Northern Ireland Assembly
Resource Accounts
For the year ended 31 March 2004

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

11 November 2004

Laid before the Northern Ireland Assembly by the Department of Finance and Personnel under subsection 10(4) of the Government Resources and Accounts Act (Northern Ireland) 2001

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ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2004

ANNUAL REPORT

These resource accounts have been prepared in accordance with the Northern Ireland Resource Accounting Manual.

HISTORY AND STATUTORY BACKGROUND OF THE NORTHERN IRELAND ASSEMBLY

The Northern Ireland Assembly was established following the signing of the Belfast Agreement (also known as the "Good Friday" Agreement because it was signed on that day). The Agreement was the result of extended talks between the political parties in Northern Ireland and the Governments of the United Kingdom and Ireland. The talks covered how Northern Ireland should be governed in the future to ensure that the aspirations of all communities could be democratically accommodated. The Agreement was signed on Friday 10 April 1998.

The electorate of Northern Ireland endorsed the Belfast Agreement in a referendum held on 22 May 1998. This paved the way for new legislation (the Northern Ireland Act 1998) which defined the future institutions of government in Northern Ireland, and for collaboration between governments of the United Kingdom, Northern Ireland and the Republic of Ireland.

At midnight on 1st December 1999, powers of government were devolved to it by the United Kingdom Parliament. Following this, the Northern Ireland Assembly could govern Northern Ireland in respect of "transferred matters" and also "reserved matters" with the Secretary of State's consent. Excepted matters remain the responsibility of the United Kingdom Parliament.

- Transferred Matters: e.g Education, health and agriculture;
- Reserved Matters: e.g Policing and criminal law, which could be transferred to the Assembly at a later date;
- Excepted Matters: Matters of national importance- such as, defence, taxation and foreign policy.

The Northern Ireland Assembly was suspended with effect from midnight on Monday 14th October 2002.

SCOPE

Boundary Statement

The Northern Ireland Assembly does not currently support any Agencies, NDPBs or trading funds.

The Aims and Objectives of the Northern Ireland Assembly

The key aim of the Northern Ireland Assembly is to provide effective devolved government for the people of Northern Ireland.

To help do this 11 government departments were created, namely:

Office of the First and Deputy First Minister; Agriculture and Rural Development; Culture, Arts and Leisure; Education; Employment and Learning; Enterprise, Trade and Investment; Environment; Finance and Personnel; Health, Social Services and Public Safety; Regional Development; and Social Development.

Principal Activities

Under the terms of Section 40 of the Northern Ireland Act 1998 the Assembly elected a Commission, which is the body corporate and has the responsibility of providing the Assembly with the property, staff and services to carry out its business.

Under suspension the Assembly Commission cannot meet and it's responsibilities have therefore been assumed by the Secretary of State for Northern Ireland.

The purpose of the Assembly Secretariat, which is the administrative arm of the Commission, is to deliver to the Assembly all the procedural support, resources and services necessary for devolution to function effectively.

In doing so the Secretariat aims to :

- Support the Assembly, it's Speaker, Committees and Members in performing their duties;
- Assist the Assembly in processing new legislation and holding Ministers to account;
- Develop it's staff and systems to respond to business needs;
- Make people aware of the work of the Assembly;
- Maintain, and make the best use of, the Assembly's property as part of the national heritage;
- Exchange information with legislatures throughout the world.

In pursuing these aims all Secretariat officials will:

- Act impartially and professionally and recognise the diversity of Members and colleagues;
- Be responsive to the needs of Members and other customers;
- Provide high quality services in a cost-effective manner.

The main activities of the Assembly Secretariat are as follows:

- To support the Northern Ireland Assembly in the operation and delivery of its business; and
- To provide a physical environment appropriate to the needs of the Assembly.

The provision of the Assembly Secretariat services is linked across eight Directorates and Offices: each is dependent on others for the successful delivery of those services. The Directorates/Offices are Finance and Personnel, Research and Information, Office of the Keeper of the House, Officer of the Official Report (Hansard), Clerk Assistant's Office, Office of the Speaker, Office of the Clerk to the Commission and the Office of the Clerk to the Assembly.

The most significant item of current expenditure of £ 8.7 million relates to staffing. Members' salaries of £3.3 million and Members' Office Costs Allowance totalling £ 4.7 million were also paid. This allowance is principally intended to enable Members to secure secretarial and research staff and accommodation to assist in the discharge of their Assembly duties.

Indications of Future Development

Because of the limited office space in Parliament Buildings the Commission identified Ormiston House, located approximately a mile and a half from Parliament Buildings, as being a suitable site for the development of additional office accommodation. Ormiston House was acquired in September 2001 following an initial capital outlay of £9m. It is estimated that a further £12m will be expended on development of this site over the next 4 years.

Pension Liabilities

Present and past secretariat employees are covered by the provisions of the Principal Civil Service Pension Scheme (Northern Ireland) PCSPS(NI), which is non-contributory and un-funded. Although the Scheme is a defined benefit scheme, liability for payment of future benefits is a charge to the PCSPS(NI). Departments, agencies and other bodies covered by the PCSPS(NI) meet the cost of pension cover provided for the staff they employ by payment of charges calculated on an accruing basis. There is a separate scheme statement for the PCSPS(NI) as a whole.

Pension benefits for the Members are provided through the Northern Ireland Assembly Members' Pension Scheme. This scheme is a statutory scheme, which provides benefits on a "final salary" basis at a normal retirement age of 65 (or age 60, if reckonable service is more than 20 years, with a sliding scale from 60 to 65). Members pay contributions of 6% of pension-able salary, including Office Holder's salary. All pensions increase in line with the Retail Prices Index once in payment. There is a separate scheme statement for the Northern Ireland Assembly Members' Pension Scheme.

Operating and Financial Review

The Northern Ireland Assembly was suspended with effect from midnight on Monday 14th October 2002 and remained in suspension throughout the period 1 April 2003 to 31 March 2004.

Following the suspension of the Assembly on 14 October 2002 the Assembly Secretariat reviewed and revised it's forward work program to address the impact of the suspension and to identify priority projects that could be undertaken during this period. In addition, significant work was undertaken by the Secretariat preparing for the Dissolution of the Assembly in Spring 2003.

The Northern Ireland Assembly was dissolved on 28 April 2003 and elections anticipated in June 2003. However, as a result of political discussion at that time the Secretary of State postponed the elections using the powers enacted to him by the Northern Ireland Assembly (Elections and Periods of Suspension) Act 2003. On 22 October 2003 the Secretary of State made an order setting an election date of 26 November 2003.

The Secretary of State's decisions to postpone elections had a dramatic and immediate impact on the Secretariat's work program and as a result the Secretariat's Senior Management Team decided that all non-essential staff should be made available to support Program for Government work within the Public Sector. This exercise was coordinated by the Central Personnel Group in the Department of Finance and Personnel and resulted in 100 members of Assembly staff being out-posted to work within government departments and other public bodies. In addition significant amounts of work, particularly research, was undertaken by staff who remained within the Secretariat.

Some staff returned from their out-postings for a period around the Elections in November 2003 to prepare for both the welcome and orientation of newly elected Members and also to provide advice and guidance to Members who retired or were not returned at Elections.

Throughout the period of suspension a core staff has remained providing key services including, Finance, Personnel, IT and Accommodation.

The Assembly's budget, as currently set, was presented to the Assembly in February 1999 and assumes both a fully operational Assembly and a full complement of staff. The period of suspension in February 2000 created significant delays in the recruitment process and whilst much progress was made during 2001-2002 a full complement of staff had not yet been achieved when the Assembly was again suspended on 14 October 2002. In addition, since suspension there has been a marked reduction in staff numbers as staff resign to pursue other career opportunities and have not been replaced. This reduced staffing complement, together with the ongoing suspension, is reflected in the outturn.

Pension benefits for Members are provided through the Northern Ireland Assembly Members' Pension Scheme. The Inland Revenue requires, as a condition of tax approval, that a defined benefit approved occupational scheme must have full actuarial valuation at least once every three years. The first formal valuation of the scheme was made at 31 March 2002, a date chosen to coincide with the valuations of the Welsh Assembly and Scottish Parliament schemes. The Government Actuary's report at 31 March 04 indicated a fund valuation that presented deficit of £0.86 million. In line with NIRAM and FRS17 a provision has been made in the 03-04 Resource Accounts.

MANAGEMENT

The Commission comprises the Speaker (Lord Alderdice), a representative from each of the four major parties viz Ulster Unionist, Social Democratic and Labour Party, Democratic Unionist Party, Sinn Fein, and a representative from the minor parties.

The Senior Management team employed by the Assembly Commission during the 2003-04 financial year was:

Arthur Moir	Clerk to the Northern Ireland Assembly
Tom Evans	Deputy Chief Executive
Joe Reynolds	Deputy Clerk
Clare McGivern	Director of Legal Services
Tony Logue	Clerk to the Commission
Nuala Dunwoody	Clerk Assistant
Simon Burrowes	Editor of Debates
Agnes Peacock	Keeper of the House
Allan Black	Director of Research and Information

Arthur Moir was appointed as Clerk to the Northern Ireland Assembly on 2 April 2001 through open competition. The appointment is not time bounded and termination procedures would currently be in accordance with standard Civil Service arrangements.

The details of remuneration of senior management are set out in note 2 to the annual report.

PUBLIC INTEREST & OTHER

Employment of Disabled Persons

The Northern Ireland Assembly does not discriminate against staff or eligible applicants for posts on any grounds, including disability.

Equal Opportunities Policy

The Northern Ireland Assembly is an equal opportunities employer. It does not discriminate against staff or eligible applicants on the grounds of gender, marital status, race, colour, nationality, ethnic origin, religion, disabilities, age or sexual orientation. Every possible step will be taken to ensure that staff are treated equally and fairly, and that decisions on recruitment, selection, training, promotion and career management are based solely on objective and job related criteria. It will actively pursue arrangements for flexible working patterns and is committed to creating a culture where individual differences are valued and respected. The Northern Ireland Assembly does not tolerate any form of discrimination, harassment or victimisation. It is committed to providing a working environment where no one is disadvantaged.

Consultation with Employees

The Assembly makes every effort to ensure that all staff are kept informed of the organisation's plans and development. The main channels of communication include a monthly magazine called "Assembly Lines", office circulars, email and regular team briefings.

Policy on Payment of Suppliers

The Northern Ireland Assembly policy is to comply with the Confederation of British Industry's Prompt Payers Code. The target is for payment to be made within agreed payment terms or 30 days of receipt of invoices not in dispute for goods and services. During the financial year 2003-04, 98% of all invoices were paid within 30 days.

Auditor

The Comptroller and Auditor General is the auditor for the Assembly for the year-ended 31 March 2004.
Fees for the audit services for the year ended 31 March 2004 were £27,000.

Arthur Moir
Accounting Officer and Clerk to the Assembly
Date:

STATEMENT OF ACCOUNTING OFFICER'S RESPONSIBILITIES

Under the Government Resources and Accounts Act (NI) 2001 the Northern Ireland Assembly is required to prepare resource accounts for each financial year, in conformity with a DFP direction, detailing the resources acquired, held, or disposed of during the year and the use of resources by the Assembly during the year.

The resource accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the Northern Ireland Assembly, the net resource outturn, resources applied to objectives, recognised gains and losses, and cash flows for the financial year.

The Department of Finance and Personnel has appointed the Clerk to the Assembly as Accounting Officer of the Northern Ireland Assembly, with responsibility for preparing the Assembly's accounts and for transmitting them to the Comptroller and Auditor General.

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

- Observe the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- Make judgements and estimates on a reasonable basis;
- State whether applicable accounting standards, as set out in the Northern Ireland Resource Accounting Manual, have been followed, and disclose and explain any material departures in the accounts;
- Prepare the accounts on a going-concern basis.

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

Arthur Moir
Accounting Officer and Clerk to the Assembly
Date:

STATEMENT OF INTERNAL CONTROL

1. Scope of responsibility

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

Under section 40 of the Northern Ireland Act 1998 the Assembly elects a Commission which acts as a Body Corporate and has the responsibility for providing the Assembly with the property, staff and services to carry out it's business. The Accounting Officer attends all meetings of the Commission and presents all major decisions in relation to expenditure, asset management and staffing to the Commission for their consideration and approval. During suspension the Assembly Commission cannot meet and its responsibilities have therefore been assumed by the Secretary of State for Northern Ireland.

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 the risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of departmental policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realized and to manage them efficiently, effectively and economically. The system of internal control has been in place in the Northern Ireland Assembly for the year ended 31 March 2004 and up to the date of approval of the annual report and accounts, and accords with DFP guidance.

3. Capacity to handle risk

The Senior Management Team has taken the lead in developing and embedding risk management. Risk owners obtain confirmation from directors, heads of business areas etc, on the means by which risks are managed and the level of acceptable risk. The level of risk was determined via consultation exercises and workshops involving SMT and directors. A scoring framework incorporating factors such as likelihood and impact was used in the final assessment of each corporate level risk. A series of workshops has also been used to clarify roles and responsibilities of those involved in the risk management process. This is regarded as an ongoing process that will continue to be developed in accordance with best practice. The secretariat will continue to monitor developments in the public and private sectors and apply those methodologies that will bring about improvement.

4. The risk and control framework

A corporate level risk register has been developed and agreed with the Accounting Officer and Senior Management Team. Each corporate level risk has been evaluated to assess potential impact, likelihood etc and the controls currently in place to manage each risk identified. The resulting risk appetite was used to identify any additional measures considered necessary to effectively manage the risks. Risk owners have been assigned to each corporate risk. A stewardship statement, produced by risk owners every six months, identifies any changes/developments that impact on each risk and sets out the manner in which they are managed.

Risk management now forms an integral element of the business planning process. Directors and heads of business areas are required to identify to what extent they contribute to the control of each corporate level risk. The continuing relevance of the corporate level risks and the means by which they are managed are subject to regular review. This review takes place in April and October in conjunction with the issue of Stewardship Statements. SMT will take the lead in this exercise which has resulted in amendments to the Corporate Risk Register. SMT may also review corporate risks at any stage during the year should the need arise.

5. Review of effectiveness

As Accounting Officer, I also have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors and the executive manages within the Secretariat who have responsibility for the development and maintenance of the internal control framework and comments made by the external auditors in their management letter and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Board, the Audit Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

The effectiveness of the system of internal control has been maintained through regular meetings of the Senior Management Team, Board of Directors and the Audit Committee, any of which may be used to identify material changes in risks or controls. The Audit Committee meets twice per year to review and approve the programme of work for the Internal Review unit, which is operating at a reduced capacity during suspension. Although only limited assurance can be taken from the reduced programme a number of compensating factors can be taken into account. These include the introduction of Stewardship Statements which can be used to identify changes in risks and controls alike: the regular review of the corporate risk register and the implementation of measures recommended by the Northern Ireland Audit Office.

Arthur Moir
Accounting Officer and Clerk to the Assembly
Date:

THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE HOUSE OF COMMONS AND THE NORTHERN IRELAND ASSEMBLY

I certify that I have audited the financial statements on pages 11 to 32 under the Government Resources and Accounts Act (Northern Ireland) 2001. These financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out on pages 17 to 19.

Respective responsibilities of the Accounting Officer and Auditor

As described on page 6, the Accounting Officer is responsible for the preparation of the financial statements in accordance with the Government Resources and Accounts Act (Northern Ireland) 2001and Department of Finance and Personnel directions made thereunder and for ensuring the regularity of financial transactions. The Accounting Officer is also responsible for the preparation of the other contents of the Accounts. My responsibilities, as independent auditor, are established by statute and I have regard to the standards and guidance issued by the Auditing Practices Board and the ethical guidance applicable to the auditing profession.

I report my opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Government Resources and Accounts Act (Northern Ireland) 2001 and Department of Finance and Personnel directions made there-under, and whether in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them. I also report if, in my opinion, the Annual Report is not consistent with the financial statements, if the Department has not kept proper accounting records, or if I have not received all the information and explanations I require for my audit.

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

I review whether the statement on page 7-8 reflects the Department's compliance with the Department of Finance and Personnel's guidance on the Statement on Internal Control. I report if it does not meet the requirements specified by the Department of Finance and Personnel, or if the statement is misleading or inconsistent with other information I am aware of from my audit of the financial statements. I am not required to consider, nor have I considered whether the Accounting Officer's Statement on Internal Control covers all risks and controls. I am also not required to form an opinion on the effectiveness of the Department's corporate governance procedures or its risks and control procedures.

Basis of audit opinion

I conducted my audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts, disclosures and regularity of financial transactions included in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Department in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Department's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by error, or by fraud or other irregularity and that, in all material respects, the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them. In forming my opinion I have also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In my opinion:

- The financial statements give a true and fair view of the state of affairs of the Northern Ireland Assembly at 31 March 2004 and of the net resource outturn, resources applied to objectives, recognised gains and losses and cash flows for the year then ended and have been properly prepared in accordance with the Government Resources and Accounts Act (Northern Ireland) 2001 and directions made there-under by the Department of Finance and Personnel; and
- in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

I have no observations to make on these financial statements.

J M Dowdall
Comptroller and Auditor General

Northern Ireland Audit Office
106 University Street
Belfast BT7 1EU

October 2004

SCHEDULE 1: SUMMARY OF RESOURCE OUTTURN 2003/2004

	2003/2004 Estimate			2003/2004 Outturn				
	Gross Expenditure	Accruing Resources	Net Total	Gross Expenditure	Accruing Resources	Net Total	Net outturn compared with Estimate Saving / (excess)	2002/03 Prior year data
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Request for Resources 1	33,707	5	33,702	32,043	5	32,038	1,664	38,817
Total Resources (note 6)	33,707	**5**	33,702	**32,043**	**5**	**32,038**	**1,664**	**38,817**
Non-Operating Cost Accruing Resources	-	-		-	-	-	-	
Net Cash Requirement	-	-	**27,047**	-	-	**26,258**	**789**	27,734

Summary of Income Payable to the Consolidated Fund

In addition to accruing resources, the following income relates to the Northern Ireland Assembly and is payable to the Consolidated Fund

		2003/2004 Forecast		2003/2004 Outturn	
		Income	Receipts	Income	Receipts
	Note	£'000	£'000	£'000	£'000
Total	5	0	0	148	*59*

Explanation of the variation between Estimate and Outturn (net total resources):

(i) The Assembly remained in suspension for the whole of the Financial Year 03-04. This had a significant impact on anticipated recruitment programmes and Assembly Business. This resulted in over-budgeting for the period.

Explanation of the variation between Estimate and Outturn (net cash requirement):

(ii) The Assembly remained in suspension for the whole of the Financial Year 03-04. This had a significant impact on anticipated recruitment programmes and Assembly Business. This resulted in over-budgeting for the period. An amount of £13.5 million was surrendered during the year.

RECONCILIATION OF RESOURCES TO CASH REQUIREMENT

	Note	Estimate £'000	Outturn £'000	Net total outturn compared with estimate savings/ (excess) £'000	2002/03 Outturn £'000
Net Total Resources		33,702	32,038	1,664	38,817
Capital:					
Purchase of fixed assets	10	1,997	31	1,966	226
Investments					
Non-Operating Accruing Resources					
Proceeds of FA disposals					
Accruals adjustments:					
Non-cash items	3	(9,177)	(6,969)	(2,208)	(9,452)
decrease in working capital other than cash	12	-	633	(633)	(1,335)
Transitional Adjustment				-	3
Changes in creditors falling due after more than one year		0	0	0	0
Use of provision	17	525	525	0	(525)
Net Cash Requirement 1(Schedule 4)		**27,047**	**26,258**	**789**	**27,734**

SCHEDULE 2: OPERATING COST STATEMENT FOR THE YEAR ENDED 31 MARCH 2004

	Notes	2003/2004 £'000	2002/2003 £'000
Administration Costs			
Staff cost	2	**12,124**	15,152
Other operating costs	3	**19,919**	23,667
Gross administration costs		**32,043**	38,819
Operating income	5	**(153)**	(2)
Net administration costs		**31,890**	38,817
Net operating cost	6	**31,890**	38,817
Net resource outturn	6	**32,038**	38,817

All income and expenditure are derived from continuing operations.

STATEMENT OF RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 31 MARCH 2004

	2003/2004 £'000	2002/2003 £'000
Net gain on revaluation of tangible fixed assets	**4,440**	**2,376**
Total recognised gains and losses for the financial year	**4,440**	**2,310**

SCHEDULE 3: BALANCE SHEET AS AT 31 MARCH 2004

	Notes	2003/2004 £'000	2002/2003 £'000
Fixed assets			
Tangible assets	11	**114,828**	112,825
Current assets			
Stock	13	**0**	14
Debtors	14	**629**	276
Cash at bank and in hand	15	**219**	869
		848	1,159
Creditors: amounts falling due within one year	16	**(2,014)**	(3,396)
Net current assets		**(1,166)**	(2,237)
Total assets less current liabilities		**113,662**	110,588
Creditors: amounts falling due after more than one year		**-**	-
Provisions for liabilities and charges	17	**(860)**	(525)
Net assets		**112,802**	110,063
Taxpayers' Equity			
General fund	22	**105,972**	107,202
Revaluation reserve	18	**6,830**	2,861
		112,802	110,063

(Signed) (Accounting Officer)

Arthur Moir
(Date)

SCHEDULE 4:
CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2004

	Notes	2003/2004 £'000	2002/2003 £'000
Net cash outflow from operating activities (Note i)		**(26,079)**	**(27,505)**
Capital expenditure and financial investment (Note ii)		**(31)**	**(226)**
Receipts due to the Consolidated Fund which are outside the scope of the Department's activities		**241**	
Payments of amounts due to the Consolidated Fund		**(650)**	
Financing (Note iii)		**25,869**	**28,556**
Decrease in cash in the period 03-04		**(650)**	**825**

Notes

(i) See the table below giving a reconciliation of operating cost to operating cash flows.

(ii) See the table below giving an analysis of capital expenditure and financial investment.

(iii)See the table below giving an analysis of financing and a reconciliation to the net cash requirement.

NOTES TO THE CASH FLOW STATEMENT

Note i:
Reconciliation of operating cost to operating cash flow

Net operating cost	6	**31,890**	**38,817**
Adjustments for non-cash transactions (includes movement in provisions)	3	(6,969)	**(9,977)**
Use of provision		**525**	
Adjustments for movements in working capital other than cash	12	**633**	**(1,335)**
Net cash outflow from operating activities		**26,079**	**27,505**

Note ii: Analysis of capital expenditure and financial investment

Purchase of tangible fixed assets	**10**	**31**	**226**
Net cash outflow from investing activities		**31**	**226**

Note iii: Analysis of financing and reconciliation to the net cash requirement

From the Consolidated Fund: current year	**25,000**	28,556
From the Consolidated Fund: prior year	**869**	
Net financing	**25,869**	28,556
Decrease in cash 03-04	**650**	(825)
Net cash flows other than financing	**26,519**	27,731
Adjust for payments and receipts not related to Supply:		
Transitional Adjustment	**0**	3
Amounts due to the Consolidated Fund - received in a prior year and paid over (Consolidated Fund Extra Receipts)	**(42)**	
Amounts due to the Consolidated Fund - received and not paid over (Consolidated Fund Extra Receipts)	**(219)**	
Net Cash Requirement for the year (Schedule 1)	**26,258**	27,734

Amount of grant actually issued to support the net cash requirement was £ 25,000,000

SCHEDULE 5: RESOURCES BY DEPARTMENTAL AIMS AND OBJECTIVES FOR THE YEAR ENDED 31 MARCH 2004

		2003/2004		**2002/2003**
	Gross	**Income**	**Net**	**Net**
	£'000	**£'000**	**£'000**	**£'000**
Aim:				
Objective 1	**32,043**	**153**	**31,890**	**38,817**
Net operating cost	**32,043**	**153**	**31,890**	**38,817**

Objective 1 – Remunerating and supporting the members of the Assembly in discharging their duties in the constituency, in the Assembly and elsewhere, the costs of general administration including staff costs, general expenses and equipment, accommodation, services and associated non-cash items.

NOTES TO THE RESOURCE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2004

1 Statement of accounting policies

The financial statements have been prepared in accordance with the 2003-04 Northern Ireland Resource Accounting Manual issued by DFP. The accounting policies adopted by the Northern Ireland Assembly follow UK generally accepted accounting practice for companies (UK GAAP) to the extent that it is meaningful and appropriate to the public sector. Where NIRAM permits a choice of accounting policy, the accounting policy which has been judged to be most appropriate to the particular circumstances of the department for the purpose of giving a true and fair view has been selected. The department's accounting policies have been applied consistently in dealing with items considered material in relation to the accounts.

1.1 Accounting Convention

These accounts have been prepared under the historical cost convention modified to account for the revaluation of fixed assets, and stocks where material, at their value to the business by reference to their current costs.

1.2 Tangible fixed assets

The Department of Finance and Personnel hold legal title to Parliament Buildings. However under the accounting requirements of FRS5 'Reporting the substance of transactions' the Northern Ireland Assembly is the beneficial owner of Parliament Buildings, and as such recognises the property as an asset on its balance sheet.

The building has been restated at current replacement cost using a professional valuation. This exercise is to be repeated every five years with appropriate indices to be used in the intervening years.

Fixed assets are capitalised at their cost of acquisition and installation and are revalued annually by reference to appropriate indices compiled by the Central Statistical Office.

The threshold for capitalisation as a fixed asset is £500 for IT equipment and £1,000 for all other assets.

Assets are pooled where there are a large number of a certain type of asset, which, if treated singly, would fall below the capitalisation threshold, but which if aggregated, have a value exceeding £1,000. The threshold for capitalisation of these assets is £250. Assets which have been pooled include computer hardware and office equipment. Depreciation on the value of these assets is charged to the operating account.

1.3 Heritage assets

Heritage assets are those that "are intended to be preserved in trust for future generations because of their cultural, environmental and historical associations". Heritage assets generally display the following characteristics:

- their value is unlikely to be fully reflected in a financial value derived from price;
- there are severe restrictions on disposal;
- they may require significant maintenance expenditure so that they can continue to be enjoyed by future generations;
- they are often irreplaceable and their value may increase over time even if their physical condition deteriorates; and
- their life is measured in hundreds of years.

In accordance with NIRAM, non-operational heritage assets are not capitalised. Operational heritage assets are valued and incorporated within the fixed asset register as per 1.2 above.

1.4 Donated assets

These are assets donated by third parties, either by gift of the assets or funds to buy the asset. Donated tangible fixed assets are capitalised at their current value on receipt, and this value is credited to the donated asset reserve, which is included in the general reserves fund. Subsequent revaluations are also taken to this reserve. Each year, an amount equal to the depreciation charge on the asset is released from the donated asset reserve to the operating cost statement.

1.5 Depreciation

Tangible fixed assets are depreciated at rates calculated to write them down to estimated residual value on a straight-line basis over their estimated useful lives. No depreciation is provided on freehold land and items for collections since they have unlimited or very long estimated useful lives. The principal annual rates used for depreciation purposes are:

		%
Buildings	-	2
Computer equipment	-	25
Office equipment	-	20
Fixtures & Fittings	-	10

1.6 Stocks

Stocks held for continuing use are valued at cost or, where materially different, current replacement cost. They should be written down to net realisable value only when they either cannot or will not be used. A policy was introduced in 02/03 to expense “publication” stocks.

1.7 Operating income

Operating income is income that relates directly to the operating activities of the Northern Ireland Assembly.
It comprises:

- sale of souvenir stock;
- public telephone calls;
- stationery - recovery of cost; and
- postage - recovery of cost.
- recoupment of salary costs on secondees

This includes both Accruing Resources of the Vote and income to the Consolidated Fund that DFP has agreed should be treated as operating income.

1.8 Administration and Programme Expenditure

The operating cost statement is not analysed between administration and programme costs. For the Northern Ireland Assembly all costs incurred are administration costs, incorporating payments of allowances and other disbursements by the Assembly.

1.9 Capital charge

A charge, reflecting the cost of capital utilised by the Northern Ireland Assembly, is included in the operating costs. The charge is calculated at the government’s standard rate of 3.5% in real terms on all assets and liabilities, except donated assets, cash balances within the Civil Service pool at the Northern Bank and the amount due to the Consolidated Fund, where the charge is nil.

1.10 Foreign exchange

Transactions which are denominated in a foreign currency are translated into sterling at the exchange rate ruling on the date of each transaction.

1.11 Pensions

Present and past employees are covered by the provisions of the NI Principal Civil Service Pension Scheme (NIPCSPS), which is non-contributory and un-funded. Although the Scheme is a defined benefit scheme, liability for payment of future benefits is a charge to the NIPCSPS. Departments, agencies and other bodies covered by the NIPCSPS meet the cost of pension cover provided for the staff they employ by payment of charges calculated on an accruing basis. There is a separate scheme statement for the NIPCSPS as a whole.

Pension benefits for the Members are provided through the Assembly Members’ Pension Scheme. This scheme is a statutory scheme, which provides benefits on a “final salary” basis at a normal retirement age of 65 (or age 60, if reckonable service is more than 20 years, with a sliding scale from 60 to 65). Members pay contributions of 6%

of pension-able salary, including Office Holder's salary. All pensions increase in line with the Retail Prices Index once in payment.

1.12 Early Departure Costs

The Northern Ireland Assembly is required to meet the additional cost of benefits beyond the normal NIPCSPS benefits in respect of employees who retire early. The Assembly provides in full for this cost when the early retirement programme has been announced and is binding on the Assembly. The Assembly may, in certain circumstances, settle some or all of its liability in advance by making a payment to the Paymaster General's account at the Bank of England for the credit of the Civil Superannuation Vote. The amount provided is shown net of any such payments.

As confirmed with the Assembly Personnel Office, no liability exists for the year ended 31 March 2004.

1.11 Provisions

The Northern Ireland Assembly provides for legal or constructive obligations which are of uncertain timing or amount at the balance sheet date on the basis of the best estimate of the expenditure required to settle the obligation. Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are discounted using the Treasury discount rate of 3.5% in real terms.

1.14 Contingent Liabilities

In addition to contingent liabilities disclosed in accordance with FRS12, the Assembly discloses for parliamentary reporting and accountability purposes certain contingent liabilities where the likelihood of a transfer of economic benefit is remote: These comprise:

- Items over £100,000 (or lower, where required by specific statute) that do not arise in the normal course of business and which are reported to Parliament by departmental Minute prior to the Department entering into the arrangement.
- All items (whether or not they arise in the normal course of business) over £100,000 (or lower, where required by specific statute or where material in the context of resource accounts) which are required by the Resource Accounting Manual to be noted in the resource accounts.

Where the time value of money is material, contingent liabilities which are required to be disclosed under FRS12 are stated at discounted amounts and the amount reported to Parliament separately noted. Contingent liabilities that are not required to be disclosed by FRS 12 are stated at the amounts reported to Parliament.

1.15 Value Added Tax

In the Northern Ireland Assembly output tax generally does not apply and input tax is recovered on a monthly basis from DFP. Where input tax is recoverable, the amounts are stated net of vat.

2 Staff numbers and costs

	Members	Secretariat	Special Advisors	2003/2004 Total	2002/2003 Total
	£'000	£ '000	£ '000	£'000	£ '000
Staff costs					
Wages and salaries	2,653	7,423		10,076	12,587
Social security costs	240	524		764	904
Other pension costs	454	890		1,344	1,661
Sub Total	**3,347**	**8,837**		**12,184**	**15,152**
Inward Secondments	-	65		65	-
Total	**3,347**	**8,902**		**12,249**	**15,152**
Less recoveries in respect of outward secondments	-	(125)		(125)	-
Total Net Costs *	**3,347**	**8,777**		**12,124**	**15,152**

* Of the total, £000 has been charged to capital

The PCSPC (NI) is an un-funded defined benefit scheme but the Assembly is unable to identify its share of underlying assets and liabilities. A full actuarial valuation was carried out at 31 March 2004.

For 2003-04, contributions of £ 889,829 were paid to the PCSPS (NI) (2002-03 £959,778) at rates determined by the Government Actuary and advised by the Treasury. These rates were in the range 12 – 19.5 per cent of pension-able pay. The 2003/2004 rates are in the range 12 to 18 percent of pension-able pay, based on the revalorised salary bands.

Employer contributions are to be reviewed every four years following a full scheme valuation by the Government Actuary. The contribution rates reflect benefits as they are accrued, not when the costs are actually incurred, and reflect past experience of the scheme.

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

	Total	Number 2003/2004	Number 2003/2004
		Members	Secretariat
Average monthly number of whole-time equivalent persons (including senior management and ministers) employed during the year was as follows:			
Objective 1	**393**	**108**	**285**

The salary and pension entitlements of the senior officers for the year ending 31 March 2004 were as follows:

	Salary including perfor-mance pay £k	Benefits in kind (£)	Real increase in pension and related lump sum at age 60 (£k)	Total accrued pension at age 60 at 31/03/04 and related lump sum (£k)	CETV at 31/03/03 (£k)	CETV at 31/03/04 (£k)	Real increase in CETV after adjustment for inflation and changes in market investment factors (£k)
Clerk to the Northern Ireland Assembly ***Arthur Moir***	75-80	0	0-2.5 plus 2.5 –5 lump sum	15-20 plus 45-50 lump sum	232	266	23
Deputy Chief Executive ***Tom Evans***	50-55	0	0-2.5 plus 2.5 –5 lump sum	20-25 plus 60-65 lump sum	280	312	17
Deputy Clerk ***Joe Reynolds***	55-60	0	0-2.5 plus 2.5 –5 lump sum	10-15 plus 30-35 lump sum	105	122	12
Director of Legal Services ***Clare McGivern***	55-60	0	0-2.5 plus 2.5– 5 lump sum	10-15 plus 40-45 lump sum	160	184	14
Clerk Assistant ***Nuala Dunwoody***	45-50	0	0-2.5 plus 2.5 –5 lump sum	10-15 plus 35-40 lump sum	144	167	14
Editor of Debates ***Simon Burrowes***	45-50	0	0-2.5 plus 0 -2.5 lump sum	10-15 plus 40-45 lump sum	183	202	10
Keeper of the House ***Agnes Peacocke***	50-55	0	0-2.5 plus 5 -7.5 lump sum	20-25 plus 65-70 lump sum	353	403	37
Director of Research and Information ***Allan Black*** **(Consent for disclosure withheld)**	-	-	-	-	-	-	-

The information given above relates to the senior Management of the Assembly.

Salary

Salaries include gross salaries, performance pay or bonuses, overtime payments , 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. There were no benefits in kind during 2003-04.

Pension

Pension benefits are provided through the Civil Service pension arrangements. From 1st October 2002, civil servants may be in one of three statutory based “final salary” defined benefit schemes (classic, premium and classic plus). The schemes are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under classic, premium and classic plus are increased annually in line with changes in the Retail Prices Index.

New entrants after 1 October 2002 may choose between membership of premium or joining a good quality “money purchase” stakeholder based arrangement with a significant employer contribution (partnership pension account)

Employee contributions are set at the rate of 1.5% of pension-able earnings for classic and 3.5% for premium and classic plus. Benefits in classic accrue at the rate of 1/80th of pension-able salary for each year of service. In addition, a lump sum equivalent to three years’ pension is payable on retirement. For premium, benefits accrue at the rate of 1/60th of final pension-able earnings for each year of service. Unlike classic, there is no automatic lump sum, but members may commute some of their pension to provide a lump sum . Classic plus is essentially a variation of premium, but with benefits in respect of service before 1 October 2002 calculated broadly as per classic.

The partnership pension account is a stakeholder-type arrangement. The employer pays a basic contribution of between 3% and 12.5% (depending on the age of the member) into a stakeholder pension product chosen by the employee. The employee does not have to contribute but where they do make contributions, these will be matched by the employer up to a limit of 3% of pension-able salary.(in addition to the employer’s basic contribution). Employers also contribute a further 0.8% of pension-able salary to cover the cost of risk benefit cover (death in service and ill health retirement).

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

The salary and pension entitlements of the Assembly Commission for the year ending 31 March 2004.

The Commission Members for the year 03-04 were Lord Alderdice, Mrs Eileen Bell, Rev. Robert Coulter, Mr John Fee, Dr Dara O’Hagan and Mr Jim Wells. As a result of suspension, the Commission did not meet , hence no office holders’ salaries were paid except for an amount for the Speaker, Lord Alderdice.

Pension benefits for the Members are provided through the Assembly Members’ Pension Scheme. This scheme is a statutory scheme, which provides benefits on a “final salary” basis at a normal retirement age of 65 (or age 60, if reckonable service is more than 20 years, with a sliding scale from 60 to 65). Members pay contributions of 6% of pension-able salary, including Office Holder’s salary. All pensions increase in line with the Retail Prices Index once in payment. There is a separate scheme statement for the Assembly Members’ Pension Scheme.

The rules of the Assembly Members’ Pension Scheme require the employer to meet the balance of the cost of providing the benefits as recommended by the actuary from time to time. There is currently a liability of £ 860,000 and this is provided for in the accounts in line with NIRAM and FRS 17.

For 2003-04, contributions of £ 607,801 were paid to the Assembly Members’ Pension Scheme. Contributions were at a rate of 18% of pension-able pay, as determined by the Government Actuary and advised by the Treasury.

The table above shows a member’s cash equivalent transfer value (CETV) accrued at the beginning and the end of the reporting period. The final column reflects the real increase in CETV effectively funded by the employer. It takes account of the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member’s accrued benefits and any contingent spouse’s pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies. The CETV figures, and from 2003-04 the other pension details, include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the CSP arrangements and for which the CS vote has received a transfer payment commensurate to the additional pension liabilities being assumed. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries.

3 Other operating costs

	2003/2004	2002/2003
	£'000	**£'000**
Office cost allowance	**4,700**	**4,857**
Party allowance	**709**	**738**
Travel and subsistence	**674**	**950**
Miscellaneous	**6,861**	**7,145**
Non cash items:		
Depreciation	**2,420**	**2,664**
Impairment of fixed assets	**248**	**50**
Cost of capital charge	**3,911**	**6,662**
Miscellaneous computer sales	**7**	**0**
Notional charges	**27**	**46**
Auditor's remuneration and exps (Notional)	**27**	**30**
Provisions	**335**	**525**
Total non cash items	**6,975**	**9,977**
TOTAL	**19,919**	**23,667**

2003-04	£000

2003-04	£000
Other administration costs- non-cash items as above Add: other non-cash amounts charged to operating expenditure Less non-cash income	6,975
	-
Profit on sales of Fixed Assets	(6)
Total non-cash transactions	**6,969**

Note a- the total of non-cash transactions included the Reconciliation of Operating Costs to Operating Cash-flows In Schedule 4 comprises:

Note b – the total of non-cash items included the Reconciliation of Resources to Net Cash Requirement comprises:

2003-04	£000
Total non-cash transactions as above	6,975
Adjustment for profits and losses on disposal of fixed assets	(6)
Non-cash items per reconciliation of resources to net cash requirement	**6,969**

4 NET ADMINISTRATION COSTS

	2003/2004	2002/2003
	£'000	£'000
Total current expenditure	32,043	38,819
Less: programme income	153	2
	31,890	38,817

5 INCOME AND ACCRUING RESOURCES

Operating income 2003/04

Operating income analysed by classification and activity, is as follows:	Netted off gross expenditure in sub-head	Accruing Resources	Payable to Consolidated Fund	Income included in Operating Cost Statement
	£'000	£'000	£'000	£'000
Programme income	**0**	**5**	**148**	**153**
Total		**5**	**148**	**153**

Operating income 2002/03

Operating income analysed by classification and activity, is as follows:	Netted off gross expenditure in sub-head	Accruing Re-sources	Payable to ConsolidatedFund	Income included in OperatingCost Statement
	£'000	£'000	£'000	£'000
Programme income		**2**		**2**
Total		**2**		**2**

6 RECONCILIATION OF NET OPERATING COST TO CONTROL TOTAL AND NET RESOURCE OUTTURN

	2003/2004	2002/2003
		£'000
Net operating cost	**31,890**	**38,817**
Surplus income to be cfer'd	**148**	**0**
Net resource outturn	**32,038**	**38,817**

Net operating cost is the total of expenditure and income appearing in the operating cost statement (Schedule 2). Net resource outturn is the total of those elements of expenditure and income that are subject to parliamentary approval and included in the department's Supply Estimate. The outturn against the Estimate is shown in the summary of resource outturn (Schedule 1).

7 ANALYSIS OF INCOME PAYABLE TO THE CONSOLIDATED FUND

	Forecast 2003/2004		Outturn 2003/2004	
	Income	**Receipts**	**Income**	**Receipts**
	£000	**£000**	**£000**	**£000**
Operating income and receipts - excess accruing resources	**5**	**5**	**148**	**59**
Non-operating income and receipts – excess accruing resources	**0**	**0**	**22**	**0**
Subtotal	**5**	**5**	**170**	**59**
Other operating income and receipts not classified as accruing resources	**0**	**0**	**0**	**0**
Other non-operating income and receipts not classified as accruing resources	**0**	**0**	**0**	**0**
Other amounts collectable on behalf of the Consolidated Fund	**0**	**0**	**0**	**0**
Excess cash surrenderable to the Consolidated Fund	**0**	**0**	**0**	**0**
Total	**5**	**5**	**170**	**59**

8 ANALYSIS OF NET OPERATING COST BY SPENDING BODY

	2003/2004	**2003/2004**	**2002/2003**
Spending body	**Budget**	**Outturn**	**Outturn**
NI Assembly	**33,702**	**31,890**	**38,817**
	33,702	**31,890**	**38,817**

9 ANALYSIS OF RESOURCE OUTTURN BY FUNCTION AND RECONCILIATION TO OPERATING COST STATEMENT.

2003/2004	**Admin**	**Other Current**	**Gross resource expend**	**Accruing Resources**	**Net total**	**Estimate**	**Net total outturn Versus estimate**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Request for resources 1							
Function 1	32,043	0	32,043	5	32,038	33,707	1,669
Resource Outturn	**32,043**	**0**	**32,043**	**5**	**32,038**	**33,707**	**1,669**
Non-Supply expenditure							
Non-accruing resources operating income					**148**		**148**
Net operating cost	**32,043**	**0**	**32,043**	**5**	**31,890**	**33,707**	**1,817**

10 ANALYSIS OF CAPITAL EXPENDITURE, FINANCIAL INVESTMENT AND ASSOCIATED ACCRUING RESOURCES

2003/2004

	Capital Expenditure	Loans etc	Accruing Resources	Net total
	£'000	£'000	£'000	£'000
Request for resources 1	31			31
Total	**31**			**31**

2002/2003

	Capital Expenditure	Loans etc	Accruing Resources	Net total
	£'000	£'000	£'000	£'000
Request for resources 1	226	-	-	226
Total	**226**	**-**	**-**	**226**

11 TANGIBLE FIXED ASSETS

	Computer Equipment	Office Equipment	Fixtures & fittings	Buildings	Total
	£'000	£'000	£'000	£'000	£'000
Cost or valuation					
At 1 April 2003	975	1,025	1,750	115,049	118,799
Additions	31				31
Disposals	(17)				(17)
Revaluations	(108)	21	13	(1,462)	(1,536)
At 31 March 2004	**881**	**1,046**	**1763**	**113,587**	**117,277**
Depreciation					
At 1 April 2003	699	706	589	3,980	5,974
Charge for year	140	161	213	1,906	2,420
Depreciation written back on revaluation	-	-	-	(5886)	(5886)
Backlog depreciation	(62)	15	4		(43)
Disposals	(16)				(16)
At 31 March 2004	**761**	**882**	**806**	**0**	**2,449**
Net book value					
At 31 March 2004	**120**	**164**	**957**	**113,587**	**114,828**
At 31 March 2003	276	319	1,161	111,069	112,825

Parliament Buildings, Ormiston House and Land was professionally valued at £113.6million. The Valuation and Lands Agency, in accordance with RICS Appraisal and Valuation Manual, carried out the valuation in March 2004. Donated Assets of £2,148 are included.

12 MOVEMENTS IN WORKING CAPITAL OTHER THAN CASH

The movements in working capital used in the Reconciliation of resources to cash requirement comprises:

	2003/2004	**2002/2003**
	£'000	**£'000**
Decrease in stocks	**(14)**	(92)
(Decrease) / increase in debtors	**(36)**	(6)
Decrease / (increase) in creditors	**683**	(1,237)
Net increase in working capital other than cash	**633**	(1,335)
Transitional adjustment, being adjustment for outstanding balances relating to the department's Appropriation Accounts for 2000/01	**0**	3
Working capital movement recognised in Schedule 1	**633**	(1,332)

The movements in working capital other than cash used in the Cash Flow Statement comprises:

	2003/2004	2002/2003
	£'000	£'000
Decrease in stocks	**(14)**	(92)
(Decrease) / increase in debtors	**(36)**	(6)
Decrease / (increase) in creditors	**683**	(1,237)
Net increase in working capital other than cash	**633**	(1.335)
Transitional adjustment, being adjustment for outstanding balances relating to the department's Appropriation Accounts for 2000/01	**0**	3
Working capital movement recognised in Schedule 4	**633**	(1,332)

13 STOCKS

	2003/2004	2002/2003
	£'000	£'000
Stationery	**0**	13
Sundry office equipment	**0**	1
	0	14

14 DEBTORS

	2003/2004	2002/2003
	£'000	£'000
Amounts falling due within one year		
Value Added Tax	**101**	208
Prepayments	**64**	55
Sundry debtors	**68**	0
Suspense debtors	**7**	13
Consolidated Fund Debtor	**389**	-
	629	276

15 CASH AT BANK AND IN HAND

	2003/2004	2002/2003
	£'000	£'000
Balance at 1 April 2002	**869**	44
Net change in cash balances	**(650)**	825
Balance at 31 March 2003	**219**	869
The balance at 31 March is held at:		
Commercial banks and cash in hand.	**219**	869
The balance at 31 March comprises:		
Amounts issued from the consolidated fund for supply but not spent at year end:	**0**	869
Consolidated Fund Extra Receipts due to be paid to the Consolidated Fund	**170**	-
Amount payable to Consolidated Fund in respect of supply	**(389)**	-
	219	869

16 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2003/2004	2002/2003
	£'000	£'000
Other taxation and social security	**215**	228
Other creditors	**10**	2
Amounts due to the Consolidated Fund (Consolidated Fund Extra Receipts)	**170**	-
Accruals and deferred income	**1,619**	2,297
Amounts issued from the consolidated fund for supply but not spent at year end	**-**	869
	2,014	3,396

Accruals and deferred income relate to both Members Office Cost Allowances and the Assembly Secretariat.

Amounts due to the Consolidated Fund are based on the accounting conventions adopted for resource-based supply.

17 PROVISIONS FOR LIABILITIES AND CHARGES

	£'000	£'000	£'000
	Pension Costs	**Dissolution Costs**	**Total**
Balance at 1 April 2003	-	525	525-
Provided in the year	860	-	860-
Provision not required written back	-	-	-
Provision utilized in the year	-	(525)	(525)
Unwinding of discount	-	-	-
Balance at 31 March 2004	**860**	**0**	**860**

Assembly Member's Pension Scheme

Pension benefits for the Members are provided through the Assembly Members' Pension Scheme. This scheme is a statutory scheme, which provides benefits on a "final salary" basis at a normal retirement age of 65 (or age 60, if reckonable service is more than 20 years, with a sliding scale from 60 to 65). The rules of the Assembly Members' Pension Scheme require the employer to meet the balance of the cost of providing the benefits as recommended by the actuary from time to time. There is a liability of £0.86 million and according to NIRAM and FRS 17 this has been provided for in the financial year 03-04.

Dissolution Costs

A provision of £525,000 has been used in respect of the specific costs associated with the dissolution of the Northern Ireland Assembly in advance of elections. These costs include the specific additional administrative costs incurred while preparing for the end of a mandate together with the estimated cost of resettlement allowances for former Members.

18 REVALUATION RESERVE

	2003/2004	**2002/2003**
		£'000
Balance at 1ST April 2003	**2,861**	**309**
Gain on revaluation	**4,459**	**2,376**
Backlog Depreciation on revaluation upwards	**(19)**	**(67)**
Transferred to general fund in respect of realised element of revaluation reserve	**(673)**	**243**
Permanent diminution in value – transfer to OCS	**202**	
Balance at 31 March 2004	**6,830**	**2,861**

The revaluation reserve reflects the unrealised element of the cumulative balance of indexation and revaluation adjustments (excluding donated assets).

Donated asset reserves are included in General Reserves

19 COMMITMENTS

There were no commitments for the following at 31 March 2004:

Capital commitments

Commitments under operating leases

20 CAPITAL COMMITMENTS

There were no capital commitments at 31 March 2004.

21 CONTINGENT LIABILITIES

There were no contingent liabilities at 31 March 2004.

22 RECONCILIATION OF NET OPERATING COST TO CHANGES IN GENERAL FUND

	2003/2004	2002/2003
	£'000	£'000
Net operating cost for the year (Schedule 2)	**(31,890)**	(38,817)
Income not accrued resources payable to Consolidated Fund	**(73)**	-
	(31,963)	(38,817)
Net Parliamentary funding	**25,869**	28,603
Transfer to general fund of realised element of revaluation reserve ▪ Depreciation ▪ Disposal of assets	**673**	(243)
Non-cash charges:		
Cost of capital	**3,911**	6,662
Notional Audit costs	**27**	30
Notional other costs	**34**	46
Consolidated Fund creditor Consolidated Fund Debtor	**(170)** **389**	(869)
Net increase/(decrease) in general fund	**(1,230)**	(4,588)
General fund at 1 April 2003	**107,202**	111,790
General fund at 31 March 2004 (Schedule 3)	**105,972**	107,202

23 NOTES TO SCHEDULE 5

The Assembly's resources are employed exclusively for administration purposes.

Current expenditure has been allocated as follows.

	2003/04	**2002/03**
	£000	**£'000**
Aim:		
Objective 1	**31,890**	**38,817**

Capital Employed by the NI Assembly

	2003/04	**2002/03**
	£000	**£'000**
Aim:		
Objective 1	**112,802**	**110,063**

24 RELATED PARTY TRANSACTIONS

The Northern Ireland Assembly is independent from the Executive for funding purposes. It has a number of transactions with the Executive and with other government departments and public bodies. Most of these transactions have been with the Department of Finance and Personnel and one of its agencies (Business Development Services).

Related party transactions during the financial year with DFP relate to the utilisation of their call-off contracts, for example, for the provision of security and the Dial Network. None of the post-holders within the Assembly hold any posts within DFP.

None of the members, key managerial staff or other related parties has undertaken any transactions with the Northern Ireland Assembly during the year.

25 FINANCIAL INSTRUMENTS

The Northern Ireland Assembly, because of the largely non-trading nature of it's activities and the way Government departments are financed, is not exposed to the degree of financial risk faced by business entities. The assembly has no powers to borrow or invest surplus funds. Financial assets and liabilities are generated by the day-to-day operational activities and are not held to change the risks faced in undertaking it's activities.

Liquidity risk

The Assembly's net revenue resource requirements are financed by resources voted annually by Parliament, as is its capital expenditure. It is therefore, not exposed to significant liquidity risks.

Interest Rate Risk

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

Fair Values

The Assembly's exposure to foreign currency risk is not significant. There is no foreign currency income and foreign currency expenditure is less than 2% of total expenditure.

26 POST BALANCE SHEET EVENTS

There have been no post balance sheet events.

27 ACTUAL OUTTURN – RESOURCES AND CASH

Actual outturn – resources:

Actual amount net resource outturn £ 32,038,384.96

Actual amount of savings in resources over Estimate £1,663,615.04

Actual outturn –cash:

Net cash requirement: Outturn net requirement £ 26,257,971.40 which is £ 789,028.60 less than the estimate.

The actual receipts surrenderable to the Consolidated Fund were £58,054.03

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