



NORTHERN
I R E L A N D
HUMAN
RIGHTS
COMMISSION

NORTHERN IRELAND HUMAN RIGHTS COMMISSION

FINANCIAL STATEMENTS FOR THE YEAR ENDED

31 MARCH 2003

NORTHERN IRELAND HUMAN RIGHTS COMMISSION

Contents

	Page
Foreword to the Financial Statements	1 – 4
Statement of the Northern Ireland Human Rights Commission's and Chief Executive's Responsibilities	5
Statement on Internal Control	6 – 7
The Certificate and Report of the Comptroller and Auditor General to the Houses of Parliament	8 – 9
Income and Expenditure Account	10
Balance Sheet	11
Cash Flow Statement	12
Notes to the Financial Statements	13 – 25

NORTHERN IRELAND HUMAN RIGHTS COMMISSION

Foreword to the Financial Statements

Background information

The Northern Ireland Human Rights Commission ("The Commission") is a body which was provided for in the Good Friday Agreement of 1998 and which was formally established under the Northern Ireland Act 1998 on 1 March 1999. The Commission is a non-departmental public body, funded by the Northern Ireland Office but otherwise independent from Government. It is accountable, through the Secretary of State, to Parliament at Westminster and is subject to oversight by the UK Parliamentary Commissioner for Administration.

Under section 69 of the Northern Ireland Act 1998, the Commission has the following duties:

1. To keep under review the adequacy and effectiveness in Northern Ireland of law and practice relating to the protection of human rights.
2. To advise the Secretary of State and the Executive Committee of the Northern Ireland Assembly of legislative and other measures which ought to be taken to protect human rights.
3. To advise the Northern Ireland Assembly whether a Bill is compatible with human rights.
4. To promote understanding and awareness of the importance of human rights in Northern Ireland by, for example, undertaking or commissioning or otherwise assisting research and educational activities.
5. To provide advice to the Secretary of State on the scope for defining, in Westminster legislation, rights supplementary to those in the European Convention on Human Rights.
6. To make to the Secretary of State within two years such recommendations as it thinks fit for improving the Commission's effectiveness.
7. To do all that it can to ensure the establishment of a Joint Committee with the Human Rights Commission in the Republic of Ireland.

In addition, under the same section, the Commission has the following powers:

1. To give assistance to individuals who apply to it for help in relation to proceedings involving law or practice concerning the protection of human rights.
2. To bring proceedings involving law or practice concerning the protection of human rights.

3. To conduct such investigations as it considers necessary or expedient for the purpose of exercising its other functions.
4. To publish its advice and the outcome of its research and investigations.

These accounts have been prepared in accordance with the requirements of paragraph 7(2(a)) of Schedule 7 to the Northern Ireland Act 1998 and in a form directed by the Secretary of State for Northern Ireland with the approval of the Treasury.

Business review

A full review of the Commission's activities is given in the annual report.

Results for the year

The results of the Commission are set out on pages 10 and 11. The surplus for the year was £12,516.

Fixed Assets

Details of the movement of fixed assets are set out in note 6 to the accounts.

Research and Development

The Commission engages in research and development activities with regard to investigation of human rights advancements and the support of individual cases.

Future Developments

In the course of the next financial year, the Commission aims to:

1. Carry out investigations and support individual cases that highlight human rights concerns.
2. Advise Governments in Northern Ireland and at Westminster on the human rights implications of legislation and policy.
3. Through research, education, publications and seminars promote widely a culture and understanding of human rights across Northern Ireland.
4. Provide advice to the Secretary of State for Northern Ireland on the scope for a Bill of Rights for Northern Ireland.

Important Events Occurring After the Year End

There have been no significant events since the year end which would affect these accounts.

Charitable Donations

The Commission made no charitable donations during the year.

Commission Members

The following served as Commissioners during 2002–03:

Professor Brice Dickson (Chief Commissioner)
Professor Christine Bell (resigned 9 September 2002)
Mrs Margaret Ann Dinsmore QC
Mr Tom Donnelly MBE JP DL
Lady Christine Eames (appointed 1 December 2001)
Rev. Harold Good OBE (retired 29 February 2004)
Professor Tom Hadden
Ms Patricia Kelly (resigned 1 July 2004)
Dr Inez McCormack (resigned 9 September 2002)
Dr Christopher McGimpsey (appointed 1 December 2001; resigned 3 November 2003)
Mr Frank McGuinness (retired 29 February 2004)
Mr Kevin McLaughlin (appointed 1 December 2001)
Mr Patrick Yu (appointed 1 December 2001; resigned 7 July 2003)

Disabled Employees

The Commission aims to ensure that disability is not a bar to recruitment or advancement.

Employee Involvement

The Commission implements its strategic plan through its staff. In achieving business objectives the Commission recognises that the involvement of staff in planning and the decision making process is important. Staff involvement is maximised through the combined use of, for example, weekly team meetings, staff briefings and regular joint staff / union consultative meetings. NIPSA is the Commission's recognised trade union.

Payments to Suppliers

The Commission is committed to the prompt payment of bills for goods and services received in accordance with the principles of the 'Better Payment Practice Code' as stated in paragraph 4.2.1 of the 'Non-Departmental Public Body' guidance. Unless otherwise stated in the contract, payment is due within 30 days of the receipt of the goods or services, or presentation of a valid invoice or similar demand, whichever is later.

During the year 88.5% of bills were paid within this standard.

Audit

The financial statements are audited by the Comptroller and Auditor General.

The fees for this year are £10,000 (2001/02 : £10,000).

[signed]

**Mrs Paddy Sloan
Accounting Officer**

Date: 18 March 2005

NORTHERN IRELAND HUMAN RIGHTS COMMISSION

Statement of the Northern Ireland Human Rights Commission's and Chief Executive's Responsibilities

Under Section 7(2(a)) of Schedule 7 to the Northern Ireland Act 1998 and the accounts direction issued by the Secretary of State on 19 July 2000 the Commission is required to prepare a statement of accounts in the form and on the basis determined by the Secretary of State for Northern Ireland, with the approval of the Treasury. The accounts are prepared on an accruals basis and must give a true and fair view of the Commission's state of affairs at the year end and of its income and expenditure, total recognised gains and losses and cash flows for the financial year.

In preparing the accounts the Commission is required to:

- observe the accounts direction issued by the Secretary of State, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgments and estimates on a reasonable basis;
- state whether applicable accounting standards have been followed and disclose and explain any material departures in the financial statements; and
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Commission will continue in operation.

The Accounting Officer of the Northern Ireland Office has designated the Chief Executive as the Accounting Officer for the Commission. The Chief Executive's relevant responsibilities as Accounting Officer, including responsibility for the propriety and regularity of the public finances and for the keeping of proper records, are set out in the Non-Departmental Public Bodies Accounting Officer's Memorandum, issued by HM Treasury and published in Government Accounting.

[signed]

Mrs Paddy Sloan
Chief Executive

Date: 18 March 2005

NORTHERN IRELAND HUMAN RIGHTS COMMISSION

Statement on Internal Control

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

The system of internal control is designed to manage rather than eliminate the risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness.

The system of internal control is based on an ongoing process designed to identify the principal risks to the achievement of Commission policies, aims and objectives, to evaluate the nature and extent of those risks and to manage them efficiently, effectively and economically. At the beginning for the financial year, I expected to have procedures in place by March 2003 necessary to implement Treasury Guidance. However, this timetable slipped to 2004 because of delays in restructuring the organisation to bring in a new management structure and in formally agreeing the Commission's Financial Memorandum with the Northern Ireland Office. These are now in place and the Commission has commenced implementation of the processes that the NIO has agreed should be established and is working to ensure their robustness.

We have now held a risk management workshop, attended by representatives of all staff, during which we identified the Commission's objectives and risks and determined a control strategy for each of the significant risks, and trained staff in risk awareness. As a result of this workshop, a risk management policy document and framework is being developed, including a comprehensive risk register. Risk management and internal control will be considered on a regular basis during the year and will be incorporated more fully into the corporate planning and decision making processes of the Commission in 2005. As part of this, an Audit and Risk Management Committee will be established with effect from March 2005 (when new Commissioners are appointed).

As Accounting Officer, I also have responsibility for reviewing the effectiveness of the system of internal control. My review of its effectiveness is, since 2004, informed by the work of internal auditors and new executive managers within the Commission 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. However, given that the Commission is still a relatively new organisation, and has only recently put in place a full management structure, our financial systems have been evolving as the organisation has grown.

The Commission's first internal audit took place in early 2004 and, whilst it confirmed that our control systems were adequate, a number of recommendations were made for improvement. In particular, weaknesses identified included financial procedures not being adequately documented and controls not being sufficiently robust with respect to procurement procedures. An action plan is now in place to implement all of the internal audit recommendations by mid-2005.

[signed]

**Mrs Paddy Sloan
Accounting Officer**

Date: 18 March 2005

NORTHERN IRELAND HUMAN RIGHTS COMMISSION

The Certificate and Report of the Comptroller and Auditor General to the Houses of Parliament

I certify that I have audited the financial statements on pages 10 to 25 under the Northern Ireland Act 1998. These financial statements have been prepared under the historical cost convention and the accounting policies set out on pages 13 and 14.

Respective responsibilities of the Northern Ireland Human Rights Commission, the Chief Executive and Auditor

As described on page 5, the Northern Ireland Human Rights Commission and Chief Executive are responsible for the preparation of the financial statements in accordance with the Northern Ireland Act 1998 and directions made thereunder by the Secretary of State for Northern Ireland and for ensuring the regularity of financial transactions. The Northern Ireland Human Rights Commission and Chief Executive are also responsible for the preparation of the Foreword. 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 Northern Ireland Act 1998 and directions made thereunder by the Secretary of State for Northern Ireland, and whether in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them. I also report if, in my opinion, the Foreword is not consistent with the financial statements, if the Northern Ireland Human Rights Commission has not kept proper accounting records, or if I have not received all the information and explanations I require for my audit.

I review whether the statement on pages 6 and 7 reflects the Northern Ireland Human Rights Commission's compliance with Treasury's guidance on the Statement on Internal Control. I report if it does not meet the requirements specified by Treasury, 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 Northern Ireland Human Rights Commission's corporate governance procedures or its risk and control procedures.

Basis of audit opinion

I conducted my audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts, disclosures and regularity of financial transactions included in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Northern Ireland Human Rights Commission and Chief Executive in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Northern Ireland Human Rights Commission'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 Human Rights Commission at 31 March 2003 and of the surplus, total recognised gains and losses and cash flows for the year then ended and have been properly prepared in accordance with the Northern Ireland Act 1998 and directions made thereunder by the Secretary of State for Northern Ireland; 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.

[signed]

**John Bourn
Comptroller and Auditor General**

Date: 12 April 2005

**National Audit Office
157 – 197, Buckingham Palace Road
Victoria
London
SW1W 9SP**

NORTHERN IRELAND HUMAN RIGHTS COMMISSION

Income and Expenditure Account for the Year Ended 31 March 2003

	Notes	2003 £	2002 £
Income			
Revenue grant in aid	2	1,192,037	1,296,227
Other operating income	2	3,798	1,318
Capital Grant released	9	34,390	29,322
Total Income		<u>1,230,225</u>	<u>1,326,867</u>
Expenditure			
Staff costs	3	584,986	493,969
Depreciation	6	34,390	29,322
Other operating costs	4	595,673	800,959
Notional cost of capital	5	2,660	3,048
Total expenditure		<u>1,217,709</u>	<u>1,327,298</u>
Surplus / (Deficit) for the year		12,516	(431)
Credit in respect of notional cost of capital	5	2,660	3,048
Surplus transferred to Reserves	9	<u>15,176</u>	<u>2,617</u>

All amounts above relate to continuing activities.

The notes on pages 13 – 25 form part of the financial statements.

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

NORTHERN IRELAND HUMAN RIGHTS COMMISSION

Balance Sheet as at 31 March 2003

	Notes	2003		2002	
		£	£	£	£
Fixed Assets					
Tangible Assets	6		151,932		161,109
Current Assets					
Prepayments and accrued income	7	90,971		21,977	
Cash at bank and in hand		157,145		1,556	
		<u>248,116</u>		<u>23,533</u>	
Current liabilities					
Creditors: amounts falling due within one year	8	(352,715)		(143,308)	
		<u>(352,715)</u>		<u>(143,308)</u>	
Net current liabilities			(104,599)		(119,775)
Total Assets less Current Liabilities			<u>47,333</u>		<u>41,334</u>
Financed by:					
Capital and Reserves					
Other reserves	9		151,932		161,109
General Fund	9		(104,599)		(119,775)
			<u>47,333</u>		<u>41,334</u>

The financial statements were approved by the Commission on 18 March 2005 and were signed on its behalf by:

[signed]

Mrs Paddy Sloan
Accounting Officer

Date: 18 March 2005

The notes on pages 13 – 25 form part of the financial statements.

NORTHERN IRELAND HUMAN RIGHTS COMMISSION
Cash Flow Statement for the Year Ended 31 March 2003

	Notes	2003 £	2002 £
Net cash inflow from operating activities	16	159,424	56,076
Capital expenditure and financial Investments	17	(29,048)	(68,659)
Capital financing	9	25,213	7,773
Increase / (decrease) in cash in the year		<u>155,589</u>	<u>(4,810)</u>

The notes on pages 13 – 25 form part of the financial statements.

NORTHERN IRELAND HUMAN RIGHTS COMMISSION

Notes to the Financial Statements for the Year Ended 31 March 2003

1 Accounting Policies

1.1 Accounting Convention

The financial statements have been prepared in accordance with the historical cost convention and with the accounts direction issued by the Secretary of State for Northern Ireland. Without limiting the information given, the financial statements comply with the accounting and disclosure requirements of the Companies Act 1985, the accounting standards issued or adopted by the Accounting Standards Board and accounting and disclosure requirements issued by HM Treasury, insofar as those requirements are appropriate.

1.2 Income

Revenue grant in aid represents funding from the Northern Ireland Office to fund the Commission's current expenditure.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided on a straight line basis at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life.

The estimated useful lives for depreciation purposes are:

Leasehold improvements	10 years
Computer equipment	3 years
Fixtures, fittings & equipment	5 years

The accounting policy is to capitalise those items costing in excess of £500.

1.4 Leasing

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

1.5 Pensions

Commission staff are covered by the Northern Ireland Human Rights Commission Pension Scheme. The Pension Scheme is managed by analogy with the Principal Civil Service Pension Scheme and operates under the same terms and conditions of membership. The defined benefit elements of the schemes are unfunded and non-contributory except in respect of dependents' benefits. The Commission recognises the expected costs of these elements on a systematic and rational basis over the period during which it benefits from employees' services by payment to the Northern Ireland Human Rights Commission Pension Scheme of amounts calculated on an accruing basis. Liability for payment of future benefits is a charge on the Northern Ireland Human Rights Commission Pension Scheme. In respect of the defined contribution elements of the Scheme, the Commission recognises the contributions payable for the year.

The Chief Commissioners' Pension Scheme is managed outside of the Northern Ireland Human Rights Commission Pension Scheme.

1.6 Capital Grants

Grants towards capital expenditure are credited to a Capital Grant Reserve and are released to the Income and Expenditure account over the expected useful life of the assets.

1.7 Value Added Tax

The Commission is ineligible to reclaim input VAT on expenditure. Therefore all expenditure is inclusive of VAT.

1.8 Legal Casework Expenditure

Section 70 of the Northern Ireland Act 1998 enables the Commission to support legal cases in relation to the protection of human rights. These cases usually span several years.

In some cases costs are recoverable from the respondent if the applicant is successful. Given this, whilst the Commission decides to support cases, contingent on the outcome, payments are not made until judgment is passed, and the judge decides on a cost order (ie whether the 'losing' side should pay all costs, or each side should bear their own costs). Given that a criterion for Commission support is whether a case has a "reasonable chance of success", it does not expect to incur actual costs in many cases. However, cases can be lost. In these cases, it is possible that the applicant could be asked to pay the respondent's costs. Where this happens the Commission may pay these costs on behalf of the applicant. These potential liabilities are noted in the financial statements as contingent liabilities.

Some legal costs incurred by the Commission are not recoverable. The Commission estimates the amount of such costs for each case and, for those costs not already recognised in the Income and Expenditure Account, disclosure as financial commitments is made in the notes to the financial statements.

2 Income	2003	2002
	£	£
(a) Grant in aid		
Grant from the Northern Ireland Office Request for Resources 1		
Capital grant	25,213	7,773
Revenue grant in aid	1,192,037	1,296,227
	<u>1,217,250</u>	<u>1,304,000</u>
	<u><u>1,217,250</u></u>	<u><u>1,304,000</u></u>

(b) Other Income

Other income represents the sale of publications, conference and lecture fees and the reimbursement of expenses incurred by staff and commissioners in traveling to speak at conferences.

3 Employees

Staff costs

	2003	2002
	£	£
Commissioners		
Wages and salaries	168,794	134,796
Social security costs	13,432	10,286
Other pension costs	6,135	6,135
	<u>188,361</u>	<u>151,217</u>
	<u><u>188,361</u></u>	<u><u>151,217</u></u>
Other staff		
Wages and salaries	328,305	290,072
Social security costs	21,173	25,234
Other pension costs	47,147	27,446
	<u>396,625</u>	<u>342,752</u>
	<u><u>396,625</u></u>	<u><u>342,752</u></u>

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

	2003	2002
	Number	Number
Chief Executive	1	1
Admin Officers	5	4
Chief Executive's Department	8	8
	<u>14</u>	<u>13</u>
	<u><u>14</u></u>	<u><u>13</u></u>

The Northern Ireland Human Rights Commission Pension Scheme is an unfunded defined benefit scheme and, in accordance with FRS 17, the estimated liability of the Northern Ireland Human Rights Commission Pension Scheme is £151,500 as at 31 March 2003.

For 2002/03, employers' contributions of £47,147 were payable to the Northern Ireland Human Rights Commission Pension Scheme (2001/02 : £27,446) at one of three rates in the range 12 to 16.5 per cent of pensionable pay, based on salary bands. The 2003/04 rates are in the range 12 to 18.5 per cent of pensionable 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 paid to one or more of a panel of four appointed stakeholder pension providers. Employer contributions are age-related and range from 3 to 12.5 per cent of pensionable pay. Employers also match employee contributions up to 3 per cent of pensionable pay. In addition, employer contributions of 0.8 per cent of pensionable pay are payable to the Northern Ireland Human Rights Commission Pension Scheme to cover the cost of the future provision of lump sum benefits on death in service and ill health retirement of these employees. No employees of the Commission have opted for a partnership pension account during 2002/03.

The salary, pension entitlements and the value of any taxable benefits in kind of the most senior member of the Commission is as follows:

	Age	Salary Including Performance Pay (£'s)	Real increase in pension at 60 (£'s)	Total accrued pension at 60 at 31/3/03 (£'s)
Paddy Sloan Chief Executive	47	40,000–45,000	0–2,500	0–5,000

Salary

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

Pension

Pension benefits are provided through the Commission's pension arrangements. From 1 October 2002, Commission staff may be in one of three statutory based "final salary" defined benefit schemes (classic, premium and classic plus). 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).

▪ Classic Scheme

Benefits accrue at the rate of 1/80th of pensionable salary for each year of service. In addition, a lump sum equivalent to three years' pension is payable on retirement. Members pay contributions of 1.5 per cent of pensionable earnings. Pensions increase in payment in line with the Retail Prices Index. On death, pensions are payable to the surviving spouse at a rate of half the member's pension. On death in service, the scheme pays a lump sum benefit of twice pensionable pay and also provides a service enhancement on computing the spouse's pension. The enhancement depends on length of service and cannot exceed 10 years. Medical retirement is possible in the event of serious ill health. In this case pensions are brought into payment immediately without actuarial reduction and with service enhanced as for widow(er) pensions.

- **Premium Scheme**

Benefits accrue at the rate of 1/60th of pensionable 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 up to a maximum of 3/80ths of pensionable earnings for each year of service or 2.25 times pension if greater (the commutation rate is £12 lump sum for each £1 of pension given up). For the purposes of pension disclosure the tables assume maximum commutation. Members pay contributions of 3.5 per cent of pensionable earnings. On death, pensions are payable to the surviving spouse or eligible partner at a rate of 3/8ths of the member's pension (before any commutation). On death in service, the scheme pays a lump sum benefit of three times pensionable earnings and also provides a service enhancement on computing the spouse's pension. The enhancement depends on length of service and cannot exceed 10 years. Medical retirement is possible in the event of serious ill health. In this case, pensions are brought into payment immediately without actuarial reduction. Where the member's ill health is such that it permanently prevents them undertaking any gainful employment, service is enhanced to what they would have accrued at age 60.

- **Classic Plus Scheme**

It is essentially a variation of premium, but with benefits in respect of service before 1 October 2002 calculated broadly as per classic

Staff in service at 1 October 2002 were given the option to join the premium or classic plus arrangements.

Pensions payable under classic, premium and classic plus are increased in line with the Retail Prices Index.

Partnership Pension Account

This is a stakeholder-type arrangement where the employer pays a basic contribution of between 3% and 12.5% (depending on the age of the member) into a stakeholder pension product. The employee does not have to contribute, but where they do make contributions these will be matched by the employer up to a limit of 3% (in addition to the employer's basic contribution). Employers also contribute a further 0.8% of pensionable salary to cover the cost of risk benefit cover (death in service and ill health retirement). The member may retire at any time between the 50 and 65 and use the accumulated fund to purchase a pension. The member may choose to take up to 25% of the fund as a lump sum.

Benefits in kind

No benefits in kind were received during the 2002/03 financial year.

Commissioners

The following shows the remuneration paid to members of the Commission's Board.

	Age	Remuneration £
Professor Brice Dickson (Chairperson)	49	60,000
Professor Christine Bell	35	4,397
Mrs Margaret Ann Dinsmore	46	10,000
Mr Tom Donnelly	63	10,000
Lady Christine Eames	60	10,000
Reverend Harold Good	65	10,000
Professor Tom Hadden	64	10,000
Ms Patricia Kelly	42	10,000
Dr Inez McCormack	59	4,397
Dr Christopher McGimpsey	50	10,000
Mr Frank McGuinness	51	10,000
Mr Kevin McLaughlin	46	10,000
Mr Patrick Yu	45	10,000
		<hr/>
		168,794
		<hr/> <hr/>

The Commission is liable for pension contributions of £6,134.76 to the University of Ulster in respect of the year ended 31 March 2003, on behalf of Professor Dickson. No further pension contributions were made in respect of Commissioners in the year ended 31 March 2003.

Chief Executive

The position of Chief Executive of the Commission during the year was held by Paddy Sloan.

4 Other operating costs	2003	2002
	£	£
Motor expenses	8,289	5,273
Hospitality, Travel and Subsistence	11,637	12,954
Advertising and publicity	32,059	27,540
Research and education	6,373	22,269
Telephone	9,759	9,266
Printing, postage and stationery	27,728	31,600
Light and heat	7,635	8,435
Operating leases – Rent of property	82,212	76,688
Rates	23,734	21,749
Insurance	12,689	3,958
Legal expenses	203,393	131,830
Office maintenance	13,677	8,995
Accountancy fees	13,718	6,312
Auditors remuneration	10,000	10,000
Consultancy	11,636	–
Staff training and recruitment costs	28,357	13,127
Conferences and seminars	2,184	775
Education costs	2,429	4,267
Joint Committee	20,841	2,299
Bill of Rights	29,471	367,825
Investigations	17,619	16,393
Evaluation and Monitoring costs	16,933	13,706
Other expenses	3,300	5,698
	<u>595,673</u>	<u>800,959</u>

5 Notional costs

Notional cost of capital

The income and expenditure account bears a non-cash charge for interest relating to the use of capital by the Commission. The basis of the charge is 6% of the average capital employed by the Commission during the year defined as total assets less total liabilities.

6 Tangible fixed assets

	Leasehold Improvements	Computer equipment	Fixtures, fittings & equipment	Total
	£	£	£	£
Cost				
At 1 April 2002	109,348	18,274	70,909	198,531
Additions	–	20,539	4,674	25,213
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2003	109,348	38,813	75,583	223,744
	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation				
At 1 April 2002	10,935	13,549	12,938	37,422
Charge for the year	10,935	8,441	15,014	34,390
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2003	21,870	21,990	27,952	71,812
	<hr/>	<hr/>	<hr/>	<hr/>
Net book value				
At 31 March 2003	87,478	16,823	47,631	151,932
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2002	98,413	4,725	57,971	161,109
	<hr/>	<hr/>	<hr/>	<hr/>

The fixed assets were not revalued during the year as there were no material differences between historical cost amounts and the revalued amounts.

7 Debtors

	2003	2002
	£	£
Trade debtors	6,138	5,033
Prepayments and accrued income	84,833	16,944
	<hr/>	<hr/>
	90,971	21,977
	<hr/>	<hr/>

8	Creditors: amounts falling due within one year	2003	2002
		£	£
	Trade creditors	262,748	96,850
	Other creditor	40,000	–
	Taxation and social security	8,090	13,671
	Accruals	41,877	32,787
		<u>352,715</u>	<u>143,308</u>
		<u><u>352,715</u></u>	<u><u>143,308</u></u>

The Commission has disputed a number of invoices raised by a firm of solicitors. In respect of the 2002–03 financial year, invoices amounting to £180,873.61, which are recorded as trade creditors, are disputed. An independent cost drawer has been appointed and assessed the invoices and identified potential reductions –these are being discussed with the firm concerned with a view to resolving the matter.

9 Statement of movements in the Capital Grant Reserve and the General Fund

	General fund	Capital Grant reserve
	£	£
At 1 April 2002	(119,775)	161,109
Surplus arising in the year	15,176	–
Capital grant received		25,213
Released to Income and Expenditure Account in the year		(34,390)
At 31 March 2003	<u>(104,599)</u>	<u>151,932</u>
	<u><u>(104,599)</u></u>	<u><u>151,932</u></u>

10 Performance against key financial targets

The Secretary of State does not consider it appropriate to set key financial targets for the Commission.

11 Contingent liabilities

As at 31 March 2003, the Commission was supporting two cases where legal costs might be liable depending on the outcome of the cases and whether cost orders are made against the applicants.

Subsequently, one of these cases was lost (judgement made on 16 June 2004) and a cost order made against the applicant for theirs and the respondent's costs. The extent of the respondent's costs has not yet been revealed. Leave to appeal the judgement has been granted. The outcome of the appeal, and therefore the extent of the Commission's liabilities – if any – in respect of the case, will not be known until the 2005–06 financial year at the earliest.

The other case was ongoing as at January 2005.

In light of the above, it is not possible to quantify the potential liabilities in respect of the two cases.

12 Obligations under leases

At 31 March 2003 the Commission had the following annual commitments under non-cancellable operating leases. The amounts disclosed are inclusive of VAT.

	Land and buildings		Office equipment	
	2003	2002	2003	2002
	£	£	£	£
Expiry date:				
Less than one year	–	–	2,566	2,566
In over five years	66,593	66,593	–	–
	<u>66,593</u>	<u>66,593</u>	<u>2,566</u>	<u>2,566</u>
	<u><u>66,593</u></u>	<u><u>66,593</u></u>	<u><u>2,566</u></u>	<u><u>2,566</u></u>

13 Capital commitments

The commission had no capital commitments at 31 March 2003 (2001/02 : £nil).

14 Financial commitments

Legal Casework

As at 31 March 2003, the Commission was supporting 10 cases, not disclosed elsewhere in the financial statements, where legal costs would not be recoverable. The total cost of these cases was estimated at £70,000.

15 Related party transactions

The Commission is a Non-Departmental Public Body (NDPB) sponsored by the Northern Ireland Office (NIO).

NIO is regarded as a related party. During the year the Commission had various transactions with NIO.

None of the Commission members, members of the key management staff or other related parties has undertaken any material transactions with the Commission during the year.

16 Reconciliation of result for the year to net cash inflow from operating activities

	2003 £	2002 £
Result for the year	12,516	(431)
Depreciation of tangible assets	34,390	29,322
Notional costs	2,660	3,048
Increase in debtors	(68,994)	(13,109)
Increase in creditors within one year	213,242	66,568
Capital Grant released	(34,390)	(29,322)
Net cash inflow from operating activities	159,424	56,076

17 Gross Cash Flows

Capital expenditure and financial investments

Payments to acquire tangible assets	(29,048)	(68,659)
	<u>(29,048)</u>	<u>(68,659)</u>

The difference between 'payments to acquire tangible assets' and 'additions' (note 6) of £3,835 is due to the payments for certain fixed assets being outstanding at 31 March 2002. This also accounts for the difference in 'increase in creditors within one year' (note 16) and the creditor's analysis (note 8).

18 Financial Instruments

FRS 13, Derivatives and Other Financial Instruments, requires disclosure of the role which financial instruments have had during the year in creating or changing the risks an entity faces in undertaking its activities. Due to the non-trading nature of its activities and the way in which executive Non Departmental Public Bodies are financed, the Northern Ireland Human Rights Commission is not exposed to the degree of financial risk faced by business entities. Moreover, financial instruments play a much more limited role in creating or changing risk than would be typical of the listed companies to which FRS 13 mainly applies. The Northern Ireland Human Rights Commission has no powers to borrow or invest surplus funds and has limited year end flexibility. Financial assets and liabilities are generated by day-to-day operational activities and are not held to change the risks facing the Northern Ireland Human Rights Commission in undertaking activities. As permitted by FRS 13, debtors and creditors which may mature or become payable within 12 months from the balance sheet date have been excluded from this disclosure.

Liquidity Risk

The Northern Ireland Human Rights Commission is financed by Grant in Aid from the Northern Ireland Office and is accountable to Parliament through the Secretary of State for Northern Ireland and is not therefore exposed to significant liquidity risk.

Interest Rate Risk

All financial assets and financial liabilities of the Northern Ireland Human Rights Commission carry nil rates of interest and therefore are not exposed to interest-rate risk.

Currency Risk

The Northern Ireland Human Rights Commission does not trade in foreign currency and therefore has no exposure to foreign currency risk.

Fair Values

The book value and fair values of the Northern Ireland Human Rights Commission's financial assets and financial liabilities as at 31 March 2003 are set out below:

Primary financial instruments:

	Book value £	Fair value £
Financial assets		
Cash at bank	157,145	157,145
Financial liabilities		
None	N/A	N/A