

POLICE SERVICE OF NORTHERN IRELAND



Annual Financial Statements for the Police Property Fund

Prepared by the Chief Constable on behalf of
the Northern Ireland Policing Board

For the year ended 31 March 2007

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ANNUAL REPORT

FOREWORD

Background information

The Police (Northern Ireland) Act 2000 and subsequent amendments in the Police (Northern Ireland) Act 2003, made specific provision about policing in Northern Ireland. Section 12 (4) of the 'Act', as amended by Section 7 of the 2003 'Act', refers specifically to the requirement for the Chief Constable to submit the statement of accounts to the Northern Ireland Policing Board (in regard to amounts put at disposal of the Chief Constable by the Policing Board) within such period after the end of the financial year to which they relate as the Secretary of State may determine. This is to allow the Policing Board to meet their own specific requirements under Section 12 (1) (a) of the Act.

Principal activities

The Police Service of Northern Ireland (PSNI) exists to provide effective, high quality and professional policing to all of the people living in Northern Ireland. It aims to do this by working closely with, and in, the whole community. The key themes, which continually drive forward the development of policing services, are partnership and co-operation, both with the community served and with other agencies in the private, public and voluntary sectors. All of this is done against a background of ongoing change and improvements and with a determination to make best use of finite resources, whether financial or human, to provide the best value services possible.

The Police Property Fund is a separate fund, administered by the PSNI and established by regulations under section 2 of the Police (Property) Act 1897, which comprises unclaimed receipts arising from criminal investigations by the PSNI, which the Policing Board donate to charities.

Accounts direction

The Financial Statements have been prepared in a form directed by the Northern Ireland Office on behalf of the Secretary of State for Northern Ireland, and are in accordance with Section 12 (3) of Part 2 to the Police (Northern Ireland) Act 2000 and subsequent amendments made by the Police (Northern Ireland) Act 2003.

ANNUAL REPORT (CONTINUED)

Chief Officers

The Chief Officers who served throughout the year, except as noted, were as follows:

Chief Constable
Sir Hugh Orde

Deputy Chief Constable
Paul Leighton

Assistant Chief Constable Crime Operations
Peter Sheridan

Assistant Chief Constable Operational Support
Roy Toner

Assistant Chief Constable Criminal Justice
Drew Harris

Assistant Chief Constable Urban Region
Duncan McCausland

Assistant Chief Constable Rural Region
Judith Gillespie

Assistant Chief Constable Crime Support
Alistair Finlay (appointed in August 2006)

Director of Finance & Support Services
David Best

Director of Human Resources
Joseph Stewart

Further details are provided in the Main Annual Financial Statements of the PSNI.

Corporate Governance

Corporate Governance within PSNI is structured on a committee model, reporting to the Chief Constable's Forum (CCF) made up of all Chief Officers and chaired by the Chief Constable.

Each sub committee of the CCF consists of relevant Chief Officers and other members of the Senior Management Team. These committees provide a conduit through which major policy decisions are formulated and exercise responsibility for specific aspects of governance within the Police Service.

ANNUAL REPORT (CONTINUED)

The key sub committees supporting the CCF are the:

Information Management Steering Group
Strategic Tasking Coordinating Group
Finance, Personnel and Training Committee
Organisational Development Committee
Supplies, Estates and Transport Committee
Audit and Risk Committee

The role of the Audit and Risk Committee is to advise the Chief Constable on the adequacy of internal control arrangements including risk management and governance. This committee includes two Non-Executive Members, one as Chair, with both Internal and External Audit invited to attend.

Company directorships

Chief Officers held no company directorships or other significant interests which conflicted with their management responsibilities.

Fixed assets

The Police Property Fund has no fixed assets.

Research and development

The Police Property Fund has no activities in the field of research and development.

Interest rate and currency risk

PSNI has no borrowings and relies primarily on Departmental grants for its cash requirements, and is therefore not exposed to liquidity risks. It also has no material deposits. As all significant assets and liabilities are determined in sterling it is not exposed to material interest rate risk or currency risk.

Post balance sheet events

The Annual Report and Accounts were authorised to be issued and laid in the Houses of Parliament on 8 October 2007. There are no other post balance sheet events to be noted.

ANNUAL REPORT (CONTINUED)

Future Developments

There are no plans to significantly develop the activities or scope of the Police Property Fund.

Charitable contributions

No political donations were made during the year. On the direction of the Northern Ireland Policing Board, Charitable donations of £13,000 were made during the year and these are detailed in note 2 on page 19.

Disabled persons

PSNI is an equal opportunity employer and took full cognisance of the Northern Ireland Civil Service Code of Practice on the employment of people with disabilities.

Employee involvement

PSNI maintains regular communications and contact with managers and staff through meetings, team briefings, seminars, circulars, information bulletins and staff newsletters. It also has well-established arrangements for formal consultation with recognised Trade Union representatives on all significant developments affecting staff.

Health and safety

PSNI is committed to providing for staff an environment that is as far as possible safe and free from risk to health. In line with this commitment, the relevant legislation was complied with.

Payment of suppliers

PSNI is committed to the prompt payment of bills for goods and services received in accordance with the Government's Better Payments Practice Code and British Standard BS 7890 "Achieving Good Payment Performance in Commercial Transactions". Unless otherwise stated in the contract, payment was due within 30 days of the receipt of the goods or services or presentation of a valid invoice or similar demand, whichever is later. Payments for the Police Property Fund are made through the PSNI. PSNI paid 94.6% of all invoices within 30 days of the date on which it was registered for payment during the period.

ANNUAL REPORT (CONTINUED)

Pension Liabilities

The pension liabilities of Police Officers are accounted for separately in the PSNI Police Pension Scheme Accounts. Pension benefits and liabilities for Police Staff are provided through the Principal Civil Service Pension Scheme (NI).

Audit services

The National Audit Office is responsible for the audit of the Police Property Fund Financial Statements. Audit services are paid by the Police Service of Northern Ireland and therefore payment details are included in their Annual Financial Statements. The fees for this year are £2,500 (2005/06: £2,500).

So far as the Chief Constable is aware, there is no relevant audit information of which the Comptroller and Auditor General is unaware. The Chief Constable has taken all the steps that he ought to have taken to make himself aware of any relevant audit information and to establish that the Comptroller and Auditor General is aware of that information.

Chief Constable's Annual Report

A certified copy of these Police Property Fund Financial Statements will be included on the PSNI's website (www.psni.police.uk), as an addendum to the Chief Constable's 2006/07 Annual Report, which was published in June 2007.

ANNUAL REPORT (CONTINUED)

MANAGEMENT COMMENTARY

Nature of the business

The Police Property Fund is a separate fund, administered by the PSNI and established by regulations under section 2 of the Police (Property) Act 1897, which comprises unclaimed receipts arising from criminal investigations by the PSNI, which the Policing Board donate to charities.

Review of performance & financial position

The Income and Expenditure Account is set out on page 16 and shows a deficit of £9,526 (2005/06: £11,077 surplus). Charitable donations of £13,000 were made during the year on the direction of the Northern Ireland Policing Board. The General Fund decreased from £26,286 (31 March 2006) to £16,760 (31 March 2007).

The financial statements have been prepared on a going concern basis of accounting.

Risks and uncertainties

There are a number of potential risks and uncertainties which could have a material impact on the PSNI's long-term performance. These risks are managed as part of the PSNI's wider risk and control framework. Details are provided in the Main Annual Financial Statements of the PSNI.

REMUNERATION REPORT

There are no salaries or pensions paid from the Police Property Fund. Details of the PSNI Chief Officer salaries and pensions are detailed in the Main Annual Financial Statements of the PSNI.

Sir Hugh Orde
Chief Constable
Police Service of Northern Ireland
1 October 2007

STATEMENT OF RESPONSIBILITIES OF THE POLICE SERVICE OF NORTHERN IRELAND AND THE CHIEF CONSTABLE

Under Part II, Sections 12(1), 12(2) and 12(3) of the Police (Northern Ireland) Act 2000, as amended by the Police (Northern Ireland) Act 2003, the Chief Constable of the Police Service of Northern Ireland is required to prepare a statement of accounts on behalf of the Northern Ireland Policing Board, in the form and on the basis directed by the Secretary of State. The Police Property Fund financial statements are prepared on an accruals basis and must give a true and fair view of the income and expenditure, total recognised gains and losses and cash flows for the financial year and the balances held at year end.

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

- Observe the Accounts Direction issued by the Northern Ireland Office, 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 the going concern basis.

ROLE OF THE CHIEF CONSTABLE OF POLICE SERVICE OF NORTHERN IRELAND AS ACCOUNTING OFFICER FOR POLICE GRANT

The Accounting Officer for the Northern Ireland Office has appointed the Chief Constable of the Police Service of Northern Ireland as Accounting Officer for the Police Property Fund. The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding the assets of the fund, are set out in the Non-Departmental Public Bodies' Accounting Officer Memorandum issued by HM Treasury and published in Government Accounting.

STATEMENT ON INTERNAL CONTROL

Scope of responsibility

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

I am directly accountable to the Accounting Officer of the Northern Ireland Office and may be called upon to appear before the Public Accounts Committee. My responsibilities as Chief Constable and Accounting Officer are set out in the Police (Northern Ireland) Act 2000 and in the HM Treasury memorandum "Responsibilities of an NDPB Accounting Officer".

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 organisational policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in PSNI for the year ended 31 March 2007 and up to the date of approval of the annual financial statements, and accords with Treasury guidance.

Capacity to handle risk

All Chief Officers and Senior Managers, together with the Audit and Risk Committee, have played an important role in providing leadership to the risk management process. In addition, the Corporate Risk Manager continues to provide training, support and guidance to staff throughout the organisation to ensure that staff are equipped to manage risk.

The risk and control framework

A Risk Policy Framework document is available to the organisation explaining the underlying approach to risk management and documenting the roles and responsibilities of the Chief Constable, Chief Officers and other relevant parties including line management. In addition, it also includes details of the monitoring and reporting arrangements.

STATEMENT ON INTERNAL CONTROL (CONTINUED)

With the publication of the Policing Plan and as part of the development of a fully integrated planning process, all Departments and DCU's reviewed their risk registers in light of priorities selected for 2006/07. The basic methodology for assessing both the likelihood and impact of risk is now firmly embedded within the organisation but continues to be refined to make it more objective.

A Corporate Risk Register has been in place to highlight the most significant strategic risks facing the organisation for 2006/07. The Register has been revised and updated to take account of the new priorities for 2007/08. In addition to the formal quarterly review of the Corporate Risk Register, Chief Officers also consider the Corporate Risk Register on a regular basis at the Chief Constable's Forum. The key risk priorities facing the organisation during 2006/07 were in the generic areas of funding, procurement, human resourcing, change management and operational policing issues.

Stewardship reporting is a key element of ensuring accountability and ownership of risks and their management within the organisation. All Chief Officers and Senior Managers are required to sign a Stewardship Statement on a half yearly basis to confirm that over a period of time, they have reviewed the risk register for their respective areas of responsibility and assessed the management of the risks identified. The signing of the Stewardship Statements helps to provide assurance that all risks are being managed in the organisation.

The Audit and Risk Committee, which is chaired by a Non-Executive Member, is responsible for monitoring the PSNI's risk management and internal controls on a regular basis during the year. This Committee receives reports from internal and external audit and, in addition, reports presented on the risk management process. PSNI is also subject to regular review by Her Majesty's Inspectorate of Constabulary and other independent monitoring bodies, adding to the framework of assurance.

Significant progress has been made in the overall governance arrangements within the organisation and work is currently underway to further improve the operation and reporting arrangements of the governance Committees. In particular, the organisation is continuing to work on developing a systematic process for coordinating assurance and third party reporting. A programme of work has been progressed which is focussed on eliminating duplication of effort from external recommendations by formally capturing, tracking and discharging recommendations from third parties.

Risk management has been incorporated more fully into the corporate planning and decision-making processes of the organisation and will provide increased assurance that significant risks will be identified, evaluated and appropriately controlled within the organisation. The risk and control framework has been the subject of two reviews during 2006/07. One by Internal Audit, concentrating on risk management at the Corporate level, and one by the Corporate Risk Manager looking at ways of improving risk management across the organisation as a whole.

STATEMENT ON INTERNAL CONTROL (CONTINUED)

The latter review involved a benchmarking exercise of PSNI Risk Management practices against other UK Police Services and PSNI came out very favourably from the review. The combined results of these reviews has demonstrated the need for further training for key personnel and further development of the Risk Management IT system. Significant progress has already been made in these areas and there is a programme of work in place to continue development throughout 2007/08.

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 the Chief Officers within the organisation who have responsibility for the development and maintenance of the internal control framework, and comments made by the external auditors in their management letter and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Chief Officers and the Audit and Risk Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

As Accounting Officer I have received reports from the Chair of the Audit and Risk Committee concerning internal control, governance and risk.

During the year Deloitte & Touche LLP provided an Internal Audit Service in accordance with the standards defined in the Government Internal Audit Manual. They submitted regular reports together with recommendations for improvement. In addition, the Head of Internal Audit has issued an independent opinion on the adequacy and effectiveness of the organisations system of internal control.

**Sir Hugh Orde
Chief Constable
Police Service of Northern Ireland
1 October 2007**

THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE HOUSES OF PARLIAMENT

I certify that I have audited the financial statements of the Police Property Fund of the Police Service of Northern Ireland for the year ended 31 March 2007 under the Police (Northern Ireland) Act 2000, as amended by the Police (Northern Ireland) Act 2003. These comprise the Income and Expenditure Account, the Balance Sheet, the Cash flow Statement, the related notes and the Remuneration Report. These financial statements have been prepared under the accounting policies set out within them.

Respective responsibilities of the Police Service of Northern Ireland, the Chief Constable and auditor

The Police Service of Northern Ireland and the Chief Constable as Accounting Officer are responsible for preparing the Annual Report and the financial statements in accordance with the Police (Northern Ireland) Act 2000, as amended by the Police (Northern Ireland) Act 2003 and directions made thereunder by the Secretary of State for Northern Ireland and for ensuring the regularity of financial transactions. These responsibilities are set out in the Statement of the Police Service of Northern Ireland and Chief Constable's Responsibilities.

My responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements, and with International Standards on Auditing (UK and Ireland).

I report to you my opinion as to whether the financial statements give a true and fair view and whether the financial statements have been properly prepared in accordance with the Police (Northern Ireland) Act 2000, as amended by the Police (Northern Ireland) Act 2003 and directions made thereunder by the Secretary of State for Northern Ireland. I report to you whether, in my opinion, certain information given in the Annual Report, which comprises the Foreword and the Management Commentary, is consistent with the financial statements. I also report 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.

In addition, I report to you if the Police Service of Northern Ireland has not kept proper accounting records, if I have not received all the information and explanations I require for my audit, or if information specified by relevant authorities regarding remuneration and other transactions is not disclosed.

I review whether the Statement on Internal Control reflects the Police Service of Northern Ireland's compliance with HM Treasury's guidance on the Statement on Internal Control, and I report if it does not. I am not required to consider whether the Accounting Officer's statements on internal control cover all risks and controls, or form an opinion on the effectiveness of the Police Service of

THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE HOUSES OF PARLIAMENT (CONTINUED)

Northern Ireland's corporate governance procedures or its risk and control procedures.

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 report if I become aware of any apparent misstatements or material inconsistencies with the financial statements. My responsibilities do not extend to any other information.

Basis of audit opinion

I conducted my audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. My 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 judgments made by the Police Service of Northern Ireland and Chief Constable in the preparation of the financial statements, and of whether the accounting policies are most appropriate to the Police Service of Northern Ireland's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error 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 also evaluated the overall adequacy of the presentation of information in the financial statements and Remuneration Report.

Opinions

Audit Opinion

In my opinion:

- the financial statements give a true and fair view, in accordance with the Police (Northern Ireland) Act 2000, as amended by the Police (Northern Ireland) Act 2003 and directions made thereunder by the Secretary of State for Northern Ireland, of the state of the Police Property Fund of the Police Service of Northern Ireland's affairs as at 31 March 2007 and of its deficit for the year then ended;

THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE HOUSES OF PARLIAMENT (CONTINUED)

- the financial statements and the Remuneration Report have been properly prepared in accordance with the Police (Northern Ireland) Act 2000, as amended by the Police (Northern Ireland) Act 2003 and directions made thereunder by the Secretary of State for Northern Ireland; and
- information given within the Annual Report, which comprises the Foreword and Management Commentary, is consistent with the financial statements.

Audit Opinion on Regularity

In my opinion, 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.

Report

I have no observations to make on these financial statements.

John Bourn
Comptroller and Auditor General

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

Date:

Notes

1. *The maintenance and integrity of the Police Service of Northern Ireland (PSNI) web site is the responsibility of the PSNI; 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 web site.*
2. *Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.*

**INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED
 31 MARCH 2007**

	<u>Notes</u>	Year ended 31 March 2007	Year ended 31 March 2006
		£	£
INCOME			
Proceeds from sale of seized and lost property		7,962	11,506
Re-imburement of VAT		<u>-</u>	<u>222</u>
		<u>7,962</u>	<u>11,728</u>
EXPENDITURE			
Charitable Donations	2	(13,000)	-
Sundry Expenses of collection, storage and disposal		(803)	(651)
Other Disbursements	3	<u>(3,685)</u>	<u>-</u>
		<u>(17,488)</u>	<u>(651)</u>
(DEFICIT) / SURPLUS FOR THE YEAR		<u>(9,526)</u>	<u>11,077</u>

There have been no gains or losses other than those recognised in the Income & Expenditure account.

The notes on pages 19-21 form part of this account.

All amounts above relate to continuing activities.

BALANCE SHEET AS AT 31 MARCH 2007

	<u>Notes</u>	Year ended <u>31 March 2007</u>	Year ended <u>31 March 2006</u>
		£	£
CURRENT ASSETS			
Debtor	4	17,563	26,937
CURRENT LIABILITIES			
Creditor	5	<u>(803)</u>	<u>(651)</u>
NET CURRENT ASSETS		16,760	26,286
TOTAL ASSETS LESS TOTAL LIABILITIES		<u>16,760</u>	<u>26,286</u>
 FINANCED BY:			
RESERVES			
General Fund	6	<u>16,760</u>	<u>26,286</u>
		<u>16,760</u>	<u>26,286</u>

The notes on pages 19-21 form part of this account.

Sir Hugh Orde
Chief Constable
Police Service of Northern Ireland
1 October 2007

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2007

	<u>Notes</u>	Year ended <u>31 March 2007</u>	Year ended <u>31 March 2006</u>
		£	£
NET CASH INFLOW FROM OPERATING ACTIVITIES	7	-	-
INCREASE / (DECREASE) IN CASH		<u>-</u>	<u>-</u>

The notes on pages 19-21 form part of this account.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2007

1. STATEMENT OF PRINCIPAL ACCOUNTING POLICIES

These financial statements have been prepared in accordance with the 2006/07 Government Financial Reporting Manual (FReM) issued by HM Treasury. The accounting policies contained in the FReM follow UK generally accepted accounting practice for companies (UK GAAP) to the extent that it is meaningful and appropriate to the public sector.

1.1 Accounting Convention

These accounts 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 Value Added Tax

Income is shown exclusive of Value Added Tax. Irrecoverable VAT is charged to the relevant payment category.

1.3 Bank

The Police Property Fund has no separate bank account. It utilises the banking arrangements of the PSNI.

	<u>Year ended</u> <u>31 March 2007</u>	<u>Year ended</u> <u>31 March 2006</u>
	£	£
2. Charitable Donations		
Child Victims of Crime	3,000	-
Home Start Programme-Antrim	1,000	-
Forum for Action on Substance Abuse	1,300	-
An Munia Tober	2,000	-
Northern Ireland Muslims' Families Association	700	-
Child Line Northern Ireland	4,000	-
Barnardos 'Beyond the Shadows' Campaign	1,000	-
	<u>13,000</u>	<u>-</u>

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED
 31 MARCH 2007 CONTINUED**

3. Other Disbursements

The disbursement of £3,685 relates to seized cash in 2005-06, which was treated as income last year. This had to be paid over to the Home Office in 2006/07 under the Proceeds of Crime Act as a result of a subsequent decision.

	<u>Year ended 31 March 2007</u>	<u>Year ended 31 March 2006</u>
	£	£
4. DEBTOR		
Money due from the PSNI	17,563	26,937
5. CREDITOR		
Money due to the PSNI	803	651
6. GENERAL FUND		
Balance at 1 April	26,286	15,209
Add (deficit) /surplus for year	<u>(9,526)</u>	<u>11,077</u>
Balance at 31 March	<u>16,760</u>	<u>26,286</u>

**7. RECONCILIATION OF OPERATING (DEFICIT) / SURPLUS FOR THE
 YEAR TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	<u>Year ended 31 March 2007</u>	<u>Year ended 31 March 2006</u>
	£	£
Operating (deficit) / surplus	(9,526)	11,077
Decrease / (Increase) in Debtors	9,374	(10,239)
Increase / (Decrease) in Creditors	<u>152</u>	<u>(838)</u>
	<u> -</u>	<u> -</u>

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2007 CONTINUED

8. RELATED PARTY DISCLOSURES

PSNI is a body of constables, funded through the NIPB which is a Non-Departmental Public Body of the NIO.

The NIO is regarded as a related party. During the year PSNI had a number of material transactions with the NIO and with other government departments and central government bodies. Most of these transactions have been with: the Forensic Science NI; the NI Prison Service (both executive agencies of the NIO); the Rate Collection Agency (executive agency of the Department of Finance and Personnel) and the Construction Service (Department of Finance and Personnel Core).

None of the senior staff of PSNI undertook any transactions during the year.