 10, between the statement of financial position date and the date the accounts were signed. The accounts were authorised for issue on 22 June 2012.

**ACCOUNTS DIRECTION GIVEN BY THE DEPARTMENT FOR SOCIAL DEVELOPMENT, WITH THE APPROVAL OF THE DEPARTMENT OF FINANCE AND PERSONNEL, IN ACCORDANCE WITH SCHEDULE 1 SECTION 8(2) OF THE CHARITIES ACT (NI) 2008**

1. This direction applies to the Charity Commission for Northern Ireland.
2. Charity Commission for Northern Ireland shall prepare accounts for the financial year ended 31 March 2012 and subsequent financial years in compliance with the accounting principles and disclosure requirements of the edition of the Government Financial Reporting Manual issued by HM Treasury ("the FReM") which is in force for the financial year for which the accounts are being prepared, together with any additional disclosure or other requirements as agreed with the department. The accounting policies contained in the Government Financial Reporting Manual apply International Financial Reporting Standards as adapted or interpreted for the public sector context.
3. The accounts shall be prepared so as to:
  - (a) give a true and fair view of the state of affairs at 31 March 2012 and subsequent financial year-ends, and of the income and expenditure, total recognised gains and losses and cash flows for the financial year then ended; and
  - (b) provide disclosure of any material expenditure or income that has not been applied to the purposes intended by the Assembly or material transactions that have not conformed to the authorities which govern them.
4. Compliance with the requirements of the FReM will, in all but exceptional circumstances, be necessary for the accounts to give a true and fair view. If, in these exceptional circumstances, compliance with the requirements of the FReM is inconsistent with the requirement to give a true and fair view, the requirements of the FReM should be departed from only to the extent necessary to give a true and fair view. In such cases, informed and unbiased judgement should be used to devise an appropriate alternative treatment which should be consistent with both the economic characteristics of the circumstances concerned and the spirit of the FReM. Any material departure from the FReM should be discussed with the Department for Social Development and the Department of Finance and Personnel.







The Charity Commission  
for Northern Ireland  
257 Lough Road  
Lurgan  
Northern Ireland  
BT66 6NQ

Tel: 028 3832 0220  
Fax: 028 3834 5943  
Text Phone: 028 3834 7639

[www.charitycommissionni.org.uk](http://www.charitycommissionni.org.uk)