

POLICE SERVICE OF NORTHERN IRELAND



Annual Report and Accounts for the
Police Fund

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

For the year ended 31 March 2008

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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 Fund is a separate fund administered by the PSNI in association with the RUC Benevolent Fund and ex members who volunteer their services. It was established by regulations under section 28 of the Police Act (NI) 1970 which consists of a PSNI Grant and fines imposed on police officers as a result of disciplinary action. This together with investment income, is applied by PSNI for the welfare of police officers and their dependants.

Accounts Direction

The Annual Report and Accounts 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 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

Director of Finance & Support Services
David Best

Director of Human Resources
Joe Stewart

Further details are provided in the Main Annual Report and Accounts 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 currently 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 Fund only has fixed asset investments.

Research and development

The Police 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.

Future Developments

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

ANNUAL REPORT (CONTINUED)

Charitable contributions

Police Fund made no charitable donations or political donations during the year.

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, PSNI complied with the relevant legislation.

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 Fund are made through the PSNI. PSNI paid 92% of all invoices within 30 days of the date on which it was registered for payment during the period. (95% in 2006/07).

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).

ANNUAL REPORT (CONTINUED)

Audit services

The National Audit Office is responsible for the audit of the Police Fund Annual Report and Accounts. Audit services are paid by the Police Service of Northern Ireland and therefore payment details are included in their Annual Report and Accounts. The fees for this year are £2,600 (2006/07: £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.

Annual Report and Accounts & Chief Constable's Report

A full certified copy of these Police Fund Annual Report and Accounts will be available on the PSNI's website (www.psni.police.uk), together with the Chief Constable's general report 2007/08 due to be published in June 2008. The Chief Constable's general report is posted to every household in Northern Ireland.

ANNUAL REPORT (CONTINUED)

MANAGEMENT COMMENTARY

Nature of the business

The Police Fund is a separate fund administered by the PSNI in association with the RUC Benevolent Fund and ex members who volunteer their services. It was established by regulations under section 28 of the Police Act (NI) 1970 which consists of a PSNI Grant and fines imposed on police officers as a result of disciplinary action. This together with investment income, is applied by PSNI for the welfare of police officers and their dependants.

Review of performance & financial position

The Income and Expenditure Account is set out on page 16 and shows a surplus £13,071 (2006/07: £15,524). There were no charitable donations made during the year and the General Fund increased from £112,008 (31 March 2007) to £125,079 (31 March 2008).

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 Report and Accounts of the PSNI.

REMUNERATION REPORT

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

Sir Hugh Orde
Chief Constable
Police Service of Northern Ireland
20 June 2008

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 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.

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 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 Managing Public Money published by HM Treasury.

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 Managing Public Money.

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 Managing Public Money published by HM Treasury.

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 2008 and up to the date of approval of the annual report and accounts, 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. This work has included two training events for Risk Managers, bespoke training days for departments and one to one visits with every District Commander and District Risk Management Team.

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

STATEMENT ON INTERNAL CONTROL (CONTINUED)

and reporting arrangements. The Risk Policy Framework document was reviewed and updated at the end of 2006/07 and the revised policy published to the organisation in June 2007.

With the publication of the Policing Plan and as part of the development of a fully integrated planning process, all Departments and Districts reviewed their risk registers in light of priorities selected for 2007/08. Following corporate restructuring on 1 April 2007, Area risk registers and District risk registers were merged to reflect the new District Command structure. 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 2007/08. The Register has been revised and updated to take account of the new priorities for 2008/09. Chief Officers also consider the Corporate Risk Register on a monthly basis at the Chief Constable's Forum. The key risk priorities facing the organisation during 2007/08 were in the generic areas of funding, historical enquiries 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 implementing 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

STATEMENT ON INTERNAL CONTROL (CONTINUED)

controlled within the organisation. During 2007/08 PSNI continued to improve risk management procedures by implementing the recommendations of major reviews carried out in previous years. This has led to an increased capacity to identify frequently occurring risks, the development of risk templates and critical assessment of individual risk registers to improve assurance and accountability. Significant progress has already been made in these areas and there is a programme of work in place to continue development throughout 2008/09.

PSNI have also appointed a Senior Information Risk Owner who is a member of the executive management team. PSNI comply with Communications–Electronics Security Group (CESG) and national guidance on information assurance and have an Information Assurance Unit which specifically addresses assurance issues pertaining to the collection, use, storage and retrieval of information.

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
20 June 2008

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 Fund of the Police Service of Northern Ireland for the year ended 31 March 2008 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 Statement of Total Recognised Gains and Losses, the Cash Flow Statement and the related notes. 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 Responsibilities of the Police Service of Northern Ireland and the Chief Constable.

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, the information, which comprises the Foreword and Management Commentary, included in the Annual Report 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 HM Treasury 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, and I report if it does not. I am not required to consider whether this statement covers all risks and controls, or form an opinion on the effectiveness of the Police Service of Northern Ireland's corporate governance procedures or its risk and control procedures.

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

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 opinions

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 the Accounting Officer 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.

Opinions

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 Fund of the Police Service of Northern Ireland's affairs as at 31 March 2008 and of its surplus for the year then ended;
- 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; and
- information, which comprises the Foreword and Management Commentary, included within the Annual Report, is consistent with the financial statements.

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

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.

***T J Burr
Comptroller and Auditor General
National Audit Office
151 Buckingham Palace Road
Victoria
London
SW1W 9SS***

27 June 2008

**INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED
31 MARCH 2008**

	<u>Notes</u>	Year ended <u>31 March 2008</u>	Year ended <u>31 March 2007</u>
		£	£
INCOME			
Dividends and interest		3,486	3,049
Other Income	2	24,520	25,727
Fines on Members of the PSNI		<u>10,675</u>	<u>12,231</u>
		<u>38,681</u>	<u>41,007</u>
EXPENDITURE			
Disbursements for convalescent travel of members of PSNI and their dependants		24,520	18,092
Disbursements for fuel welfare payments		500	6,800
Administrative costs		<u>6</u>	<u>12</u>
		<u>25,026</u>	<u>24,904</u>
SURPLUS BEFORE TAXATION		13,655	16,103
Corporation Tax		<u>584</u>	<u>579</u>
SURPLUS FOR THE YEAR		<u>13,071</u>	<u>15,524</u>

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR
ENDED 31 MARCH 2008**

		Year ended <u>31 March 2008</u>	Year ended <u>31 March 2007</u>
		£	£
SURPLUS FOR THE YEAR		13,071	15,524
Surplus / (Deficit) on revaluation of fixed assets	8	191	(1,025)
TOTAL RECOGNISED GAINS FOR THE YEAR		<u>13,262</u>	<u>14,499</u>

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

All amounts above relate to continuing activities.

BALANCE SHEET AS AT 31 MARCH 2008

	<u>Notes</u>	Year ended 31 March 2008	Year ended 31 March 2007
		£	£
FIXED ASSETS			
Investments	3	63,787	63,596
CURRENT ASSETS			
Debtors	4	40,263	29,424
Bank	5	<u>48,296</u>	<u>44,935</u>
		88,559	74,359
CURRENT LIABILITIES			
Creditors	6	(25,496)	(24,367)
NET CURRENT ASSETS		<u>63,063</u>	<u>49,992</u>
TOTAL ASSETS LESS TOTAL LIABILITIES		<u>126,850</u>	<u>113,588</u>
FINANCED BY			
RESERVES			
General Fund	7	125,079	112,008
Revaluation Reserve	8	<u>1,771</u>	<u>1,580</u>
		<u>126,850</u>	<u>113,588</u>

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

Sir Hugh Orde
Chief Constable
Police Service of Northern Ireland
20 June 2008

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2008

	<u>Notes</u>	Year ended <u>31 March 2008</u>	Year ended <u>31 March 2007</u>
		£	£
NET CASH INFLOW FROM OPERATING ACTIVITIES	9	3,361	26,789
INCREASE IN CASH	5	<u>3,361</u>	<u>26,789</u>

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

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2008

1. STATEMENT OF PRINCIPAL ACCOUNTING POLICIES

These financial statements have been prepared in accordance with the 2007/08 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

Value Added Tax is not applicable with respect to receipts. Income is shown inclusive of Value Added Tax. Irrecoverable VAT is charged to the relevant expenditure category.

1.3 Corporation Tax

As from 1 April 2005 the Police Fund has been treated as a Mutual Trust and is only liable to corporation tax on interest and loan investment interest.

2. OTHER INCOME

As a tax efficiency measure Northern Ireland Policing Board agreed to meet expenses incurred by officers and their dependants visiting the Police Convalescent Homes from the Police Fund and to transfer a corresponding amount to the Fund.

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 MARCH 2008 CONTINUED**

	Year ended <u>31 March 2008</u>	Year ended <u>31 March 2007</u>
	£	£
3. FIXED ASSET INVESTMENTS		
14,200 4% Consolidated Stock at Market Value (Cost £10,016).	11,787	11,596
Advances to the Consolidated Fund of Northern Ireland	<u>52,000</u>	<u>52,000</u>
	<u>63,787</u>	<u>63,596</u>
4. DEBTORS		
Money due from PSNI	40,130	29,291
Other Debtors	<u>133</u>	<u>133</u>
	<u>40,263</u>	<u>29,424</u>
5. BANK		
Opening Bank Balance 1 April	44,935	18,146
Net cash inflow	<u>3,361</u>	<u>26,789</u>
Closing Bank Balance 31 March	<u>48,296</u>	<u>44,935</u>
6. CREDITORS		
Money due to PSNI	500	6,800
Disbursements due	24,520	17,090
Administrative Expenses	6	12
HM Revenue and Customs	<u>470</u>	<u>465</u>
	<u>25,496</u>	<u>24,367</u>
7. GENERAL FUND		
Balance as at 1 April	112,008	96,484
Surplus for the year	<u>13,071</u>	<u>15,524</u>
Balance as at 31 March	<u>125,079</u>	<u>112,008</u>
8. REVALUATION RESERVE		
Balance as at 1 April	1,580	2,605
Surplus / (Deficit) on revaluation of fixed asset investments	<u>191</u>	<u>(1,025)</u>
Balance as at 31 March	<u>1,771</u>	<u>1,580</u>

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 MARCH 2008 CONTINUED**

	<u>Year ended 31 March 2008</u>	<u>Year ended 31 March 2007</u>
	£	£
9. NOTES TO THE CASH FLOW STATEMENT		
Surplus for the year	13,071	15,524
(Increase) in Debtors	(10,839)	(755)
Increase in Creditors	<u>1,129</u>	<u>12,020</u>
Net cash inflow from operating activities	<u>3,361</u>	<u>26,789</u>

10. RELATED PARTY DISCLOSURES

PSNI is a body of constables funded through the Northern Ireland Policing Board, 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.

11. POST BALANCE SHEET EVENTS

The Annual Report and Accounts were authorised to be issued on 27 June 2008.

There are no other material post balance sheet events.