

# Annual Report & Resource Accounts



serving the community through the administration of justice

the 1990s, the number of people in the UK who are employed in the public sector has increased by 1.5 million, from 2.5 million in 1980 to 4 million in 1999. The public sector has become a major employer in the UK, and its growth has been a key factor in the overall growth of the economy.

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# **Northern Ireland Courts and Tribunals Service**

## **Annual Report and Accounts For the year ended 31 March 2012**

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Laid before the Northern Ireland Assembly  
under section 11(3) (c) of the Government Resources  
and Accounts Act (Northern Ireland) 2001  
by the Department of Justice  
on  
6 July 2012

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ISBN 9780337098413

Printed in the UK by The Stationery Office Limited  
on behalf of the Controller of Her Majesty's Stationery Office

PC3140

08/12

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## FOREWORD BY THE DIRECTOR

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I am pleased to present the Annual Report and Accounts for the Northern Ireland Courts and Tribunals Service (NICTS) for 2011-12.

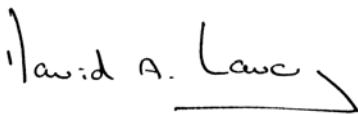
In the business year covered by this Annual Report, the courts and tribunals in Northern Ireland dealt with approximately 120,000 cases. We now provide administrative support for all of Northern Ireland's courts and the majority of Northern Ireland's tribunals. We are also responsible for enforcing the judgments of the civil courts through the Enforcement of Judgments Office.

In the course of this year, the NICTS was repositioned as an Agency of the Northern Ireland Department of Justice (DOJ). This has allowed the NICTS to be more fully integrated into the DOJ while, at the same time, allowing us to focus exclusively on our core responsibility of supporting the work of the courts and tribunals.

The work of the NICTS is overseen by a Board which comprises the NICTS senior executive team, together with two independent Board members and four judicial attendees. An independent member chairs the NICTS Audit and Risk Committee and judicial representatives attend both that Committee and the NICTS Finance Committee.

The Organisational Aim of the NICTS is 'Serving the Community through the Administration of Justice'. The commitment of our staff to delivering the highest possible standard of service for our customers has been recognized by the award of the Customer Service Excellence Standard to each of our courthouses.

We hope that members of the Assembly and the wider public will find the information contained in this Annual Report interesting and informative in explaining the work of the NICTS.



**D.A. LAVERY**  
**Director, NICTS**  
29 June 2012

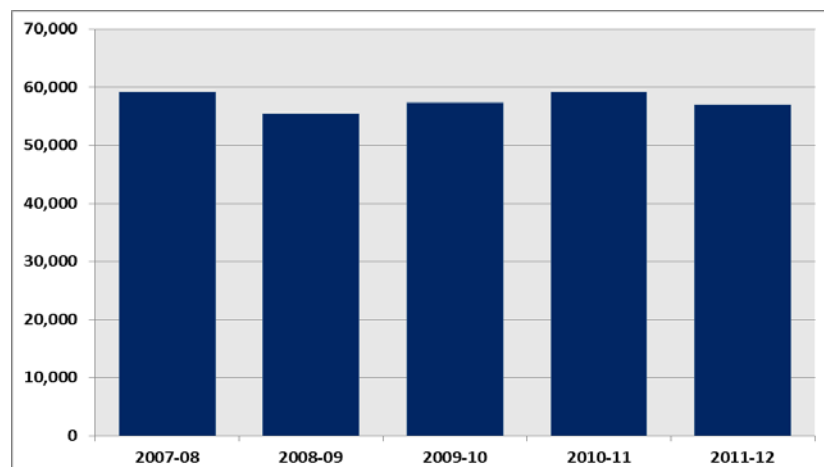
## 2011-12 HIGHLIGHTS

### Deliver efficient and effective court, tribunal and enforcement services.

#### Criminal Court Business

- The Crown Court received 1,645 cases, an increase of 1% from the previous year;
- The number of defendants received in the Magistrates' Courts decreased by 8% to 51,807;
- There has been a 22% decrease in the number of youth court defendants to 2,695;
- The total criminal court business disposed of decreased by 4%.

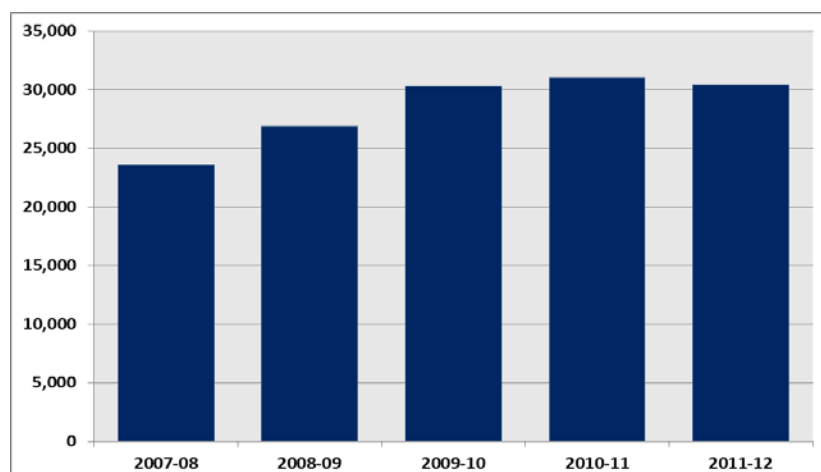
#### Criminal Court Business Disposals 2007/08 to 2011/12



#### Civil Court Business

- The volume of civil court business disposed of decreased by 2%.

#### Civil Court Business Disposals 2007/08 to 2011/12



### **Family Court Business**

- Children Order applications increased by 6%.

### **Tribunal Business**

- 17,441 cases were received in 2011-12 (a 4% increase on the previous year) and 17,234 cases were disposed of.

Full details of business volumes received and disposed of can be found at **Annex C**.

## **Deliver high quality services that meet the needs of court and tribunal users**

- All 21 courthouses in Northern Ireland maintained their Customer Service Excellence standard, the Government standard for Public Service excellence;
- We introduced a new credit card payment processing system in August 2011;
- We upgraded our website in August 2011 to ensure that customers are able to fully access all our services;
- We introduced telephone interpreting services across all venues in September 2011; and
- We developed a child friendly guide on our complaints procedure in December 2011.

## **Contribute to public confidence in the administration of justice**

- Case Progression Officers are assigned to all court venues, whose role is to work closely with the judiciary, prosecution and defence to improve the management of criminal cases.
- Almost 150 visits and work placements were hosted at courts throughout Northern Ireland as part of our Community Outreach Strategy.
- Lagside Courts hosted the National Magistrates' Mock Trial Competition, the All Ireland Advocacy Challenge and the Bar National Mock Trial.



## **Deliver a controlled financial and commercial environment achieving value for money**

- During 2011-12 the Northern Ireland Courts and Tribunals Service (NICTS) contained its expenditure within the budget set by the Department of Justice (DOJ).
- NICTS met all statutory reporting deadlines.
- NICTS also delivered the targets set within our Budget 2010 Savings Plans.

## **Continuously improve our business processes and services**

- A business review of the Court Funds Office was undertaken.
- We complied with Information Assurance guidelines and reporting requirements.

## **Develop and lead our people to achieve our objectives**

- We secured NVQ Level 3 accreditation.
- Work progressed on Investors in People accreditation.

## **Maximise our organisational capacity and capability**

- NICTS was restructured as an Agency within the Access to Justice Directorate of the Department of Justice.
- NICTS participated in the DOJ Equality Scheme and Action Plan.

## PART 1 DIRECTOR'S REPORT

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This is the Annual Report and Accounts for the NICTS ("the Agency") for the financial year ended 31 March 2012. These Statements have been prepared in accordance with directions given by the Department of Finance and Personnel (DFP) in pursuance of the Government Resources and Accounts Act (Northern Ireland) 2001.

### Who we are

The Agency is an Executive Agency of the Department of Justice of Northern Ireland. We are accountable to the Northern Ireland Assembly through the Minister of Justice, **David Ford MLA**.

The role of the Agency is to:

- provide administrative support for courts and tribunals in Northern Ireland;
- support an independent judiciary;
- enforce civil court judgments through the Enforcement of Judgments Office; and
- manage funds held in court on behalf of minors and patients.

## Organisational Aims & Values

Our organisational aim is:

**“Serving the community through the administration of justice”**

### Corporate Values

We aim at all times to demonstrate the following corporate values:

#### **Integrity**

to interact with our customers with the highest degree of integrity, promoting an atmosphere of honesty and trust

#### **Openness**

to undertake our work in an open and transparent manner

#### **Professionalism**

to conduct our business to the highest standards

#### **Accountability**

to be responsible for delivering a high quality service to the public

#### **Fairness**

to treat everyone fairly

## How we are structured

There are 21 courthouses and a number of tribunal hearing centres across Northern Ireland, the largest being Laganside Courts and the Royal Courts of Justice in Belfast. All of our courthouses have achieved the **Customer Service Excellence Standard** in recognition of the high level of customer service provided. Further information on our structure is included in the appendices to this Report:

<b>Appendix 1</b>	Court Map
<b>Appendix 2</b>	Northern Ireland Courts and Tribunals Service organisational structure
<b>Appendix 3</b>	Judicial Complement in Northern Ireland

The Agency **Framework Document** sets out the arrangements for the effective governance, financing and operation of the Agency. The Framework Document is available on our website ([www.courtsni.gov.uk](http://www.courtsni.gov.uk)).

## DOJ Restructure

On 7 November 2011, an Access to Justice Directorate was created as part of a restructuring of the Department of Justice. This new Directorate took over responsibility for policy and legislation. The Agency will now concentrate on administrative and operational support for the courts and tribunals.

As a result of the restructuring, sponsorship of the Northern Ireland Legal Services Commission to the Access to Justice Directorate.

## Agency Board

The NICTS Agency Board (“the Board”) provides direction to the Agency in the discharge of its responsibilities.

The membership of the NICTS Board was refreshed following the DOJ restructure and the creation of the Access to Justice Directorate in November 2011. The Director of Access to Justice, **David A Lavery**, is the Board Chair and the Agency’s Accounting Officer. He is supported by **Jacqui Durkin** Head of Business Operations, the Head of Finance and Estates, two independent Board members and four judicial attendees.

During 2012/13 the Head of Court Operations and Head of Tribunal and Enforcement Operations will join the Board and the Head of Business Support will attend as requested.

**Mr PJ Fitzpatrick** is an independent member of the Board. He was appointed in April 2009. Mr Fitzpatrick chairs the Agency Audit and Risk Committee.

**Mr Colm McKenna** is an independent member of the Board. He joined the Board in May 2011 and is a member of the Agency's Finance Committee.

The **Judicial Representatives** are nominated by the Lord Chief Justice and keep the Board informed of the views of the judiciary on the NICTS and its operations. The Judicial Representatives are:

**The Honourable Mr Justice Deeny**

**His Honour Judge Burgess**, Recorder of Belfast and Presiding County Court Judge

**District Judge Bagnall**, Presiding District Judge (Magistrates' Courts)

**Mr Conall MacLynn**, President of the Appeals Tribunal

The Board meets quarterly and is responsible for oversight of the NICTS' performance. It has specific functions in relation to finance, planning and performance which are set out in the Agency **Framework Document**.

### **Other Committees**

The work of the Board is supported by a Finance Committee and the Audit and Risk Committee.

## **Business Operations (Jacqui Durkin)**

The Head of Business Operations is supported by four Grade 6 staff who are responsible for the following business areas;

## **Court Operations (Peter Luney)**

Court Operations is responsible for providing administrative support for criminal, civil and family court business and the Coroners Service. The courts deal with approximately 95,000 criminal, civil and family cases each year. Coroners deal with around 3,500 deaths reported to them and hold nearly 180 inquests per year.

## **Tribunal and Enforcement Operations (Mandy Kilpatrick)**

Tribunal and Enforcement Operations is responsible for providing the administrative support for the majority of Northern Ireland's tribunals, as well as the Enforcement of Judgments Office (EJO). Tribunals in Northern Ireland hear more than 17,000 cases each year and approximately 19,000 notices of intention to enforce are lodged with the EJO annually.

## **Business Support (Current Vacancy)**

Business Support delivers corporate support, corporate communications, ICT and Human Resource services for the NICTS.

## **Finance and Estates (Sharon Hetherington)**

Finance and Estates supports court and tribunal business to make efficient use of resources and to deliver open and transparent accounting practices. The Division's remit includes estate maintenance and security, procurement and contract management and the operation of the Court Funds Office.

## Our People

The restructuring of the DOJ meant that the number of staff employed by the NICTS at the end of the year reduced to 763. Once a number of tribunals join the Agency next year this figure should increase to almost 1,000.

The majority (79%) of staff are located in front line service posts, in the EJO, at courthouses or tribunal hearing centres throughout Northern Ireland.

Further information on our staff profile can be found at **Annex B**.

### Terms and Conditions of Service

Work continued during the year to assimilate staff at Executive Officer (EO) and Administrative Officer (AO) level onto the Northern Ireland Civil Service (NICS) grading structure and a programme of work is currently being taken forward on the deployment of staff to appropriately graded posts.

### Learning and Development

The NICTS is committed to ensuring that staff have the right skills and knowledge to perform their jobs effectively. In addition to the training opportunities provided to staff through the Agency's Corporate Learning Plan, the NICTS continues to offer staff the opportunity to undertake a specific court and tribunal National Vocational Qualification (NVQ). During the year 19 staff and two assessors achieved accreditation and the Agency NVQ Centre Co-Ordinator role was extended to include an internal quality assurance provision.

### Employee Involvement

The NICTS attaches considerable importance to ensuring the involvement of employees in delivering its aims and objectives.

As the Agency is part of the NICS, negotiation on pay and consultation on HR policy is managed through the central Whitley Council machinery. However, the NICTS has in place an Agency Whitley Constitution which meets formally twice a year, although issues are also raised and discussed as they arise.

The Staff Panel provides a valuable forum for discussion on matters that affect staff and provides another opportunity for staff to comment on current issues.

The NICTS has a well-established internal communications system which meets the requirements of the Information and Consultation of Employees Regulations (Northern Ireland) 2005 and complements the DOJ communication system. The Agency's communication channels include key messages, team briefing sessions, focus groups, staff handbook, the Agency and DOJ intranet sites, staff notices and

staff attitude surveys. The staff magazine “Open Court” is circulated quarterly to all members of staff in the NICTS.

### **Managing Attendance**

The rate of sickness absence in the NICTS during 2011-12 was an average of 10 days absence per employee. This was a decrease of 10.7% on 2010-11 when the average was 11.2 days absence per employee.

The NICTS’ staff are now managed in accordance with the NICS Inefficiency Sickness Absence Policy which was implemented with effect from 12 April 2011. DOJ have developed a Management of Sickness Absence Action Plan and absence levels are managed against the associated DOJ absence targets set for NICTS which is 10.4 days for 2011-12.

### **Support for the Northern Ireland Judiciary**

The NICTS is responsible for providing administrative support to the Northern Ireland Judiciary. There are 71 full-time members of the judiciary across the various judicial tiers, plus 57 deputy and fee paid judicial officers, 195 Lay Magistrates and 303 Tribunal Members.

The Lord Chief Justice of Northern Ireland is head of the Judiciary and President of the courts of Northern Ireland. In addition, he is responsible for:

- Assigning the Judiciary to the courts, listing business within the courts, and determining sitting times;
- Dealing with complaints against members of the Judiciary. The Code of Practice on Complaints and Protocol on Judicial Discipline are published on the NICTS’ website ([www.courtsni.gov.uk](http://www.courtsni.gov.uk));
- Maintaining arrangements for the welfare, training and guidance of the Judiciary; and
- Representing the views of the Northern Ireland Judiciary to Parliament and to the Northern Ireland Assembly.

The Lord Chief Justice, the Rt Hon Sir Declan Morgan, is supported by the Presiding County Court Judge (His Honour Judge Burgess, Recorder of Belfast), the Presiding District Judge (Magistrates’ Courts) (Mrs Fiona Bagnall), the Liaison Master (Master McCorry) and the Presiding Lay Magistrate, (Mr David Moore).

Further information on the judicial complement can be found in **Appendix 3**.



## PART 2 MANAGEMENT COMMENTARY

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The NICTS Business Plan for 2011-12 contained the following strategic objectives:

- To deliver efficient and effective court, tribunal and enforcement services
- To deliver high quality services that meet the needs of court and tribunal users
- To contribute to public confidence in the administration of justice
- To deliver a controlled financial and commercial environment achieving value for money
- To continuously improve our business processes and services
- To develop and lead our people to achieve our objectives
- To maximise our organisational capacity and capability

We published a number of performance targets in our Business Plan in support of these strategic aims. The following commentary explains what we did during 2011-12 to achieve these strategic aims.

### **Deliver efficient and effective court, tribunal and enforcement services**

The courts and tribunals performance standards published in our Business Plan for 2011-12 were delivered in partnership with the Northern Ireland Judiciary. This section sets out a brief description of the volume of business received and disposed of during the year.

Our business volumes during 2011-12 were as follows:

	Cases Received	Cases Disposed of
Criminal	56,147	56,950
Civil	25,650	30,377
Family	8,680	7,747
Tribunals	17,441	17,234

## **Criminal Business**

Criminal business includes criminal cases dealt with in the Crown Court and in Magistrates' Courts.

The Crown Court hears all offences charged on indictment. Offences tried on indictment are the more serious offences. Most Crown Court trials will be heard by a jury although, in certain circumstances, a judge sitting alone may determine a case.

The majority of criminal cases are dealt with by Magistrates' Courts. These will generally be less serious offences. In addition, Youth Courts are specially constituted Magistrates' Courts where the District Judge will usually sit with two Lay Magistrates to deal with criminal matters in relation to children.

During 2011-12 there was a 9% decrease in the number of criminal cases received to 56,147 (2010-11: 61,713). The number of criminal cases disposed of also decreased by 4% to 56,950 (2010-11: 59,157), although Crown Court disposals increased by 24%.

## **Civil Business**

Civil court business is dealt with in the High Court and the County Court.

During 2011-12 there was a slight increase in civil business received to 25,650 (2010-11: 25,526). During 2011-12, the disposal rate for civil business decreased slightly by 2% to 30,377 (2010-11: 31,051)

## **Family Business**

Family business is dealt with in the High Court, County Courts (Family Care Centres) and Magistrates Courts (Family Proceedings Courts). This area of business includes divorces and proceedings under the Children (Northern Ireland) Order 1995 in relation to the care or welfare of children.

During 2011-12 overall family business received increased by 7% to 8,680 (2010-11: 8,107). Business disposed of during 2011-12 also increased by 2% to 7,747 (2010-11: 7,593).

## **Coroners Service**

Coroners inquire into deaths reported to them that appear to be unexpected or unexplained. The Coroner will seek to establish the cause of death and will make whatever inquiries are necessary to do this.

During 2011-12 the number of deaths reported to the coroner decreased by 2% to 3,589 (2010-11: 3,657). During 2011-12 there was a 19% increase in the number of

inquests heard to 174 (2010-11: 146) and there was a 10% decrease in the number of post-mortems held to 1,085 (2010-11: 1,210).

## **Tribunals**

### **Care Tribunal**

The Care Tribunal hears appeals from decisions prohibiting or restricting the employment of individuals teaching or working with children; working with vulnerable adults; or decisions concerning the registration of social workers. The Tribunal also hears appeals from decisions relating to the regulation of residential care homes, nursing homes, children's homes, nursing agencies and independent health care providers. During 2011-12 the Tribunal received two cases (2010-11: two).

### **Charity Tribunal**

The Charity Tribunal was established on 1 April 2010 to hear appeals from decisions made by the Charity Commission in respect of the registration of an organisation as a charity. To date, the Tribunal has not received any cases.

### **Criminal Injuries Compensation Appeals Panel Northern Ireland (CICAPNI)**

The purpose of CICAPNI is to support the victims of violent crime by determining appeals from decisions made by the Compensation Agency in respect of entitlement to criminal injury and criminal damages payments. During 2011-12 there was a 4% increase in the number of cases received to 670 (2010-11: 647).

### **Health & Personal Social Services Disqualification Tribunal**

The Tribunal enquires into cases where it is represented that continued inclusion of any person in any list of practitioners prepared under Part VI of the Health and Personal Services (Northern Ireland) Order 1972 for the provision of general medical, dental, ophthalmic or pharmaceutical services would be prejudicial to the efficiency of the services. To date, the Tribunal has not received any cases.

### **Health and Safety Tribunal**

The Health and Safety Tribunal was established on 1 April 2010 and adjudicates on appeals from decisions made in relation to asbestos or petroleum-spirit licences. During 2011-12 the Tribunal received one case (2010-11: zero).

### **Lands Tribunal**

The Lands Tribunal hears cases concerning the value of land and buildings and about their occupation, use or development. In 2011-12 there was an increase of 40% in the number of cases received to 216 (2010-11: 154).

### **Mental Health Review Tribunal (MHRT)**

The MHRT reviews the cases of patients who are compulsorily detained or are subject to guardianship under the Mental Health (Northern Ireland) Order 1986. MHRT's function is to provide mentally disordered patients with a safeguard against unjustified detention in hospital or control under guardianship. During 2011-12 there was an increase of 16% in the number of applications and referrals to 335 (2010-11: 290).

### **Northern Ireland Valuation Tribunal (NIVT)**

The NIVT hears appeals by home owners against their domestic rates. NIVT also hears appeals from decisions relating to rating rebates. During 2011-12 there was an increase of 48% in the numbers of appeals received to 40 (2010-11: 27).

### **Social Security and Child Support Commissioners**

The Social Security Commissioners and Child Support Commissioners determine appeals on points of law from the Appeals Tribunal under the Social Security and Child Support legislation. During 2011-12 there was a decrease of 6% in the number of appeals received to 280 (2010-11: 299)

### **Pensions Appeal Tribunal (PAT)**

The PAT hears appeals from ex-servicemen or women who have had their claims for a War Pension rejected by the Secretary of State for Defence. During 2011-12 there was an increase of 8% in the number of appeals received to 168 (2010-11: 155).

### **Special Educational Needs and Disability Tribunal (SENDIST)**

The SENDIST considers parents' appeals from the decisions of Education and Library Boards about children's special educational needs, where the parents cannot reach agreement with the Board. It also deals with claims of disability discrimination in relation to children at school. During 2011-12 there was an increase of 23% in the number of appeals received to 81 (2011-12: 66).

### **Northern Ireland Traffic Penalty Tribunal (TPT)**

The TPT hears appeals from Penalty Charge Notices (PCNs) issued by or on behalf of the Roads Service. During 2011-12 there was a decrease of 8% in the number of appeals received to 492 (2010-11: 533)

### **Rent Assessment Panel (RAP)**

The RAP, through the rent assessment committees, consider, at the request of a landlord or tenant, if the rent determined by the rent officer is appropriate. During 2011-12 there was a decrease of 11% in the number of appeals to 16 (2010-11: 18).

## **The Appeals Tribunal**

The Appeals Tribunal is responsible for welfare benefit appeals from decisions of the Social Security Agency, in addition to appeals from decisions made by the Child Support Agency, Inland Revenue, Northern Ireland Housing Executive and the Land and Property Services. In 2011-12 there was an increase of 4% in the number of appeals received to 15,140 (2010-11: 14,568).

## **Enforcement of Judgments Office**

The EJO provides a centralised enforcement service for civil court judgments.

The economic climate continues to have a very significant impact on the work of the EJO. While receipts of the initiating document, Notice of Intention to Enforce a Judgment have decreased by 5% in 2011-12 to 19,155 (2010-11: 20,175) the number of applications to enforce have increased by 8% in 2011-12 to 12,475 (2010-11: 11,603).

The number of applications for the possession of property has increased by 27% in 2011-12 to 1,577 (2010-11: 1,244). The proportion of cases ending in the property being repossessed by the EJO staff, rather than by way of voluntary arrangement, continues to rise. EJO staff work closely with advice bodies such as the Housing Rights Service and Advice NI and with creditors' representatives to encourage early and better engagement between creditors and debtors.

The total monies recovered through the enforcement process have increased in 2011-12 to £7.8m (2010-11: £6.2m). Initiatives to improve performance include:

- the award of a new contract for the removal and safe storage of debtors' goods;
- new arrangements for the return of debtors' goods and file storage;
- a new service for credit reference agency information which will improve the information available for means investigation of means process; and
- a range of new payment options for customers.

The EJO also continues to ensure that its processes are fit for purpose by maintaining its ISO 9007 accreditation which was successfully achieved in December 2011.

## Supporting an independent judiciary

The NICTS works in partnership with the judiciary on a wide range of issues as they affect the courts, including the achievement of the court and tribunal performance standards (our 2011-12 performance standards can be found at **Annex C**).

## Speeding up Justice

The NICTS works closely with other criminal justice agencies to improve case progression in the criminal justice system. Case Progression Officers are assigned at each court venue, whose role is to work closely with the judiciary, prosecution and defence to improve the throughput of cases.

Court Administrators also work closely with criminal justice agencies on regional Performance Improvement Partnerships to address local issues that are affecting performance.

## Court orders

The NICTS is committed to ensuring that court orders are recorded and prepared accurately and issued in a timely way. In addition, the NICTS has established a team of experienced operational and audit officials to carry out regular independent audits of court orders.

## Court business processing

The NICTS recognises the importance of reviewing business processes to ensure that work is being delivered as efficiently as possible. During 2011-12 the NICTS conducted a review of the administrative arrangements supporting the Family Division in the Royal Courts of Justice. We have developed a Business Improvement and Service Delivery Plan containing a range of recommendations which will be implemented during 2012-13.

The NICTS has commenced a review of business processes and structures in the County Court Division of Ards to ensure that we are making best use of resources, skills and ICT. This programme of work will continue during 2012/13 and will encompass other court offices together with our centralised services (e.g. the Civil Processing Centre and the Customer Service Centre).

## Tribunals

Responsibility for a number of tribunals transferred to the NICTS on 1 April 2011, when we assumed full responsibility for the following tribunals:

- The Care Tribunal transferred from the Department of Health, Social Services and Public Safety;

- The Charity Tribunal transferred from the Department of Social Development;
- The Health and Personal Social Services Disqualification Tribunal transferred from the Department of Health, Social Services and Public Safety;
- The Health and Safety Tribunal transferred from the Department of Enterprise, Trade and Investment;
- The Lands Tribunal transferred from the Department of Finance and Personnel;
- The Mental Health Review Tribunal transferred from the Department of Health, Social Services and Public Safety;
- The Northern Ireland Traffic Penalty Tribunal transferred from the Department of Regional Development;
- The Northern Ireland Valuation Tribunal transferred from the Department of Finance and Personnel; and
- The Special Educational Needs and Disability Tribunal transferred from the Department of Education.

The NICTS also has administrative responsibility for the Appeals Tribunal and the Rent Assessment Panel under the terms of an agency agreement with the Department for Social Development (DSD)

The NICTS also provides administrative support for a number of UK-wide tribunals sitting in Northern Ireland, including Tax Tribunal, Asylum and Immigration Tribunal and the Upper Tribunal (Administrative Appeals Chamber).

### **Tribunal Modernisation**

The statutory transfer of tribunals to the NICTS paves the way for the development of a unified administration for courts and tribunals. Streamlined management structures and shared accommodation have already produced efficiencies and improved customer service.

The Tribunals Modernisation Strategy Action Plan for 2011-12 sets out the objectives to deliver improved service standards across tribunals. Through this strategy tribunals have:

- adopted core standards for service delivery;
- implemented more efficient listing procedures within Criminal Injuries Compensation Appeal Panel;

- introduced improved administrative procedures for new tribunals including the Health and Safety Tribunal and the Charity Tribunal and developed new processes to support the High Hedges Tribunal;
- introduced new performance standards for tribunals;
- undertaken the first integrated tribunal customer survey;
- achieved greater transparency for tribunal users on performance standards and complaints through the Annual Report and information displays and performance reports at tribunal venues;
- published improved information leaflets for tribunal users; and
- appointed Customer Service and Disability Officers at each tribunal venue.

## **Deliver high quality services that meet the needs of court and tribunal users**

### **Customer Service**

The NICTS is committed to continuously improving its services to meet the needs of our customers.

Following an independent assessment in March 2012 our 21 courthouses have retained the Customer Service Excellence Standard.

Other customer insight focused work during 2011-12 includes fieldwork on a Customer Exit Survey, a satisfaction questionnaire for jurors and a survey of non-English speaking customers attending court and tribunal venues.

The NICTS has worked with Housing Rights Service to produce a video aimed at people facing housing repossession which emphasises the importance of attending court and provides useful advice and information to assist people through every step of the process. The video is available through the nidirect website ([www.nidirect.gov.uk](http://www.nidirect.gov.uk)).

In response to the growing number of customers accessing our services who do not have English as their first language, the NICTS has introduced a new telephone interpreting facility to enable front line staff to communicate with our customers. This facility is available in all courthouses and at tribunal venues, Laganside House and the EJO and covers over 250 languages. The facility is used to assist with 'first contact' scenarios when a customer calls at the public counter for a routine enquiry.



## **Business Improvement**

Following the award of a new Information Communication and Technology (ICT) contract to Fujitsu Services in November 2010, work commenced in 2011 on a major technology refresh programme across the NICTS estate. This includes the updating of courtroom technology across our estate which is crucial in the delivery of services to court users, and in particular vulnerable witnesses.

We also successfully implemented a number of initiatives designed to deliver quality, customer-focused services, including:

- changes to our EJO line of business system to enable debtor accounts to be paid by credit and debit card and also the introduction of a BACS solution for payments to customers;
- introduction of a new credit card processing system; and
- upgrading the NICTS website.

The NICTS is a partner in the Causeway Programme which facilitates electronic communication and information sharing between the criminal justice agencies in Northern Ireland. During 2011-12 we continued to work with our Causeway partners to meet our Causeway commitments and achieve our Service Level Agreement (SLA) resulting targets.

## **Court Estate**

During the year the main focus of our capital investment programme was on security and courthouse cellular accommodation. We completed a wide-ranging survey of our court buildings to identify further improvements which could be made in line with the Disability Discrimination Act and as a result we have commenced a programme of work to improve accessibility for court users.

We commenced a consultation exercise on proposals to close the court Hearing Centres at Bangor, Larne, Limavady, Magherafelt and Strabane Courthouses in December 2011. Public meetings were held at each of the five Hearing Centre venues to allow officials to hear directly from those local users who would be affected by the proposals. The consultation period closed on 2 March 2012 and 72 written responses were received. All comments will be analysed and fully considered as part of the consultation process and a report will be published in Summer 2012.

## **Improved Services for Victims and Witnesses**

During 2011-12 we worked closely with our Criminal Justice partners and others including those in the voluntary sector such as Victim Support and the NSPCC to continue to support victims, witnesses and young people. The Belfast Area Domestic Violence Partnership and Women's Aid assisted us to better understand the experiences of victims of domestic violence through the development of a journey map. An action plan was devised in liaison with Women's Aid.

The NICTS is also working with Women's Aid to pilot new listing arrangements for domestic violence cases in Londonderry Magistrates' Court. Under this initiative, domestic violence cases are listed at particular court sittings with specifically trained Public Prosecution Service (PPS) prosecutors and in-court access to various victim support services. This pilot will be subject to an evaluation during 2012-13.

As a member of the inter-agency Victim & Witness Steering Group, the NICTS contributed to the development of a range of policy issues including Victim Impact Statements.

## **Children and Young People**

We have produced complaints information targeted at young people. This is to enable all young court users to make individual complaints and to reinforce that young people's opinions matter and that they should receive the same high quality services as all court users.

We also wanted to hear from young people with regard to our hearing centre's consultation and we worked with the Participation Network to develop a youth friendly version of the consultation document.

## **Service Improvement**

We value the quality of service we provide to all customers and have in place a complaints procedure that enables us to learn from any mistakes that may have occurred by listening to customers' concerns.

During this year we developed Unacceptable Behaviour Guidance to assist staff in dealing with complainants whose actions or behaviour the Agency considers to be unacceptable. The guidance will also help ensure that the behaviour or conduct of certain complainants does not disadvantage staff or other complainants.

We received 132 complaints across the organisation during 2011-12 which represented a 30% decrease on the previous year. A total of 81% of complaints were responded to within the target timescale (15 days) with 47% of the complaints received being upheld. Many of these resulted in follow-up action to improve customer service delivery. A breakdown of complaints received and action taken is

included in the quarterly complaints reports, available on the Agency's website ([www.courtsni.gov.uk](http://www.courtsni.gov.uk)).

### **Business Continuity**

We have in place business continuity plans to ensure that critical business functions can be maintained. These plans are continually reviewed and updated and are available to staff on the intranet.

### **Interpreter Services**

We arrange interpreter services in court for those for whom English is not their first language. The main languages requested in 2011-12 were Lithuanian, Polish and Mandarin. In total, there were 3,994 requests for language interpretation in courts.

## **Contribute to public confidence in the administration of justice**

### **Criminal Justice Inspection NI**

In December 2011 the Criminal Justice Inspection NI (CJINI) published a major report on the Care and Treatment of Victims and Witnesses. An action plan under the auspices of the cross agency Victims and Witness Steering Group has been developed to address CJINI recommendations.

### **Outreach**

The NICTS promotes knowledge and understanding of the courts and justice system through its Community Outreach Programme.

During 2011-12 we delivered quality educational and community based activities throughout Northern Ireland including court visits tailored to meet the needs of schools, community groups and the general public. We facilitated 147 court visits and work placements this year.

Core to the outreach programme are a number of key annual events including the National Magistrates' Mock Trial Competition, the All-Ireland Advocacy Competition co-sponsored by the Irish Courts Service, and workshops forming part of the Common Purpose Programme.

The built heritage of the courts and their role within the community was emphasised this year when Downpatrick, Armagh and Enniskillen Courthouses participated in European Heritage Open Day with almost 400 people taking part.

## **Deliver a controlled financial and commercial environment achieving value for money**

### **Funding**

The NICTS is funded principally by monies voted from the DOJ and also by income generated from court fees.

### **Accounting boundary**

The accounting boundary specifically excludes the funds invested by the CFO and third party monies. The CFO publishes its own audited financial statements.

### **Financial Position (Statement of Financial Position)**

The NICTS' Statement of Financial Position (SoFP) consists primarily of non current assets totalling £207.3m (2010-11: £210.8m restated<sup>1</sup>). Of this, £200.2m (2010-11: £203.6m restated) represents land and buildings: the remainder being information technology assets, furniture and fittings and plant and machinery and intangibles.

### **Results for the Year (Statement of Comprehensive Net Expenditure)**

The Statement of Comprehensive Net Expenditure (SoCNE) represents the net total administration and programme resources consumed during the year. The results for the year are set out in the SoCNE and are as follows:

- Net Operating Costs amounted to £48.6m (2010-11: £52.7m restated);
- Staff Costs of £23.2m (2010-11: £23.3m restated);
- Other Administrative Costs of £4.8m (2010-11: £3.7m restated);
- Gross expenditure of £51.2m (2010-11: £53.9m restated) relating to the Agency's programme activities; and
- Operating Income of £30.6m (2010-11: £28.2m restated).

The NICTS employed an average of 747 (Full Time Equivalent) staff during 2011-12, an increase of five from 2010-11. Accommodation rentals, information technology charges, and non-cash asset related charges accounted for the majority of other administration costs.

The NICTS had operating income of £30.6m (2010-11: £28.2m restated).

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<sup>1</sup> A restatement is a revision of previously published annual accounts to facilitate prior year adjustments.

Fees from civil court work are included in these financial statements as Accruing Resources. It is government policy that the provision of services for civil court proceedings must be self-financing, so the fees earned from this type of work must cover the cost of that provision. Note 7 shows the level of civil court costs, and the associated income generated. In 2011-12 the recovery level was 101% (2010-11: 99%)

In 2011-12 the NICTS had net operating costs of £48.6m, which were £0.8m less than the net budget allocation of £49.4m. The capital spend of £3.9m was £0.2m less than the budget allocation of £4.1m.

	2011-12 Actual £'000	2011-12 Budget £'000	Variance £'000
Net Operating Costs	48,608	49,411	(803)
Capital Expenditure	3,867	4,082	(215)
<b>Overall Total Expenditure</b>	<b>52,475</b>	<b>53,493</b>	<b>(1,018)</b>

The main expenditure areas contributing to the under spend in net operating costs were as follows:

- Expenditure on staff costs was under spent by £594k
- Expenditure on judicial costs was under spent by £1,399k;
- Expenditure on other costs was under spent by £2,485k;
- Expenditure on non-cash costs was over spent by £635k; and
- Income was under recovered by £3,040k more than budgeted for.

### Non-Current Assets

Non-current asset expenditure is detailed within the Notes 8 and 9 to the financial statements. Non-current asset purchases include building enhancements, IT hardware and software, plant and equipment and furniture. As detailed in Note 8 to the financial statements, a full valuation of land and buildings was carried out at 31 March 2009 by the Land and Property Services. During 2011-12 the total Net Book Value has decreased by £3.4m, mainly resulting from the indexation movements arising in the year.

### Cash Flow Statement

The Cash Flow Statement provides information on how the NICTS finances it's on going activities.

The Cash Flow Statement shows a net cash outflow from operating activities of £40.0m (2010-11: £40.9m restated).

## **Machinery of Government Adjustment**

The statutory transfer of Tribunals and the DOJ restructure have been dealt with in the financial statements as Machinery of Government adjustments. This is detailed within Note 2 and 24.

## **Pensions and Early Departure Costs**

Details about the NICTS' pensions and early departure costs policies are included in the Note 4 and 13 to the accounts. Details of pension benefits and schemes for Board members are included in the Remuneration Report.

## **Remote Contingent Liabilities**

As stated in Note 19 of the accounts there are estimated contingent liabilities of £395k in relation to legal cases pending. There are also unquantifiable contingent liabilities disclosed for Fee paid judicial office holders' pension rights, a data breach fine and legacy inquests. In accordance with ISA 37 this requires disclosure in the accounts.

## **Donations to Charity**

In the current year there have been charitable donations of £125, (2010-11: £Nil). In 2011-12 a donation was made to the Loughshore Educational Centre as part of the NICTS' undertaking of a Business in the Community Challenge. This challenge was undertaken during the year as part of the NICTS' commitment to the DOJ Cares Programme.

## **Payment within 10 calendar days**

The NICTS seeks to comply with the "The Better Payments Practice Code" for achieving good payment performance in commercial transactions. Further details regarding this are available on the website [www.payontime.co.uk](http://www.payontime.co.uk). Under this Code, the policy is to pay bills in accordance with contractual conditions or, where no such conditions exist, within 10 days of receipt of goods and services or the presentation of a valid invoice, whichever is the later. The prompt payment results for 2011-12 showed that 98.2% of invoices were paid in accordance with the terms of the standard (2010-11: 89.1%)

## **Auditors**

The financial statements of the NICTS are audited by the Comptroller and Auditor General for Northern Ireland (C&AG).

So far as the Accounting Officer is aware, there is no relevant audit information of which the auditors are unaware and the Accounting Officer has taken all the steps

that he ought to have taken to make himself aware of any relevant audit information and to establish that the entity's auditors are aware of that information.

The audit of the financial statements for 2011-12 resulted in an audit fee of £103,000 (2010-11: £68,000), £46,000 of which relates to the year end audit of the NICTS (2010-11: £50,000), £36,000 (2010-11: £Nil) relates to the audit of the Trust Statement, £12,000 (2010-11: £16,000) relates to the year end audit of the CFO, £7,000 (2010-11: £Nil) relates to the audit of Investment Accounts and the remaining £2,000 (2010-11 £2,000) relates to Land Purchase Accounts. £85,000 of the fees are included in non staff administration costs as disclosed in Note 5 and £18,000 within non staff programme costs, as disclosed in Note 6 to these accounts

The C&AG may also undertake other statutory activities that are not related to the audit of the body's Financial Statements such as Value for Money reports. No such activity took place during the year.

### **Directorships and other Significant Interests**

A register is maintained by the NICTS that includes details of company directorships and other significant interest held by Board members which may conflict with their management responsibilities. The register is available for public inspection upon request.

### **Trust Statement**

The NICTS collects fines on behalf of the Northern Ireland Consolidated Fund (NICF) and therefore is required, in accordance with the Accounts Direction DAO (DFP) 01/12, to produce a Trust Statement for the financial year 2011-12. The Trust Statement will separately record the revenue collected by the Agency on behalf of the NICF.

### **Sustainability reporting**

The NICTS has been participating with other agencies and NICS departments since August 2009 on sustainability matters. The NICTS continues to participate in the DOJ Sustainability Working Group as part of the Public Sector Energy Campaign (PSEC) and is aligned to the OFMDFM Implementation Plan containing high level strategic targets covering all the NICS departments which impact on business supported by the DOJ. The Agency is committed to achieving targets under the Carbon Reduction Commitment (CRC) Scheme and associated accreditation and strives in its day to day activities towards maintaining the best possible environmental performance.

## **Environmental Issues**

The NICTS was included in the most recent Central Procurement Directorate electricity contract which uses a 100% Green Energy source and will be included in this years renewed contract. The NICTS continues to explore areas that will provide energy efficiency savings and remains committed to the principles of sustainable development and to the integration of environmental consideration into our policies and the everyday operational aspects of Estate Management and Procurement.

## **Environmental Liabilities**

The NICTS' capital commitments are detailed in Note 14 to these accounts. Given the nature of these contracts it is believed that there will be no potential environment liabilities associated.

## **Principal Risks and Uncertainties**

Risk management is integrated into the activities of the NICTS by linking risk directly to the achievement of objectives. The NICTS implements effective risk management arrangements, which are detailed in our Risk Management Policy Statement. These include developing, monitoring and reviewing an Agency Risk Register which identifies the key risks, those responsible for ensuring that the risks are managed, and the action that will be taken to manage them.

Risk management is championed by the Head of Finance and Estates. Senior management are responsible for the day to day management of risks and the NICTS Board are responsible for the oversight of this. Divisional Heads are responsible for ensuring the management systems in their area are robust for accountability, critical challenge and oversight of risk. Risk management is taken forward as an integral part of the business planning process and is monitored on a quarterly basis.

The main risks to the NICTS' business objectives are:

- Failure to apply effective controls within front-line services.
- Legacy inquests do not progress
- Non achievement of Court, Tribunal & Enforcement performance standards.
- A security incident leading to the destruction, loss or damage of NICTS assets (people, information, materials or infrastructure).



## **Continuously improve our business processes and services**

### **Information Assurance**

Information is a key business asset. The NICTS continues to provide information assurance protection by managing risks to the confidentiality, integrity and availability of information. We are committed to providing customers with the assurance that their information is collected, stored, transferred and disposed of securely and in compliance with the Freedom of Information Act 2000 and the Data Protection Act 1998.

The NICTS is required to disclose in the Annual Report and Accounts 'a summary of incidents reported' to the Information Commissioner's Office and also the number of incidents recorded by the NICTS which did not require to be reported to the Commissioner. Two incidents were reported during 2011-12, one was required to be reported and one was reported voluntarily. The NICTS reports any incidents which they feel fall under this guidance to the DOJ and Information Commissioner's Office immediately.

## **Develop and lead our people to achieve our objectives**

During the year the Learning and Development Committee continued their oversight of the corporate and job skills training learning plans and emerging development needs. The NVQ Level 3 Programme for court and tribunal staff has continued and the pool of internal assessors has increased. Preparation has begun for Investor in People reaccreditation assessment during 2012-13.

## **Maximise our organisational capacity and capability**

The Organisational Redesign Group analysed and reviewed all the NICTS' key functions in light of policy and legislation functions transferring to the Access to Justice Directorate in the DOJ. A new NICTS structure was developed and approved by the Board and Permanent Secretary which is currently being implemented.

We have continued to work effectively with DOJ HR on personnel management issues and have provided input into the DOJ Equality Scheme & Action Plan which was approved by the Equality Commission NI at the end of the year.

Effectively managing staff absence has been a priority during the year and sick absence figures project a 10 day average per employee against the NICTS target of 10.4 days per employee.

## PART 3 REMUNERATION REPORT

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### **Remuneration Policy**

The remuneration of senior civil servants is set by the Minister for Finance and Personnel. The Minister approved a freeze on senior pay in respect of 2010/11 and 2011/12 pay awards, in line with the Executive's decision in Budget 2011-15 to mirror the UK Coalition Government's commitment to impose pay restraint.

The pay system in place for senior civil servants in the NICS is currently under review.

### **Service Contracts**

Civil service appointments are made in accordance with the Civil Service Commissioners for Northern Ireland's Recruitment Code, which requires appointment to be on merit on the basis of fair and open competition but also includes the circumstances when appointments may otherwise be made.

Unless otherwise stated below, the officials covered by this report hold appointments which are open-ended. Early termination, other than for misconduct, would result in the individual receiving compensation as set out in the Civil Service Compensation Scheme.

Further information about the work of the Civil Service Commissioners can be found at [www.nicscommissioners.org](http://www.nicscommissioners.org).

### **Salary and pension entitlements**

The following sections provide details of the remuneration and pension interests of the most senior management of the Agency. The information on the following pages 36 to 42 is covered by the audit opinion.

## Remuneration

Officials Name & Title	Audited Information					
	2011-12			2010-11		
	Salary £'000	Bonus Payments £'000	Benefits in Kind (to nearest £100)	Salary £'000	Bonus Payments £'000	Benefits in Kind (to nearest £100)
Mr DA Lavery Director	110-115	-	-	110-115	-	-
Mrs J Durkin Head of Business Operations	65-70	-	-	65-70	-	-
Mr R Crawford* Head of Publicly Funded legal Services (Departed 7 November 2011)	35-40 (65-70 full year equivalent)	-	-	65-70	-	-
Ms G Fee* Head of Criminal & Coroners Policy (Departed 7 November 2011)	35-40 (65-70 full year equivalent)	-	-	65-70	-	-
Mrs S Broderick* Head of Civil Policy & Tribunal Reform (Departed 7 November 2011)	35-40 (65-70 full year equivalent)	-	-	55-60 (65-70 full year equivalent)	-	-
Mr A Carleton** Head of Business Support (Departed 13 December 2011)	45-50 (65-70 full year equivalent)	-	-	65-70	-	-
Mr P Luney*** Head of Court Operations (appointed 7 November 2011)	25-30 (60-65 full year equivalent)	-	-	-	-	-
Mrs M Kilpatrick*** Head of Tribunal and Enforcement Operations (appointed 7 November 2011)	25-30 (60-65 full year equivalent)	-	-	-	-	-
Ms S Hetherington*** Head of Finance and Estates (appointed 7 November 2011)	25-30 (60-65 full year equivalent)	-	-	-	-	-
Mr PJ Fitzpatrick**** Non Executive Director (appointed 1 April 2009)	0-5	-	-	10-15	-	-
Mr C McKenna ***** Non Executive Director (appointed 1 May 2011)	0-5	-	-	-	-	-

Officials Name & Title	Audited Information					
	2011-12			2010-11		
	Salary £'000	Bonus Payments £'000	Benefits in Kind (to nearest £100)	Salary £'000	Bonus Payments £'000	Benefits in Kind (to nearest £100)
Band of Highest Paid Directors' Total Remuneration (£'000)	110-115			110-115		
Median Total Remuneration	23,336			21,826		
Ratio	4.79			5.12		

\*Mr R Crawford, Ms G Fee and Mrs S Broderick transferred to the Access to Justice Directorate (DOJ) from 7 November 2011.

\*\* Mr A Carleton was seconded to the Parades Commission from 13 December 2011.

\*\*\* Mr P Luney, Mrs M Kilpatrick and Ms S Hetherington became senior management of the Agency on 7 November 2011.

\*\*\*\*PJ Fitzpatrick, non-executive director, supplies his services under the terms of a contract which commenced on 1 April 2009; he is remunerated by way of a daily attendance fee.

\*\*\*\*\*C McKenna, non-executive director, supplies his services under the terms of a contract which commenced on 1 May 2011; he is remunerated by way of a daily attendance fee.

As non-executive director's, there are no entitlements to pension or other contributions from the Agency.

## Median Salary

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

The banded remuneration of the highest-paid director in the Agency in the financial year 2011-12 was £110,000 - £115,000 (2010-11: £110,000 - £115,000). This was 4.79 times (2010-11: 5.12) the median remuneration of the workforce, which was £23,336 (2010-11: £21,826)

In 2011-12, zero (2010-11: zero) employees received remuneration in excess of the highest-paid director.

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

During 2011-12 the ratio decreased by 0.33. This was due to the salary of the highest paid director remaining unchanged in 2011-12 and the pay scale for the median salary grade being restructured with the lowest point on the scale being increased. The ratio has also been impacted by the EOI and EOII assimilation exercise which concluded during 2011-12.

### **Salary**

‘Salary’ includes gross salary; overtime; reserved rights to London weighting or London allowances; recruitment and retention allowances; private office allowances and any other allowance to the extent that it is subject to UK taxation and any ex gratia payments.

### **Benefits in kind**

The monetary value of benefits in kind covers any benefits provided by the Agency and treated by HM Revenue and Customs as a taxable emolument.

### **Bonuses**

Bonuses are based on performance levels attained and are made as part of the appraisal process. Bonuses relate to the performance in the year in which they are payable to the individual. There were no bonuses in 2010-11 or 2011-12.

## Pension Entitlements

Name and title	Audited Information					Employer contribution to partnership pension account
	Accrued Pension at age 60 at 31 March 2012 and related lump sum	Real increase/ (decrease) in pension and lump sum at age 60	31 March 2012	31 March 2011	Real increase/ (decrease) in CETV	
	£'000	£'000	£'000	£'000	£'000	Nearest £100
Mr DA Lavery Director	40-45 plus 125-130 lump sum	40-42.5 plus 125- 127.5 lump sum	858	22	836	-
Mrs J Durkin Head of Business Operations	20-25 plus 65-70 lump sum	20-22.5 plus 65-67.5 lump sum	355	11	344	-
Mr R Crawford Head of Publicly Funded Legal Services (Departed 7 November 2011)	0-5 plus 0-5 lump sum	0-2.5 plus 0-2.5 lump sum	24	11	13	-
Ms G Fee Head of Criminal & Coroners Policy (Departed 7 November 2011)	15-20 plus 45-50 lump sum	15-17.5 plus 42.5-45 lump sum	226	12	214	-
Mrs S Broderick Head of Civil Policy & Tribunal Reform (Departed 7 November 2011)	10-15 plus 30-35 lump sum	10-12.5 plus 30-32.5 lump sum	167	10	157	-
Mr A Carleton Head of Business Support (Departed 13 December 2011)	20-25 plus 70-75 lump sum	22.5-25 plus 67.5-70 lump sum	387	13	374	-
Mr P Luney Head of Court Operations (appointed 7 November 2011)	15-20 plus 45-50 lump sum	(0-2.5) plus (0-2.5) lump sum	216	212	4	-
Mrs M Kilpatrick Head of Tribunal and Enforcement Operations	25-30 plus 80-85 lump sum	(0-2.5) plus (0-2.5) lump sum	470	465	5	-

(Appointed 7 November 2011)

Ms S Hetherington	0-5	0-2.5	18	23	5	-
Head of Finance and Estates (appointed 7 November 2011)	plus 0-5 lump sum	plus 0-2.5 lump sum				

Pension transfer arrangements for officials within the Office from the Principal Civil Service Pension Scheme [PCSPS] to the Principle Civil Service Pension Scheme (Northern Ireland) [PCSPS(NI)] were completed during the year. Not all officials elected to transfer their pension service credit from PCSPS to PCSPS(NI). The CETV figures as at 31 March 2011 stated in last years report included an aggregate of pension values accrued within both PCSPS and PCSPS(NI), whereas the CETV as at 31 March 2011 and 31 March 2012 reported in this years report only include pension values within PCSPS(NI). Therefore the CETV figures as at 31 March 2011 differ from those disclosed in last years report.

\* For those officials who elected to transfer their pension service credit, the real increase in CETV and Real increase in pension and related lump sum at age 60 include amounts transferred in from the PCSPS.

\*\* For those officials who elected not to transfer their pension service credit the pension values that are disclosed relate entirely to the pension service credit within PCSPS(NI).

### **Northern Ireland Civil Service (NICS) Pension arrangements**

Pension benefits are provided through the NICS pension arrangements which are administrated by Civil Service Pensions (CSP). Staff in post prior to 30 July 2007 may be in one of three statutory based 'final salary' defined benefit arrangements (classic, premium, and classic plus). These arrangements are unfunded with the cost of benefits met by monies voted by Parliament each year. From April 2011 pensions payable under classic, premium, and classic plus are increased annually in line with changes in the Consumer Prices Index (CPI). Prior to 2011, pensions were increased in line with changes in the Retail Prices Index (RPI). New entrants joining on or after 1 October 2002 and before 30 July 2007 could choose between membership of premium or joining a good quality 'money purchase' stakeholder arrangement with a significant employer contribution (partnership pension account). New entrants joining on or after 30 July 2007 are eligible for membership of the nuvos arrangement or they can opt for a partnership pension account. Nuvos is an 'earned pension' arrangement in which members accrue pension benefits at a percentage rate of annual pensionable earnings throughout the period of scheme membership. The current rate is 2.3%. Earned pension benefits are increased



annually in line with increases in the CPI. For 2011, public service pensions will be increased by 3.1% with effect from 11 April.

Employee contributions are set at the rate of 1.5% of pensionable earnings for classic and 3.5% for premium, classic plus and nuvos. Benefits in classic accrue at the rate of 1/80th of final pensionable earnings 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 pensionable earnings for each year of service. Unlike classic, there is no automatic lump sum (but members may give up (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 pension arrangement. The employer makes 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, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.8% of pensionable salary to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement).

The accrued pension quoted is the pension the member is entitled to receive when they reach pension age, or on immediately ceasing to be an active member of the scheme if they are already at or over pension age. Pension age is 60 for members of classic, premium and classic plus and 65 for members of nuvos. Further details about the Civil Service pension arrangements can be found at the website [www.civilservice-pensions.gov.uk](http://www.civilservice-pensions.gov.uk).

### **Cash Equivalent Transfer Values**

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 shown 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. 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 in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment ) Regulations and do not take account of any actual or potential benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

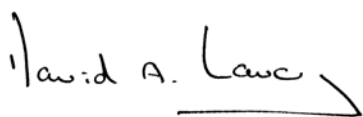
The actuarial factors that are used in the CETV calculation were changed during 2010, due to changes in demographic assumptions and the move from the Retail Prices Index (RPI) to the Consumer Prices Index (CPI) as the measure used to up rate Civil Service pensions.

### **Real increase in CETV**

This reflects the increase in CETV effectively funded by the employer. It does not include 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.

### **Compensation for loss of office**

There was no compensation paid for loss of office in 2011-12.

A handwritten signature in black ink that reads "David A. Lavery". The signature is written in a cursive style with a long horizontal stroke at the end.

**D A Lavery**  
**Accounting Officer**  
29 June 2012

## PART 4 ANNUAL ACCOUNTS 2011-12

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### Statement of Accounting Officer's Responsibilities

Under the Government Resources and Accounts Act (Northern Ireland) 2001, the DFP has directed the Agency to prepare for each financial year, a statement of accounts in the form and on the basis set out in the Accounts Direction. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the Agency and of its income and expenditure, changes in taxpayers' equity and cash flows for the financial year.

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

- observe the Accounts Direction issued by DFP, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards as set out in the Government Financial Reporting Manual have been followed, and disclose and explain any material departures in the accounts; and
- prepare the accounts on a going concern basis.

The Accounting Officer of the DOJ has designated the Director of the Agency, as the Accounting Officer of the Agency. The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding the Agency's assets, are set out in the Accounting Officers' Memorandum in 'Managing Public Money in Northern Ireland' issued by the DFP.

The Director is responsible for the maintenance and integrity of the information on the Agency's website.

## Statement on Internal Control

### Scope of responsibility

As Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the Agency's policies, aims and objectives, whilst safeguarding the public funds and the Agency's assets for which I am personally responsible, in accordance with the responsibilities assigned to me in Managing Public Money Northern Ireland.

The NICTS is an executive agency of the DOJ. It complies with the corporate governance and accountability framework arrangements issued by the DOJ and also the guidance issued by the DFP, including Managing Public Money Northern Ireland.

### The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level, rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable, and not absolute, assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of the NICTS' policies, aims and objectives; to evaluate the likelihood of those risks being realised and the impact should they be realised; and to manage them efficiently, effectively and economically. The system of internal control has been in place in the NICTS for the year ended 31 March 2012 and up to the date of approval of the annual report and accounts, and accords with the DFP guidance.

### Capacity to handle risk

The NICTS is committed to the principles of risk management as an integral part of the work at all levels and forms a central element of its corporate governance arrangements. Risk management is championed by the Head of Finance and Estates with the Board owning the overall risk management framework. Divisional Heads are responsible for ensuring the management systems in their area are robust and cover accountability, critical challenge and oversight of risk.

Risk management is considered formally by Senior Management through the review of the Corporate Risk Register and Corporate Plan monitoring reports. Risk management was and continues to be incorporated into the corporate planning and decision-making processes of the NICTS. Formal branch and divisional risk management meetings take place quarterly and feed into the corporate risk management process.

A Risk Management Policy is in operation and Risk Co-ordinators are in place throughout the Agency. They are responsible for promoting, supporting and co-ordinating risk management in their business areas. A tailored risk management training package has been rolled out to staff at all levels, which includes all risk co-ordinators and Heads of Division, and is based on Treasury 'Orange Book' guidance.

Training material appropriate to authority levels and duties has been provided to staff as part of the training package. Continued support and guidance is facilitated through the Accountability, Governance and Projects Team whose role is to support risk management arrangements.

### **The risk and control framework**

Risks are considered in tandem with objectives at all levels in the organisation and formally reported on Branch, Divisional and Corporate Risk Registers. The risk process is compliant with Treasury Orange Book guidance which sets out five key stages.

Risks are primarily identified through risk identification workshops and are assessed in terms of their probability of occurrence and impact on the achievement of objectives and scored and reported on accordingly.

Responsibility for the management of each risk is assigned to a risk owner and recorded on the risk register along with controls in place to mitigate the risk or action plans in place in order to enhance the level of control.

Risk Registers are formally reviewed on a quarterly basis and documentation updated accordingly as a result of the implementation of actions planned. The updated risk registers record any movement of risks in terms of impact and probability of occurrence from one period to another and this enables an appreciation of how the risk has changed over time.

Updates on corporate risks are formally reported quarterly to senior management who review, recommend and pursue actions in place to manage the risks. The corporate risk appetite is set by the NICTS Board and used as a starting point for setting levels of risk tolerance. Managers and Heads of Division escalate risks to the next level of management which have exceeded specific risk appetites.

### **Information Risk**

The NICTS' Information Risk Policy supplements the corporate approach to risk management and encourages staff and managers to consider information as assets, supported by the compilation of Information Asset Registers. Therefore, information assets are subject to the risk management processes outlined above. In support of that process the Information Risk Policy requires Information Asset Owners to provide written assurance to the Senior Information Risk Owner that any information assets within their business areas have been subject to the minimum measures mandated by DAO (DFP) 09/08 and the policies and procedures of the Agency. The NICTS continues to monitor and review the approach to information risk management.

### **Audit and Risk Committee**

The Audit and Risk Committee is responsible for the overseeing and development of the risk management and review processes through, for example, ensuring compliance with the quarterly review points, biannual formal stewardship reporting to ensure continued

alignment with planning and monitoring at corporate, divisional and branch level. In challenging the risks identified by the executive management, the Audit and Risk Committee ensured and continues to ensure that there is on-going consideration of the impact of both external and internal initiatives in the planned work for the NICTS.

Risk management was and continues to be integrated into the activities of the NICTS through linking risk directly to the achievement of objectives, visible sponsorship and support from senior management and operation of a risk management policy that is consistent with best practice. Risk management is discussed formally at divisional and branch level. There is a standardised hierarchical suite of risk registers and revised risk documentation. Risk management responsibilities are included in job descriptions, and there is support and provision of guidance on risk issues from the Accountability, Governance and Projects Team.

### **Review of effectiveness**

As Accounting Officer I have responsibility for reviewing the effectiveness of the system of internal control. The Board and I receive regular reports from the Audit and Risk Committee concerning internal control, risk and governance. At the end of the reporting period, Heads of Division reviewed the stewardship statements completed by Business Managers to create a series of divisional statements from which I have been able to take assurance in respect of the management of risk and the achievement of objectives.

The NICTS' Risk and Assurance Branch operated and continues to operate to the Government Internal Audit Standards. It submitted and will continue to submit regular reports, including an independent opinion by the Head of Risk and Assurance on the adequacy and effectiveness of the Agency's system of risk management, control and governance.

My review of the effectiveness of the system of internal control is informed by the work of the internal auditors and the executive managers within the NICTS who have responsibility for the development and maintenance of the internal control framework and comments made by the external auditors in their report to those charged with governance and other reports. The review processes outlined ensure that there is continuous improvement in the system of internal control. The Head of Risk and Assurance has provided overall Satisfactory Assurance based on the work carried out during the year.

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 and the Audit and Risk Committee and a plan to address any weaknesses and to ensure continuous improvement of the system is in place

## Significant Control Issues

An investigation into alleged timekeeping malpractice by contracted staff was conducted by the Head of Risk and Assurance and his report was forwarded to PSNI. The NICTS has taken legal advice about potential redress against the contractor. It has not been possible at this time to accurately estimate the quantum involved. An enhanced control framework has been established to mitigate against a reoccurrence.

A data breach by one of the Tribunals has been reported by the NICTS to the Information Commissioner's Office. An investigation into the circumstances which led to the breach is on-going and could result in a fine being imposed on the NICTS.

A stockbroker has been engaged to provide professional services for the clients of the Court Funds Office of the Court of Judicature. There has been some doubt about the ability of the Court Funds Office to deduct stockbroker management fees directly from the clients' funds. For this reason, a clause was included in the Justice Act (NI) 2011 to ensure that all deductions from 5 July 2011 are lawful. An application to the High Court was made for a declaration on the correctness of past deductions and a provisional judgment was delivered on 19 April 2012. There are a number of matters within the judgment for which NICTS are seeking clarification on from the court, so a final judgment has not been issued. However, the provisional judgment has indicated that, prior to the 5 July 2011, the Court Funds Office did not have the power to deduct stockbroker management fees from clients' funds.

As a result of legal advice received, it was decided that stocks and shares ISAs would no longer be brought into court under the control of the Court Funds Office. A handling plan has been developed for the removal of ISA investments currently held in court. It is expected that this exercise will be completed in early 2012-13.

In the 2010/11 Report to those charged with Governance, the NIAO identified issues in relation to the accounting treatment of Deferred Income. These issues have now been rectified. A prior year adjustment has been included in the 2011-12 Accounts in regards to this matter.

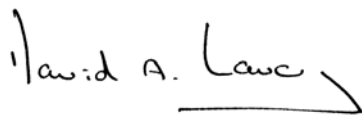
Some Risk and Assurance reports provided only Limited Assurance during the year, these included reports on Procurement and Contract Management and Data Protection and Security. The main findings were the need to ensure that all contracts are competitively tendered going forward, information security compliance checks were not completed during 2011-12 and new appointees during this year have not all completed information security awareness training.

The Risk and Assurance Branch has conducted a programme of systems based reviews examining the process of recording the outcomes of court cases across different court tiers and has recommended improved management checking schedules. A programme of stringent compliance reviews has also been developed to provide additional assurance over the accuracy of court orders.

A robust follow up process reports to the Audit and Risk Assurance Committee on the implementation of the Risk and Assurance Branch recommendations contained in these reports and the assurance ratings are upgraded when the recommendations have all been successfully implemented. The Head of Risk and Assurance reported that 91% of all Internal Audit recommendations made during the year have been accepted and implemented.

### **Future Issues**

The programme of legacy inquests will create a budgetary pressure in future years. There is not yet an agreement on the best model for delivery of these high profile inquests and NICTS officials have consulted the Coroners on resource requirements to facilitate disposal.

A handwritten signature in black ink that reads "David A. Lavery". The signature is written in a cursive style with a long horizontal line extending from the end of the name.

**D A Lavery**  
**Accounting Officer**  
29 June 2012



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

I certify that I have audited the financial statements of the Northern Ireland Courts and Tribunals Service for the year ended 31 March 2012 under the Government Resources and Accounts Act (Northern Ireland) 2001. These comprise the Statement of Comprehensive Net Expenditure, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Taxpayers' Equity and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

### **Respective responsibilities of the Accounting Officer and auditor**

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Accounting Officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. My responsibility is to examine, certify and report on the financial statements in accordance with the Government Resources and Accounts Act (Northern Ireland) 2001. I conducted my audit in accordance with International Standards on Auditing (UK and Ireland). Those standards require me and my staff to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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

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

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

## **Opinion on Regularity**

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

## **Opinion on financial statements**

In my opinion:

- the financial statements give a true and fair view of the state of the Agency's affairs as at 31 March 2012 and of the net operating cost, cash flows and changes in taxpayers' equity for the year then ended; and
- the financial statements have been properly prepared in accordance with the Government Resources and Accounts Act (Northern Ireland) 2001 and Department of Finance and Personnel directions issued thereunder.

## **Opinion on other matters**

In my opinion:

- the part of the Remuneration Report to be audited has been properly prepared in accordance with Department of Finance and Personnel directions made under the Government Resources and Accounts Act (Northern Ireland) 2001; and
- the information given in the Directors' report and Management Commentary for the financial year for which the financial statements are prepared is consistent with the financial statements.

## **Matters on which I report by exception**

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

adequate accounting records have not been kept; or

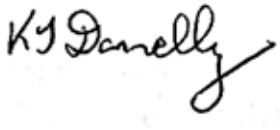
the financial statements and the part of the Remuneration Report to be audited are not in agreement with the accounting records; or

I have not received all of the information and explanations I require for my audit; or

the Statement on Internal Control does not reflect compliance with Department of Finance and Personnel's guidance.

## Report

I have no observations to make on these financial statements.

A handwritten signature in black ink, appearing to read 'KJ Donnelly', with a stylized flourish at the end.

*KJ Donnelly*

*Comptroller and Auditor General*

*Northern Ireland Audit Office*

*106 University Street*

*Belfast*

*BT7 1EU*

*2 July 2012*

## Statement of Comprehensive Net Expenditure

for the year ended 31 March 2012

				2011-12	Restated 2010-11*
		Staff Costs	Other Costs	Income	Total
	Note	£'000	£'000	£'000	£'000
<b>Administration Costs</b>					
Staff costs	4	3,557			3,976
Other administration costs	5		4,813		3,701
Income	7			(27)	-
<b>Programme Costs</b>					
Staff costs	4	19,637			19,314
Programme costs	6		51,181		53,863
Income	7			(30,553)	(28,157)
<b>Totals</b>		<b>23,194</b>	<b>55,994</b>	<b>(30,580)</b>	<b>52,697</b>
<b>Net Operating Cost</b>	3			<b>48,608</b>	<b>52,697</b>

## Other Comprehensive Expenditure

for the year ended 31 March 2012

	Note	2011-12 £'000	Restated 2010-11 £'000
Net Operating Cost		48,608	52,697
Net (gain)/loss on revaluation of Property Plant and Equipment	8	(2,149)	1,690
Net loss/(gain) on revaluation of Intangibles	9	1	(1)
Actuarial loss on pension liability	13	500	100
<b>Total Comprehensive Expenditure for the year ended 31 March 2012</b>		<b>46,960</b>	<b>54,486</b>

The Notes on pages 56 to 98 form part of these accounts.

\* 2010-11 restated to reflect Machinery of Government and other adjustments as detailed in note 24.

## Statement of Financial Position

as at 31 March 2012

	Note	2011-12 £'000	Restated 2010-11* £'000	Restated 1 April 2010 £'000
<b>Non-current assets:</b>				
Property, plant and equipment	8	206,137	209,490	211,689
Intangible assets	9	1,236	1,289	2,143
<b>Total non-current assets</b>		<b>207,373</b>	<b>210,779</b>	<b>213,832</b>
<b>Current assets:</b>				
Trade and other receivables	10	6,241	5,465	5,940
Cash and cash equivalents	11	633	-	2,841
<b>Total current assets</b>		<b>6,874</b>	<b>5,465</b>	<b>8,781</b>
<b>Total assets</b>		<b>214,247</b>	<b>216,244</b>	<b>222,613</b>
<b>Current liabilities:</b>				
Cash and cash equivalents	11	-	(635)	-
Trade and other payables	12	(10,199)	(11,105)	(13,429)
Provisions	13	(4,827)	(4,642)	(932)
<b>Total current liabilities</b>		<b>(15,026)</b>	<b>(16,382)</b>	<b>(14,361)</b>
<b>Non-current assets less net current liabilities</b>		<b>199,221</b>	<b>199,862</b>	<b>208,252</b>
<b>Non-current liabilities:</b>				
Provisions	13	(3,728)	(3,572)	(3,817)
Other payables	12	(19,274)	(20,089)	(21,004)
<b>Total non-current liabilities</b>		<b>(23,002)</b>	<b>(23,661)</b>	<b>(24,821)</b>
<b>Assets less liabilities</b>		<b>176,219</b>	<b>176,201</b>	<b>183,431</b>
<b>Taxpayers' equity:</b>				
General fund		59,957	61,060	66,601
Revaluation reserve		116,262	115,141	116,830
<b>Total taxpayers' equity</b>		<b>176,219</b>	<b>176,201</b>	<b>183,431</b>

**D A Lavery**  
**Accounting Officer**  
 29 June 2012

The Notes on pages 56 to 98 form part of these accounts.

\* 2010-11 restated to reflect Machinery of Government and other adjustments as detailed in note 24.

## Statement of Cash Flows

for the year ended 31 March 2012

	Note	2011-12 £'000	Restated 2010-11* £'000
<b>Cash flows from operating activities</b>			
Net operating cost		(48,608)	(52,697)
Adjustment for non-cash transactions	5, 6	10,267	12,399
(Increase)/Decrease in trade and other receivables	10	(776)	475
(less)/add movements in receivables relating to items not passing through the SoCNE		(39)	16
(Decrease) in trade payables	12	(1,722)	(3,238)
add movements in payables relating to items not passing through the SoCNE		1,296	2,352
Use of provisions	13	(529)	(932)
Machinery of Government adjustments		-	769
<b>Net cash outflow from operating activities</b>		<b>(40,111)</b>	<b>(40,856)</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	8	(3,747)	(5,721)
Purchase of intangible assets	9	(673)	(390)
<b>Net cash outflow from investing activities</b>		<b>(4,420)</b>	<b>(6,111)</b>
<b>Cash flows from financing activities</b>			
From the Consolidated Fund (Supply) – current year		38,787	38,822
From the Consolidated Fund (Supply) – prior year	12	-	(1,960)
From the Consolidated Fund (non-supply)		7,753	7,597
Capital element of payments in respect of finance leases and PFI contracts	16	(741)	(838)
<b>Net financing</b>		<b>45,799</b>	<b>43,621</b>
<b>Net increase/(decrease) in cash and cash equivalents in the period before adjustment for receipts and payments to the Consolidated Fund</b>		<b>1,268</b>	<b>(3,346)</b>
Receipts due to the Consolidated Fund which are outside the scope of the Agency's activities		15	66
Payments of amounts due to the Consolidated Fund		(15)	(196)
Net increase/(decrease) in cash and cash equivalents in the period after adjustment for receipts and payments to the Consolidated Fund		1,268	(3,476)
<b>Cash and cash equivalents at the beginning of the period</b>	11	<b>(635)</b>	<b>2,841</b>
<b>Cash and cash equivalents at the end of the period</b>	11	<b>633</b>	<b>(635)</b>

The Notes on pages 56 to 98 form part of these accounts.

\* 2010-11 restated to reflect Machinery of Government and other adjustments as detailed in note 24.

## Statement of Changes in Taxpayers' Equity

for the year ended 31 March 2012

	Note	General Fund £'000	Revaluation Reserve £'000	Total Reserves £'000
<b>Balance at 1 April 2010 (as originally disclosed)</b>		64,535	116,830	<b>181,365</b>
Machinery of Government	24	63	-	63
Prior year adjustment	24	2,003	-	2,003
<b>Restated balance at 1 April 2010</b>		<b>66,601</b>	<b>116,830</b>	<b>183,431</b>
<b>Changes in taxpayers equity for 2010-11</b>				
Funding from Parent		38,822	-	38,822
Consolidated Fund Standing Services	6,13	7,597	-	7,597
Comprehensive Expenditure for the Year		(52,697)	-	(52,697)
Non-cash charges – auditor's remuneration	5,6	68	-	68
Non-cash charges – actuarial loss	13	(100)	-	(100)
Net loss on revaluation of property, plant and equipment	8	-	(1,690)	(1,690)
Net gain on revaluation of intangible assets	9	-	1	1
Machinery of Government Balance Sheet	24	769	-	769
<b>Restated balance at 31 March 2011</b>		<b>61,060</b>	<b>115,141</b>	<b>176,201</b>
<b>Changes in taxpayers' equity for 2011-12</b>				
Funding from Parent		38,787	-	38,787
Consolidated Fund Standing Services	6,13	8,085	-	8,085
Comprehensive Expenditure for the Year		(48,608)	-	(48,573)
Non-cash charges – auditor's remuneration	5,6	103	-	68
Non-cash charges – actuarial loss	13	(500)	-	(500)
Net gain on revaluation of property, plant and equipment	8	-	2,150	2,150
Net gain on revaluation of intangible assets	9	-	1	1
Transfers between reserves		1,030	(1,030)	-
<b>Balance at 31 March 2012</b>		<b>59,957</b>	<b>116,262</b>	<b>176,219</b>

The Notes on pages 56 to 98 form part of these accounts.

## Notes to the Agency Resource Accounts

### 1.0 Statement of Accounting Policies

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

Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the Agency for the purpose of giving a true and fair view has been selected. The particular policies adopted by the Agency are described below. They 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 property, plant and equipment, intangible assets and inventories.

The accounts are stated in sterling, which is the Agency's functional and presentational currency. Unless otherwise noted, the amounts shown in these financial statements are in thousands of pounds sterling (£'000).

#### 1.2 Accounting Boundary

These accounts incorporate the core activity of the Agency.

The funds invested by the CFO (Funds in Court) are specifically excluded from the Agency accounts following DFP guidance. Third party monies are similarly excluded. The funds held on behalf of third parties by the CFO are included in Note 22.

Financial information about the CFO may be obtained from their separately published annual accounts.

#### 1.3 Property, Plant and Equipment

The Agency holds title to the land and buildings shown in the accounts with the exception of Laganside Courts Complex which is leased under the PFI Contract (see Notes 8 and 16).

Land has been included within the SoFP on the basis of open market value for existing use. Due to the specialised nature of courthouses they are included within the SoFP at depreciated replacement cost. Other buildings are included within the SoFP on the basis of existing use value. Land and buildings surplus to requirements



are valued on the basis of open market value less any directly attributable selling costs. Antiques are professionally valued every five years and were revalued at the 31 March 2009 by Hugh Boyd BSc (Econ.) M.I.P.A.V. All other assets are included at depreciated replacement cost.

Professional valuations of land and buildings take place at least once every five years in accordance with IAS 16 and appropriate indices are applied to revalue in intervening years. Land and buildings were valued by the Land and Property Services (LPS) of the DFP at 31 March 2009.

Other property, plant and equipment have been stated at their value to the business by reference to Office of National Statistics (ONS) indices. The indices for other property, plant and equipment were obtained from ONS MM22 Price Index Numbers for Current Cost Accounting as at March 2012.

The Agency’s capitalisation threshold is £1,000 and individual assets below this amount are expensed through the SoCNE.

## 1.4 Intangible Assets

Intangible assets have been restated under IAS 38. Expenditure on intangible assets consists of computer software and licences and the associated costs of implementation are capitalised where expenditure of £1,000 or more is incurred. Computer software and licences are amortised over the shorter of the term of the licence and the useful economic life.

## 1.5 Depreciation

Property, plant and equipment are depreciated at rates calculated to write them down to estimated residual value on a straight-line basis over their estimated useful lives. Assets in the course of construction are depreciated from the point at which the asset is brought into use. A further adjustment is made for any backlog depreciation arising from the requirement to value assets by reference to current costs and from this the backlog depreciation is posted to the revaluation reserve.

No depreciation is provided on land since it has unlimited or very long estimated useful life. Useful lives are normally in the following ranges:

Land	- Freehold	Not depreciated
	- Leasehold	Not depreciated
Buildings	- Freehold	Individually assessed
	- Leasehold	Period of lease
Furniture and Fittings		10 years

Plant and machinery	5 years
Computer equipment	3-7 years
Intangible Assets – Software licences	3 years
Computer Software	3 years
Motor vehicles	3 years
Antiques (non-operational)	Not depreciated

Additions to assets will be depreciated from the month of acquisition. Disposals from assets will not be depreciated in the month of disposal.

Antiques (non-operational) are included in the furniture and fittings section in the property plant and equipment (Note 8).

## 1.6 Inventory

Inventory of consumable stores held by the Agency are not considered material and are written off in the SoCNE as they are purchased.

There was no inventory held in 2011-12.

Assets seized by the EJO are not included in inventories on the basis that they are not owned by the Agency, but are held for resale in settlement of third party creditors. Third party assets held by the EJO at the year end are disclosed in Note 22 under Third Party Assets non-monetary assets.

## 1.7 Operating Income

Operating income is income that relates directly to the operating activities of the Agency. Operating income comprises fees and charges for services provided to external customers, rents receivable, and miscellaneous receipts.

Income is recognised in the period in which it is earned in the SoCNE and is accrued or deferred as necessary. Operating income is stated net of VAT.

Fines Income is not treated as Accruing resources for the purposes of these accounts. All fine income is recorded in the Trust Statement and paid to the NICF via DOJ as consolidated fund extra receipts (CFER's). An analysis of fines collected is detailed within Note 12.3.

## 1.8 Administration and Programme Expenditure

The SoCNE is analysed between administration and programme income and expenditure. The classification of expenditure and income as administration or as programme follows the definition of administration costs guidance set out in the most recent guidance on Estimates issued by DFP.

Administration costs reflect the costs of running the Agency and include expenditure on administrative staff and associated costs including accommodation, information technology, communications and office supplies.

Programme costs reflect the costs of related service delivery costs for operating, managing and maintaining the courts. It includes staff costs and administration costs where they directly relate to service delivery.

## **1.9 Operating Leases**

Rentals under operating leases are charged to the SoCNE on a straight line basis over the lease term.

## **1.10 Pensions**

Past and present employees are covered by the provisions of the Principal Civil Service Pension Schemes (PCSPS (NI)) that are described at Note 4. The defined benefit schemes are unfunded and are non-contributory, except in respect of dependents' benefits. The Agency recognises the expected cost of these elements on a systematic and rational basis, over the period during which it benefits from employees' services, by payment to the PCSPS (NI) of amounts calculated on an accruing basis. Liability for payment of future benefits is a charge on the PCSPS (NI). In respect of the defined contribution schemes, the Agency recognises the contributions payable for the year.

## **1.11 Early Departure Costs**

The Agency meets the additional costs of benefits beyond the normal PCSPS (NI) benefits in respect of employees who retire early by paying the required amounts annually to the PCSPS (NI), over the period between early departure and normal retirement date. The Agency provides for this in full, when the early retirement programme becomes binding on the Agency, by establishing a provision for the estimated payments discounted by the Treasury discount rate of 2.2% in real terms.

Pension liabilities may arise in respect of provisions for lump sum early departure costs and the balance of any unpaid Accruing Superannuation Liability Charges (ASLC).

## **1.12 Value Added Tax (VAT)**

Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of non-current assets. Where output tax is charged or input VAT is recoverable, the amounts are stated net of VAT.

### **1.13 Private Finance Initiative (PFI) Transactions.**

DFP has determined that government bodies shall account for infrastructure PFI schemes where the government body controls the use of the infrastructure, and the residual interest in the infrastructure at the end of the arrangement as service concession arrangements, following the principles of the requirements of IFRIC 12. The Agency therefore recognises the PFI asset as an item of property, plant and equipment together with a liability to pay for it. The services received under the contract are recorded as operating expenses.

The annual unitary payment is separated into the following component parts, using appropriate estimation techniques where necessary:

- a) Payment for the fair value of services received;
- b) Payment for the PFI asset, including replacement of components; and
- c) Payment for finance (interest costs).

#### **Services received**

The fair value of services received in the year is recorded under the relevant expenditure headings within 'operating expenses'.

#### **PFI Assets**

The PFI assets are recognised as property, plant and equipment, when they come into use. The assets are measured initially at fair value in accordance with the principles of IAS 17. Subsequently, the assets are measured at fair value, which is kept up to date in accordance with the agency approach for each relevant class of asset in accordance with the principles of IAS 16.

#### **PFI liability**

A PFI liability is recognised at the same time as the PFI assets are recognised. It is measured initially at the same amount as the fair value of the PFI assets and is subsequently measured as a finance lease liability in accordance with IAS 17.

An annual finance cost is calculated by applying the implicit interest rate in the lease to the opening lease liability for the period, and is charged to 'Finance Costs' within the SoCNE.

Further details of current on-going agreements are shown in Note 16 to the accounts.

### **1.14 Grants Payable**

Grants payable are recorded as expenditure in the period that the underlying event or activity giving entitlement to the grant occurs. Receipt of a claim for funding acts as the underlying event in normal circumstances. Grants related to activity occurring over a specific time period, usually a financial year, are recorded as expenditure for that period.

### **1.15 Provisions**

The Agency provides for legal or constructive obligations, which are of uncertain timing or amount at the SoFP 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 real rate set by HM Treasury (currently 2.2%).

Further details on provisions are contained in Note 13.

### **1.16 Contingent Liabilities**

In addition to contingent liabilities disclosed in accordance with IAS 37, the Agency discloses for Assembly reporting and accountability purposes, certain statutory and non-statutory contingent liabilities where the likelihood of a transfer of economic benefit is remote, but which are required to be reported to the Assembly in accordance with the requirements of Managing Public Money NI.

There were no contingent liabilities arising during the period which required reporting to the Assembly.

Where the time value of money is material, contingent liabilities, which are required to be disclosed under IAS 37, are stated at discounted amounts and the amount reported to the Assembly separately noted. Contingent liabilities that are not required to be disclosed by IAS 37 are stated at the amounts reported to the Assembly.

Further details of contingent liabilities are contained within Note 19.

### **1.17 Third Party Assets**

Third Party assets are assets for which the Agency acts as custodian or trustee, but in which neither the Agency nor public sector more generally has a direct beneficial interest in them. Third Party assets are not public assets, and hence are not recorded in the primary financial statements. In the interests of general disclosure and transparency, details of the Agency's third party assets are provided in Note 22.

## **1.18 Critical accounting estimates and key judgements**

The preparation of financial statements in conformity with IFRS requires the use of accounting estimates and assumptions. It also requires management to exercise its judgement in the process of applying the Agency's accounting policies. We continually evaluate our estimates, assumptions and judgements based on available information and experience. As the use of estimates is inherent in financial reporting, actual results could differ from these estimates. The estimates and assumptions which have the most significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are discussed below.

### **(i) Depreciation of property, plant and equipment**

Depreciation is provided in the accounts so as to write-down the respective assets to their residual values over their expected useful lives and as such the selection of the estimated useful lives and the expected residual values of the assets requires the use of estimates and judgements. Details of the estimated useful lives are as shown in Note 1.5.

### **(ii) Impairment of property, plant and equipment and intangibles**

Where there is an indication that the carrying value of items of property, plant and equipment or intangibles may have been impaired through events or changes in circumstances, a review will be undertaken of the recoverable amount of that asset.

### **(iii) Pension and other post retirement provisions**

The Agency accounts for pension and other post-retirement benefits in accordance with IAS 19. In determining the pension cost and the defined benefit obligation of the pension schemes a number of assumptions are used which include the discount rate, salary growth, price inflation, the expected return on the schemes' investments and mortality rates. Further details on the pension provision are contained in Note 13.

## **1.19 Financial Instruments**

A financial instrument is defined as any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

A financial instrument is recognised when, and only when, the entity becomes a party to the contractual provisions of the instrument. A previously recognised financial asset is derecognised when, and only when, either the contractual rights to the cash flows from that asset expire, or the entity transfers the asset such that the transfer qualified for derecognition. A financial liability is derecognised when, and only when, it is extinguished.

## Financial Assets

The Agency has financial instruments in the form of trade receivables, cash and cash equivalents.

In accordance with IAS 39 Financial Instruments: Recognition and Measurement, trade receivables, cash and other receivables are classified as “loans and receivables”. Loans and receivables are non-derivative non-current assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method less any impairment.

Financial assets within trade and other receivables are initially recognised at fair value, and subsequently carried at amortised cost using the effective method less provisions for doubtful receivables.

Cash and cash equivalents comprise cash in hand and current balances with banks which are readily convertible to known amounts of cash which are subject to insignificant risk of changes in value and have an original maturity of 3 months or less.

The Agency assesses at each SoFP date whether there is any objective evidence that a financial asset or group of financial assets classified as loans and receivables is impaired.

The amount of the loss is calculated as the difference between the carrying amount of the asset and the present value of estimated future cash flows from the asset discounted at the effective interest rate of the instrument at initial recognition.

Impairment losses are assessed individually for financial assets that are individually significant and individually or collectively for assets that are not individually significant. In making collective assessment of impairment, financial assets are grouped into portfolios on the basis of similar risk characteristics. Future cash flows from these portfolios are estimated on the basis of the contractual cash flows and historical loss experience for assets with similar risk characteristics.

Impairment losses are recognised in the SoCNE and the carrying amount of the financial asset or group of financial assets reduced by establishing an allowance for impairment losses. If in a subsequent period the amount of the impairment loss reduces and the reduction can be ascribed to an event after the impairment was recognised, the previously recognised loss is reversed by adjusting the allowance.

When a financial asset is deemed unrecoverable the amount of the asset is reduced directly and the impairment loss is recognised in the SoCNE to the extent that a provision was not previously recognised.

## **Financial Liabilities**

The Agency also has financial instruments in the form of trade payables that are classified in accordance with IAS 39 as “other financial liabilities”. These are initially measured at fair value, net of transaction costs, and subsequently measured at amortised cost using the effective interest method.

### **1.20 Employee Benefits including Pensions**

Under the requirements of IAS 19 Employee Benefits, all staff costs must be recorded as an expense as soon as the organisation is obligated to pay them. This includes the cost of any untaken leave as at the year end. This cost has been estimated using average staff numbers and costs applied to the average untaken leave balance determined from the results of a survey to ascertain leave balances as at 31 March 2012. It is not anticipated that the level of untaken leave will vary significantly from year to year.

The Agency has recognised both annual and flexi leave entitlements that have been earned by the year end but not yet taken. These are included in current liabilities for both administration and programme staff across the Agency.

### **1.21 Segmental Reporting**

Under the requirement of IFRS 8 ‘Operating Segments’-Disclosures (amendment) the Agency must disclose information to enable users of the financial statements to evaluate the nature and financial effects of the business in which it engages and the economic environment in which it operates. ‘Total Assets’ are only required to be disclosed in reporting segments where total assets for segments are regularly reported to the chief operating decision maker. As total assets for segments are not regularly reported to the chief operating decision maker (currently defined as David Lavery) the Agency has adopted this amendment. The amendment does not have a material impact on the Agency’s financial statements. Details of the reporting segments are contained within Note 3.



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

Chapter in FReM 2011-12	Area affected	Description of revision	Comments
9	IFRS 7 - Financial Instruments: Disclosures (annual improvements)	Amendments to the disclosure requirements of the nature and extent of risks arising from financial instruments, in particular, linking qualitative and quantitative disclosures and clarifying collateral disclosure.	The FReM applies IFRS 7 in full, and the expectation is that it will continue to do so. This will incorporate these increased disclosures.
5	IAS 24 - Related Party Disclosures (amendment)	The amendments:  clarify the definition of a related party; and  simplify the disclosure requirements that are controlled, jointly controlled or significantly influenced by a government.	The FReM interpretation of IAS 24 (Chapter 5) covers the areas amended by IASB and applicable to the public sector, from 1 January 2011.

The Agency has reviewed the remaining standards, interpretations and amendments to published standards that became effective during 2011-12 and which are relevant to its operations. The adoption of these standards has not had a significant impact on the financial position or results of the Agency.

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

The Agency has reviewed the additional or revised accounting standards and new (or amendments to) interpretations contained within the Government Financial Reporting Manual (FReM) 2012-13 and considers that these changes are not relevant to its operations.

In addition, certain new standards, interpretations and amendments to existing standards have been published that are mandatory for accounting periods beginning on or after 1 April 2012 or later periods, but which the Agency has not adopted early. Other than as outlined in the table below, the Agency considers that these standards are not relevant to its operations.

Standard	Description of revision	Application date	Comments
IAS 1 – Presentation of financial statements (Other Comprehensive Income (OCI))	Requiring items of OCI to be grouped on the basis of whether they might at some point be reclassified ('recycled') from OCI to profit (e.g. cash flow hedges) or where they will not (e.g. gains on property revaluation). This will make it clearer to users what their potential effect on profit or loss will be in future periods, notably in light of improved disclosure of financial instruments and pensions, and where there will be no impact. Amendments also allow simplified reporting for discontinued operations and OCI tax grouping.	1 June 2012 (not EU adopted yet)	<p>The application of the IAS 1 amendment is subject to further review by HM Treasury and the other Relevant Authorities before due process consultation.</p> <p>The FReM interprets IAS 1 disclosure already, notably to ensure consistent reporting across departments. Application will be considered where this enhances public sector reporting.</p>

<p>IAS 19 – Post-employment benefits (pensions)</p>	<p>The amended IAS 19 introduces a number of changes including:</p> <p>Recognition – the elimination of the option to defer the recognition of gains and losses resulting from defined benefit plans (the ‘corridor approach’);</p> <p>Presentation – the elimination of options for the presentation of gains and losses relating to those plans; and</p> <p>Disclosures – the improvement of disclosure requirements that will better show the characteristics of defined benefit plans and the risks arising from those plans.</p> <p>It also modifies accounting for termination benefits, including distinguishing benefits provided in exchange for service and benefits provided in exchange for the termination of employment and affect the recognition and measurement of termination benefits.</p>	<p>1 January 2013 (not yet EU adopted)</p>	<p>The corridor approach is not permitted by the FReM so the main impact of the change will not be relevant.</p> <p>There may, however, be impacts on defined benefit pension scheme accounts and other entities consolidating defined benefit schemes due to the new presentation and disclosure requirements.</p> <p>Entities may also be impacted by modifications to accounting for termination benefits.</p>
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IFRS 7 - Financial Instruments: Disclosures (annual improvements)	<p>Increased disclosure requirements for transfers of financial assets.</p> <p>Where entities have transferred financial assets outside of the legal body, disclosures are required to reflect the impact of this, particularly where the entity retains some form of interest in those assets.</p>	1 July 2011	The FReM applies IFRS 7 in full, and the expectation is that it will continue to do so. This will incorporate these increased disclosures.
IFRS 9 – Financial Instruments	<p>The project has three phases.</p> <p>Phase 1 addresses classification and measurement issues.</p> <p>Phase 2 addresses impairments – in particular how impairments of financial assets should be calculated and recorded.</p> <p>Phase 3 addresses hedge accounting. IAS 39 previously contained guidance on Hedge Accounting – this will be updated with more detailed guidance and principles on hedge accounting, including guidance on accounting for certain hedging relationships.</p>	1 January 2015 (as per exposure draft issued 4 August 2011 – not yet EU adopted)	<p>There are likely to be elements of the final proposals that will require further review by HM Treasury and the other relevant authorities before due process and consultation.</p> <p>However, this due process cannot commence until a final IFRS has been issued.</p>
IFRS 13 – Fair Value	IFRS 13 has been prepared to provide consistent	1 January 2013 (not	The application of IFRS 13 is subject to

Measurement	<p>guidance on fair value measurement for all relevant balances and transactions covered by IFRS (except where IFRS 13 explicitly states otherwise):</p> <p>The standard defines fair value, provides guidance on fair value measurement techniques, and sets out the disclosure requirements.</p> <p>The standard requires fair value be measured using the most reliable data and inputs available to determine the <b>exit price for an asset / liability</b>. This exit price is taken to be the price that two market participants (a buyer and seller) would settle on.</p> <p>To ensure transparency over the differing quality of inputs used to determine fair value, the standard has established a <b>hierarchy for input quality</b>.</p> <ul style="list-style-type: none"> <li>- <b>Level 1 inputs</b> (highest quality) are published prices available in an active market;</li> <li>- <b>Level 2 inputs</b> are observable data available in a non-active market; and</li> <li>- <b>Level 3 inputs</b> (lowest quality) are all other inputs, which are mostly unobservable.</li> </ul> <p>Entities are required to use the most appropriate inputs</p>	yet EU adopted)	further review by HM Treasury and the other Relevant Authorities before due process consultation.
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	<p>available to them in determining fair value. The inference is that the higher the quality, the more appropriate the input.</p> <p>IFRS 13 requires additional disclosures where level 3 inputs are used to assess fair value, to give readers an understanding of how the valuation has been calculated.</p>		
IPSAS 32 - Service Concession Arrangement	IPSAS 32 provides a financial reporting standard for the grantor in accounting for service concession arrangements	1 January 2014	<p>IFRIC 12 is interpreted for the public sector context. In accordance with the financial reporting hierarchy, the FReM allows reference to IPSAS in the absence of guidance from IFRS.</p> <p>The main difference from the current FReM are in relation to the timing of asset recognition and accounting for those arrangements where the operator is compensated not by a payment but by the grant of a right to charge users of the asset. The application</p>

			is subject to further review by HM Treasury and the other Relevant Authorities before due process consultation.
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## 2. Machinery of Government and Accounting Policy Changes

### 2.1 Reconciliation of reported taxpayers' equity for the year ended 31 March 2011 as a result of the machinery of government and accounting policy changes

	General Fund £'000	Revaluation Reserve £'000	Total £'000
<b>Taxpayers' equity at 1 April 2011 (as originally stated)</b>	58,209	115,135	173,344
<b>Adjustments:</b>			
Machinery of Government – Tribunals	(187)	-	(187)
Machinery of Government - DOJ Transfer	1,016	-	1,016
PPE	476	6	482
Trust Statement	-	-	-
Deferred Income	1,546	-	1,546
<b>Taxpayers' equity at 1 April 2011 (as restated)</b>	<b>61,060</b>	<b>115,141</b>	<b>176,201</b>

### 2.2 Reconciliation of reported net operating cost for year ended 31 March 2011 as a result of the machinery of government, reclassification and accounting policy changes

	Note	£'000
<b>Net operating cost for 2010-11 (as originally stated)</b>	24	155,661
<b>Adjustments:</b>		
Machinery of Government - Tribunals	24	1,167
Machinery of Government - DOJ Transfer	24	(104,113)
PPE	24	91
Trust Statement	24	-
Deferred Income	24	(109)
<b>Net operating cost for 2010-11 (as restated)</b>		<b>52,697</b>

Refer to Note 24 for a reconciliation of all adjustments to the SoCNE.

During the period the following changes took place;

## 1) Machinery of Government Changes

On the 1 April 2011 the following nine Tribunals statutorily transferred to the NICTS by way of a Machinery of Government transfer:

- Traffic Penalty Tribunal;
- Northern Ireland Valuation Tribunal;
- Charity Tribunal;
- Health and Safety Tribunal;
- Lands Tribunal ;
- Special Educational Needs and Disability Tribunal;
- Mental Health Review Tribunal;
- Care Tribunal; and
- Schedule 11 Tribunal.

On 7 November 2011 the new Access to Justice Directorate (A2J) was formed within the Department of Justice. The following divisions moved from the Agency to A2J by way of a Machinery of Government transfer:

- Public and Legal Services Division;
- Criminal Policy;
- Civil Policy; and
- Tribunal Reform.

## 2) PPE

The adjustment to the comparative figure is the result of a review of the Agency's fixed assets that was carried out during the year. This was the depreciation charge for 2010-11 for those assets that were added to the fixed asset register at 31 March 2010

## 3) Trust Statement

There is a statutory requirement that income and expenditure relating to monies collected on behalf of third parties be recorded in the Trust Statement. The adjustment to the comparative figure is the removal of safety camera income and expenditure and has a nil net effect on both the Statement of Comprehensive Net Expenditure and the Statement of Financial Position.



#### 4) Deferred Income

The adjustment to the comparative figures is due to a change in the method of calculating Deferred Income as a result of a 2010-11 audit recommendation.

#### Impact on Financial Statements

The tables above summarise the overall impact of the above on corresponding amounts in the SoCNE and SoFP with more detailed information within Note 24.

### 3. Analysis of Net Expenditure by Reporting Segment

The Agency's operating segments are determined by the services provided both to external and internal customers assessed.

			2011-12 £'000	Restated 2010-11 £'000		
Aim	Gross	Income	Net	Gross	Income	Net
Segment 1	56,936	(30,547)	26,388	59,638	(28,153)	31,485
Segment 2	8,774	(28)	8,746	8,161	(3)	8,158
Segment 3	13,478	(5)	13,473	13,055	(1)	13,054
<b>Net Operating Costs</b>	<b>79,188</b>	<b>(30,580)</b>	<b>48,608</b>	<b>80,854</b>	<b>(28,157)</b>	<b>52,697</b>
Segment 1	Operations					
Segment 2	Business Support					
Segment 3	Office of the Lord Chief Justice					

### 4. Staff numbers and related costs

Staff costs comprise:

			2011-12 £'000	Restated 2010-11 £'000
	Total	Permanently employed staff	Others	Total
Wages and salaries	19,246	18,924	322	19,362
Social security costs	1,217	1,216	1	1,201
Other pension costs	3,530	3,530	-	3,516
<b>Sub Total</b>	<b>23,993</b>	<b>23,670</b>	<b>323</b>	<b>24,079</b>
Less recoveries in respect of Outward secondments	(799)	(799)	-	(789)
<b>Total net costs *</b>	<b>23,194</b>	<b>22,871</b>	<b>323</b>	<b>23,290</b>

\* Of the total, £Nil has been charged to capital

## Average number of persons employed

The average number of whole-time equivalent persons employed during the year was as follows:

Segment	Total	Permanent staff	Others	2011-12 Number	Restated 2010-11 Number
					Total
1 – Operations	610	593	17		594
2 – Business Support	102	95	7		119
3 – Office of the Lord Chief Justice	35	35	-		29
<b>Total</b>	<b>747</b>	<b>723</b>	<b>24</b>		<b>742</b>

In 2011-12 all contributions were to the Principal Civil Service Pension Scheme (NI) – (PCSPS (NI)). PCSPS (NI) is an unfunded multi-employer defined benefit scheme but the Agency is unable to identify its share of the underlying assets and liabilities. The most up to date actuarial valuation was carried out at 31 March 2007 and details of this valuation are available in the PCSPS (NI) resource accounts.

For 2011-12, employers' contributions of £4,084k to PCSPS (NI) (2010-11: £126k were payable to PCSPS (GB) and £3,614k to PCSPS (NI)) at one of four rates in the range 18.0% to 25.0% (2010-11: 18.0% to 25.0%) of pensionable pay, based on salary bands. The scheme's actuary reviews employer contributions every four years following a full scheme valuation. The salary bands and contribution rates were revised for 2012-13. The rates will be in the range 18.0% to 25.0% and remain unchanged. The contribution rates reflect benefits as they are accrued, not when the costs are actually incurred, and reflect past experience of the scheme.

Employees can 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% of pensionable pay (2010-11: 3% to 12.5%). Employers also match employee contributions up to 3% (2010-11: 3%) of pensionable pay. In addition, employers' contributions of 0.8% of pensionable pay are 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.

As at 31 March 2012, no employees of the Agency opted for a partnership pension account. Employer's contributions were therefore £Nil (2010-11: £Nil).

## Exit Packages

Redundancy and other departure costs have been paid in accordance with the provisions of the Civil Service Compensation Scheme (Northern Ireland), a statutory scheme made under the Superannuation (Northern Ireland) Order 1972. Exit costs

are accounted for in full in the year of departure. Where the department has agreed early retirements, the additional costs are met by the department and not by the Civil Service pension scheme. Ill-Health retirement costs are met by the pension scheme and are not included in the following table;

Exit Package cost band	2011-12			2010-11
	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band	Total number of exit packages by cost band
< £10,000	-	-	-	-
£10,000 - £25,000	-	-	-	1
£25,000 - £50,000	-	-	-	-
£50,000 - £100,000	-	-	-	-
£100,000 - £150,000	-	-	-	-
£150,000 - £200,000	-	-	-	-
<b>Total number of exit packages</b>	-	-	-	<b>1</b>
<b>Total Resource Cost £</b>	-	-	-	<b>12,464</b>

During 2011-12 no members of staff (2010-11: one) opted to leave under an early departure scheme. The resource impact was £Nil (2010-11: £12,464).

### Ill-Health retirement

Two individuals retired on ill-health grounds; the total additional accrued pension liabilities in the year amounted to £2,453.

### Judicial Office Holders

Judicial office holders are mainly covered by the provisions of the Judicial Pensions Scheme (JPS). The terms of most of the pension arrangements are set out in (or in some cases are analogous to), the provisions of two Acts of Parliament, the Judicial Pensions Act 1981 and the Judicial Pensions & Retirement Act 1993 (JUPRA).

The JPS is an unfunded public service scheme, providing pensions and related benefits for members of the judiciary. Participating Judicial Appointing or Administering Bodies make contributions known as ASLCs, to cover the expected cost of benefits under the JPS. ASLCs are assessed regularly by the Scheme's Actuary – The Government Actuary's Department.

The contribution rate required from the Judicial Appointing or Administering Bodies to meet the cost of benefits accruing in the year 2011-12 has been assessed as 32.15% of the relevant judicial salaries (2010-11: 32.15%). This includes an element of 0.25% (2010-11: 0.25%) as a contribution towards the administration costs of the scheme. A contribution rate of 32.15% has been recommended for the year commencing 1 April 2012.

The liability for future payment is not chargeable to the Agency but is a charge on the JPS. The Agency is unable to identify its share of the underlying assets and liabilities. There is a separate scheme statement for the JPS as a whole and a full actuarial valuation was carried out as at 31 March 2005. Details of the Resource Accounts of the Ministry of Justice: Judicial Pensions Scheme can be found on the Ministry of Justice website ([www.justice.gov.uk](http://www.justice.gov.uk)).

## 5. Other Administration Costs

		2011-12		Restated 2010-11	
	Note	£'000	£'000	£'000	Restated £'000
<b>Rentals under operating leases:</b>					
Hire of plant and machinery		23		7	
Rentals for accommodation		389		402	
			<b>412</b>		<b>409</b>
<b>Non-cash items</b>					
Depreciation	8	1,877		1,020	
Amortisation	9	44		84	
Loss on disposal of property, plant and equipment		64		25	
Increase/(decrease) in bad debt provision		39		(16)	
Auditors' remuneration and expenses		85		50	
Provision provided for in the year	13	225		443	
Provision not required written back	13	(162)		(339)	
Unwinding of discount	13	15		1	
			<b>2,187</b>		<b>1,268</b>
<b>Other expenditure</b>					
Court Security		79		134	
Information Technology		662		725	
Building Rates		241		161	
Legal Claims & Costs		217		(250)	
Consultancy		124		430	
Other Costs		891		824	
			<b>2,214</b>		<b>2,024</b>
<b>Total</b>			<b>4,813</b>		<b>3,701</b>

## 6. Programme Costs

		2011-12		Restated 2010-11	
	Note	£'000	£'000	£'000	Restated £'000
<b>Rentals under operating leases</b>					
Hire of plant and machinery		62		38	
Rentals for accommodation		516		498	
			578		536
<b>PFI service charges:</b>					
Service element of PFI contracts		2,500		2,175	
Interest charges: Finance leases		1,299		1,369	
			3,799		3,544
<b>Non-cash items</b>					
Depreciation	8	6,652		5,483	
Amortisation	9	787		1,079	
Loss on disposal of property, plant and equipment		-		318	
Loss on disposal of Intangible Assets		-		41	
Auditors remuneration and expenses		18		18	
Provision provided in the year	13	452		3,992	
Provision not required written back	13	(29)		-	
Unwinding of Discount	13	200		200	
			8,080		11,131
<b>Other expenditure</b>					
Court Security		5,575		5,481	
Information Technology		4,254		4,206	
Building Rates		2,442		2,385	
Legal Claims and Costs		159		-	
Consultancy		-		17	
Tribunals Member Fees		3,644		3,280	
Other		7,308		7,943	
			23,382		23,312
<b>Judicial costs (Non-consolidated fund)</b>					
Judicial costs		4,884		5,003	
Judicial pensions		2,705		2,740	
			7,589		7,743
<b>Consolidated Fund standing services</b>					
Judicial wages and salaries		6,872		6,818	
Judicial social security costs		881		779	
			7,753		7,597
<b>Total</b>			51,181		53,863

## 7. Income

	2011-12 £'000	Restated 2010-11 £'000
	Total	Total
Court Fees	25,532	24,036
Recovery of Tribunals	3,188	2,830
Other Income	1,860	1,291
	<b>30,580</b>	<b>28,157</b>

Other income relates to income from other sources which are not arising from court fees. This includes rental of court room accommodation, recovery of costs associated with the operation of the CFO and recovery of costs associated with the provision of the service of the Official Solicitor.

An analysis of fees and charges from civil business services provided to external and public sector customers is as follows:

	2011-12			2010-11		
	Income £'000	Full Cost £'000	Surplus/ (deficit) £'000	Income £'000	Full Cost £'000	Surplus/ (deficit) £'000
Court Service	24,819	24,457	362	22,460	22,770	(310)
- Civil Business						
	<b>24,819</b>	<b>24,457</b>	<b>362</b>	<b>22,460</b>	<b>22,770</b>	<b>(310)</b>

Income shown is in respect of civil fee earning business and has been accounted for in accordance with HM Treasury Fees and Charges Guide.

The Agency is committed to achieving full cost recovery for the services it provides in respect of civil court business. The income for 2011-12 represents 101% of cost recovery (2010-11: 99%). Further information on the Civil Fees Review can be found in the Management Commentary.

The civil business fee recovery target above is based on expenditure net of exemptions and remissions. Applicants in receipt of certain means-tested benefits are entitled to automatic fee exemption. Remission of fees is considered on an individual basis and is granted in cases of hardship. Total fees remitted during 2011-12 amounted to £9.9k (2010-11: £2.1k).

## 8. Property, Plant and Equipment

	Land £'000	Buildings £'000	Information Technology £'000	Plant & Machinery £'000	Furniture & Fittings £'000	Payments on Account & Assets under Construction £'000	Total £'000
<b>Cost or valuation</b>							
At 1 April 2011	33,027	181,293	3,244	2,908	3,397	-	223,869
Additions	-	835	1,810	82	8	355	3,090
Disposals	-	(1,405)	7	(603)	(2,652)	-	(4,653)
Revaluations	(3,963)	6,561	3	(111)	9	-	2,499
<b>At 31 March 2012</b>	<b>29,064</b>	<b>187,284</b>	<b>5,064</b>	<b>2,276</b>	<b>762</b>	<b>355</b>	<b>224,805</b>
<b>Depreciation</b>							
At 1 April 2011	-	10,723	333	969	2,354	-	14,379
Charged in year	-	6,473	811	626	618	-	8,528
Disposals	-	(1,389)	8	(556)	(2,652)	-	(4,589)
Revaluations	-	375	-	(28)	3	-	350
<b>At 31 March 2012</b>	<b>-</b>	<b>16,182</b>	<b>1,152</b>	<b>1,011</b>	<b>323</b>	<b>-</b>	<b>18,668</b>
<b>Net book value at 31 March 2012</b>	<b>29,064</b>	<b>171,102</b>	<b>3,912</b>	<b>1,265</b>	<b>439</b>	<b>355</b>	<b>206,137</b>
<b>Net book value at 31 March 2011</b>	<b>33,027</b>	<b>170,570</b>	<b>2,911</b>	<b>1,939</b>	<b>1,043</b>	<b>-</b>	<b>209,490</b>
<b>Asset financing:</b>							
Owned	29,064	131,833	3,912	1,265	439	355	166,868
On balance sheet - PFI contracts	-	39,269	-	-	-	-	39,269
<b>Net book value at 31 March 2012</b>	<b>29,064</b>	<b>171,102</b>	<b>3,912</b>	<b>1,265</b>	<b>439</b>	<b>355</b>	<b>206,137</b>



	Land £'000	Buildings £'000	Information Technology £'000	Plant & Machinery £'000	Furniture & Fittings £'000	Payments on Account & Assets under Construction £'000	Total £'000
<b>Cost or valuation</b>							
At 1 April 2010	38,855	174,204	15,123	2,346	3,420	-	233,948
Additions	-	3,008	2,903	405	20	-	6,336
Disposals	-	-	(14,768)	-	-	-	(14,768)
Revaluations	(5,828)	4,081	(14)	157	(43)	-	(1,647)
<b>At 31 March 2011</b>	<b>33,027</b>	<b>181,293</b>	<b>3,244</b>	<b>2,908</b>	<b>3,397</b>	<b>-</b>	<b>223,869</b>
<b>Depreciation</b>							
At 1 April 2010	-	5,180	14,501	448	2,130	-	22,259
Charged in year	-	5,422	339	492	250	-	6,503
Disposals	-	-	(14,425)	-	-	-	(14,425)
Revaluations	-	121	(82)	29	(26)	-	42
<b>At 31 March 2011</b>	<b>-</b>	<b>10,723</b>	<b>333</b>	<b>969</b>	<b>2,354</b>	<b>-</b>	<b>14,379</b>
<b>Net book value at 31 March 2011</b>	<b>33,027</b>	<b>170,570</b>	<b>2,911</b>	<b>1,939</b>	<b>1,043</b>	<b>-</b>	<b>209,490</b>
<b>Net book value at 31 March 2010</b>	<b>38,855</b>	<b>169,024</b>	<b>622</b>	<b>1,898</b>	<b>1,290</b>	<b>-</b>	<b>211,689</b>
<b>Asset financing:</b>							
Owned	33,027	131,302	2,911	1,939	1,043	-	170,222
On Balance Sheet - PFI contracts	-	39,268	-	-	-	-	39,268
<b>Net book value at 31 March 2011</b>	<b>33,027</b>	<b>170,570</b>	<b>2,911</b>	<b>1,939</b>	<b>1,043</b>	<b>-</b>	<b>209,490</b>

## Notes

IAS 16 requires measurement of assets at fair value.

Land and buildings were valued as at 31 March 2009 by the Land and Property Service (LPS). The valuation was carried out by the LPS in accordance with the RICS Appraisal and Valuation Manual. In accordance with the accounting policy the Land and Buildings have been revalued using appropriate indices as provided by LPS. Indices for assets other than land and buildings were obtained from ONS MM17 Price Index Numbers for Current Cost Accounting as at March 2012.

Antiques have been included in the Furniture and Fittings classification and are professionally valued every five years. The valuation was carried out at the 31 March 2009 by Hugh Boyd BSc (Econ.) M.I.P.A.V. The market value was £73,775.

**Asset Disposals** - During the period the Agency disposed of Headline Building and there were assets disposed of as part of the verification project. The resulting impact was a loss on disposal of both property plant and equipment of £64k which has been reflected within Notes 5 and 6.

There are no donated assets to report.

## 9. Intangible Assets

Intangible assets comprise purchased computer software for the Agency.

	£'000
Cost or valuation	
At 1 April 2011	8,183
Additions	777
Disposals	(51)
Revaluations	8
<b>At 31 March 2012</b>	<b>8,917</b>
<b>Amortisation</b>	
At 1 April 2011	6,894
Charged in year	831
Disposals	(51)
Revaluations	7
<b>At 31 March 2012</b>	<b>7,681</b>
<b>Net Book Value at 31 March 2012</b>	<b>1,236</b>
<b>Net Book Value at 31 March 2011</b>	<b>1,289</b>

	£'000
Cost or valuation	
At 1 April 2010	15,417
Additions	349
Disposals	(7,348)
Revaluations	(235)
<b>At 31 March 2011</b>	<b>8,183</b>
<b>Amortisation</b>	
At 1 April 2010	13,274
Charged in year	1,163
Disposals	(7,307)
Revaluations	(236)
<b>At 31 March 2011</b>	<b>6,894</b>
<b>Net Book Value at 31 March 2011</b>	<b>1,289</b>
<b>Net Book Value at 31 March 2010</b>	<b>2,143</b>

Intangible assets are adjusted to their current value each year by reference to appropriate indices supplied by the Office for National Statistics.

## 10. Trade receivables and other current assets

### 10.1 Analysis by type

	2011-12 £'000	Restated 2010-11 £'000	Restated 1 April 2010 £'000
Amounts falling due within one year:			
Trade receivables	-	-	-
Deposits and advances	-	-	-
Value Added Tax	872	1,483	698
Other receivables	2,101	1,037	435
Prepayments and accrued income	3,268	2,945	4,807
<b>Total</b>	<b>6,241</b>	<b>5,465</b>	<b>5,940</b>

Within trade receivables there is a provision for bad debt of £39k. As this is a provision, and therefore a non cash movement, it has been excluded from the movement in trade receivables for inclusion within the Statement of Cash Flow. (2010-11: £Nil).

There are no receivable amounts falling due after more than one year.

There are no amounts included within receivables that will be due to the Northern Ireland Consolidated Fund.

### 10.2 Intra-Government Balances

	Amounts falling due within one year			Amounts falling due after more than one year		
	2011-12 £'000	Restated 2010-11 £'000	Restated 1 April 2010 £'000	2011-12 £'000	Restated 2010-11 £'000	Restated 1 April 2010 £'000
Balances with other central government bodies	5,199	3,569	2,636	-	-	-
Balances with local authorities	-	-	-	-	-	-
<b>Subtotal: intra-government balances</b>	<b>5,199</b>	<b>3,569</b>	<b>2,636</b>	<b>-</b>	<b>-</b>	<b>-</b>
Balances with bodies external to government	1,042	1,897	3,304	-	-	-
<b>Total receivables at 31 March</b>	<b>6,241</b>	<b>5,466</b>	<b>5,940</b>	<b>-</b>	<b>-</b>	<b>-</b>

## 11. Cash and cash equivalents

	2011-12 £'000	2010-11 £'000	2009-10 £'000
Balance at 1 April	(635)	2,841	3,913
Net change in cash and cash equivalent balances	1,268	(3,476)	(1,072)
<b>Balance at 31 March</b>	<b>633</b>	<b>(635)</b>	<b>2,841</b>

The following balances at 31 March were held at:

Office of HM Paymaster General	-	-	2,446
Commercial banks and cash in hand	633	(635)	395
<b>Balance at 31 March</b>	<b>633</b>	<b>(635)</b>	<b>2,841</b>

## 12. Trade payables and other current liabilities

### 12.1 Analysis by type

	2011-12 £'000	Restated 2010-11 £'000	Restated 1 April 2010 £'000
<b>Amounts falling due within one year</b>			
Trade payables	85	60	59
Other payables	1,067	1,083	1,111
Accruals and deferred income	8,256	9,243	9,657
Current part of imputed finance lease element of PFI contracts	791	718	642
Amounts issued from the Consolidated Fund for supply but not spent at year end	-	-	1,960
Consolidated Fund extra receipts due to be paid to the Consolidated Fund received	-	1	-
	<b>10,199</b>	<b>11,105</b>	<b>13,429</b>
<b>Amounts falling due after more than one year</b>			
Imputed finance lease element of PFI contracts	19,274	20,089	21,004
	<b>29,473</b>	<b>31,194</b>	<b>34,433</b>

Other payables includes fines payable to the NICF of £552k (2010-11: £668k, 2009-10: £750k), confiscation orders to the NICF of £96k (2010-11: £291k, 2009-10: £Nil) which are to be reflected in the 2011-12 Trust Statement.

Refer to Note 12.3 which provides detail on fines collected, paid and payable to the NICF.

Within accruals and deferred income are accruals for non-current assets of £1,189k (2010-11: £1,743k, 2009-10: £1,168k).

## 12.2 Intra-Government Balances

	Amounts falling due within one year			Amounts falling due after more than one year		
	Restated	Restated		Restated	Restated	
	2011-12	2010-11	1 April 2010	2011-12	2010-11	1 April 2010
	£'000	£'000	£'000	£'000	£'000	£'000
Balances with other central government bodies	1,880	5,308	4,151	-	-	-
Balances with local authorities	6	28	9	-	-	-
Balances with NHS Trusts	5	-	3	-	-	-
<b>Subtotal: intra-government balances</b>	<b>1,891</b>	<b>5,336</b>	<b>4,163</b>	<b>-</b>	<b>-</b>	<b>-</b>
Balances with bodies external to government	8,308	5,769	9,266	19,274	20,089	21,004
<b>Total payables at 31 March</b>	<b>10,199</b>	<b>11,105</b>	<b>13,429</b>	<b>19,274</b>	<b>20,089</b>	<b>21,004</b>

## 12.3 Summary of fine income payable to the Northern Ireland Consolidated Fund.

The following details of income collected as an agent for the NICF will be disclosed in the agency's Trust Statement which is published separately from these financial statements. Due to the timing of the Trust Statement, the agency has continued to disclose these details for the current year.

The Agency accepts payment for fines imposed in the Magistrates and Crown courts for onward transmission to the NICF via the DOJ. Fines imposed in court can be cleared either by payment or by means other than payment, including committal to prison.

The Agency also receives payment for fines that are imposed externally to the courts including fixed penalties imposed for motoring offences and council imposed fines. These fines are accounted for as NICF income once payment has been received.

Fines are deemed to be outside the scope of the Agency's activities until paid. On collection of fines the receipts are held on trust and accounted for as amounts due to the Consolidated Fund until paid over (see note 12.1).

The income payable to the consolidated fund consisted of the following elements:

	2011-12 £'000	2010-11 £'000
<b>Fine Income Payable to Consolidated fund</b>		
Fines and Penalties:		
Court Imposed fines	7,804	7,925
Confiscation orders	3,321	2,348
Externally imposed fines	2,398	2,784
	<b>13,523</b>	<b>13,057</b>
Less: Fines cleared by means other than payment including committal to prison	(2,268)	(2,070)
Less: Cost of collection externally imposed fines	(104)	(93)
Less: Other deductible expenditure	(872)	(728)
<b>Income Payable to the consolidated fund</b>	<b>10,279</b>	<b>10,166</b>

	2011-12 £'000	2010-11 £'000
<b>Amounts Held On Trust</b>		
Balance held on trust at 1 April	959	751
Fines cleared by receipt of payment	10,854	11,388
Payments to Consolidated Fund	(10,189)	(10,359)
Payments to others	(976)	(821)
<b>Balance held on Trust at 31 March</b>	<b>648</b>	<b>959</b>

For 2011-12, the balance of fines receivable was £16,234k (2010-11: £15,833k) as detailed below:

	2011-12 £'000	2010-11 £'000
Balance receivable at 1 April	15,833	16,234
Amounts Imposed	13,523	13,057
Fines Cleared by receipt of Payment	(10,854)	(11,388)
Fines Cleared by means other than payment including committal to prison	(2,268)	(2,070)
<b>Balance receivable at 31 March</b>	<b>16,234</b>	<b>15,833</b>

### 13. Provisions

	Early departure costs £'000	Legal Claims £'000	Other £'000	Court Funds Office £'000	Total £'000
Balance at 1 April 2011	848	337	3,300	3,729	8,214
Provided in the year	15	238	398	25	676
Provisions not required written back	(10)	(180)	-	-	(190)
Provisions utilised in the year	(280)	(82)	(166)	-	(528)
Provisions settled from Consolidated Fund			(332)		(332)
Unwinding of Discount on provisions	15	-	200	-	215
Actuarial loss	-	-	500	-	500
<b>Balance at 31 March 2012</b>	<b>588</b>	<b>313</b>	<b>3,900</b>	<b>3,754</b>	<b>8,555</b>

	Early departure costs £'000	Legal Claims £'000	Other £'000	Court Funds Office £'000	Total £'000
Balance at 1 April 2010	1,437	312	3,000	-	4,749
Provided in the year	60	383	263	3,729	4,435
Provisions not required written back	(30)	(309)	-	-	(339)
Provisions utilised in the year	(620)	(49)	(263)	-	(932)
Provisions settled from Consolidated Fund	-	-	-	-	-
Unwinding of Discount on provisions	1	-	200	-	201
Actuarial loss	-	-	100	-	100
<b>Balance at 31 March 2011</b>	<b>848</b>	<b>337</b>	<b>3,300</b>	<b>3,729</b>	<b>8,214</b>

Analysis of expected timing of discounted flows:

	Early departure costs £'000	Legal Claims £'000	Other £'000	Court Funds Office £'000	Total £'000
Not later than one year	250	313	510	3,754	4,827
Later than one year and not later than five years	289	-	1,700	-	1,989
Later than five years	49	-	1,690	-	1,739
<b>Balance at 31 March 2012</b>	<b>588</b>	<b>313</b>	<b>3,900</b>	<b>3,754</b>	<b>8,555</b>

#### 13.1 Early departure costs

The Agency meets the additional costs of benefits beyond the normal PCSPS benefits in respect of employees who retire early by paying the required amounts annually to the PCSPS over the period between early departure and normal retirement date. The Agency provides for this in full when the early retirement

programme becomes binding by establishing a provision for the estimated payments discounted by the Treasury discount rate of 2.2% in real terms.

### **13.2 Legal Claims**

Provision has been made for various legal claims against the Agency. The provision reflects all known claims where legal advice indicates that there is a present obligation due to a past event and payment is probable and the amount of the claim can be reliably estimated. The amount provided is on a percentage expected probability basis. The provision is based on the estimated cash flow. No reimbursement will be received in respect of any of these claims. Legal claims, which may succeed but are less likely to do so or cannot be estimated reliably, are disclosed as contingent liabilities in Note 19.

### **13.3 Other**

Provision has been made for a long service award for members of the judicial pension scheme. The purpose of the long service award is that, subject to any future changes in legislation, the award will compensate for any Tax or National Insurance charges on lump sums payable from the deregistered judicial pension schemes on retirement, whatever the personal circumstances of the judge or their other pension benefits.

### **13.4 Courts Funds Office: Stockbroker management Fees**

Between 1996 and 2010, the CFO deducted stockbroker management fees directly from clients' accounts. Legal advice had been received which suggested that there was a doubt as to whether it was permissible to deduct such fees in the absence of express legislative authority.

An application to the High Court was made for a declaration on the correctness of past deductions and a provisional judgment was delivered on 19 April 2012. There are a number of matters within the judgment for which NICTS are seeking clarification on from the court, so a final judgment has not been issued. However, the provisional judgment has indicated that, prior to the 5 July 2011, the Court Funds Office did not have the power to deduct stockbroker management fees from clients' funds.



## 14. Capital commitments

	2011-12 £'000	2010-11 £'000
IT Hardware and Software	4,891	4,658
Property Plant and Equipment	923	423
<b>Contracted capital commitments at 31 March 2012</b>	<b>5,814</b>	<b>5,081</b>

## 15. Commitments under leases

### 15.1 Operating leases

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

	2011-12 £'000	2010-11 £'000
Obligations under operating leases comprise:		
<b>Land:</b>		
Not later than one year	-	-
Later than one year and not later than five years	-	-
Later than five years	-	-
	-	-
<b>Buildings:</b>		
Not later than one year	839	963
Later than one year and not later than five years	2,319	2,696
Later than five years	1,871	2,271
	<b>5,029</b>	<b>5,930</b>
<b>Other:</b>		
Not later than one year	25	8
Later than one year and not later than five years	4	-
Later than five years	-	-
	<b>29</b>	<b>8</b>

### 15.2 Finance leases

The Agency had no finance leases operating during the year.

## 16. Commitments under PFI contracts

### 16.1 Laganside Complex

During February 1999, the Agency entered into a Public Finance Initiative (PFI) agreement with a private sector provider for the provision and maintenance of a high quality court complex in Belfast.

In accordance with the agreement, service charges became payable with effect from February 2002 to December 2026 and these are charged to the SoCNE. The court complex has been accounted for as an asset of the Agency.

Total obligations under on balance sheet (SoFP) Service Concession arrangements for the following period comprise:

	2011-12 £'000	2010-11 £'000
Not later than one year	2,007	2,005
Later than one year and not later than five years	8,035	8,024
Later than five years	19,591	21,549
	<b>29,633</b>	<b>31,578</b>
Less interest element	(9,568)	(10,772)
<b>Total</b>	<b>20,065</b>	<b>20,806</b>

## 16.2 Present Value of obligations under on balance sheet (SoFP) service concession arrangements for the following periods comprises:

	2011-12 £'000	2010-11 £'000
Not later than one year	791	718
Later than one year and not later than five years	3,997	3,694
Later than five years	15,277	16,394
<b>Total</b>	<b>20,065</b>	<b>20,806</b>

## 16.3 Charge to the Statement of Comprehensive Net Expenditure and future commitments

The total amount charged in the SoCNE in respect of the service element of on balance sheet (SoFP) PFI transactions was £2,500k (2010-11: £2,175k); and the payments to which the Agency is committed is as follows.

	2011-12 £'000	2010-11 £'000
Not later than one year	2,260	1,901
Later than one year and not later than five years	7,353	7,686
Later than five years	20,173	21,270
<b>Total</b>	<b>29,786</b>	<b>30,857</b>

## 17. Other financial commitments

The Agency has entered into a five year contract with Fujitsu Services for the provision of ICT services. The future capital commitments in revenue terms are approximately £16.6m. There are no other contracted non-capital commitments at 31 March 2012.

## **18. Financial instruments**

IAS 32 Financial Instruments: Presentation, and IFRS 7 Financial Instruments: Disclosures, requires disclosure that enables evaluation of the significance of financial instruments for the Agency's financial position and performance, the nature and extent of risks arising from financial instruments to which the Agency is exposed during the period and at the reporting date, and how the Agency manages those risks. As a result of the non-trading nature of its activities and the way in which Agencies are financed, the Agency is not exposed to the degree of financial risk faced by business entities.

The Agency has no powers to borrow or invest surplus funds. Financial assets and liabilities are generated by day-to-day operational activities and are not held to change risks facing the Agency in undertaking its activities.

### **Classification of financial instruments**

All Agency financial instruments are measured at amortised cost. The Agency's financial assets are classified as receivables and comprise trade and other receivables Note 10 and cash and cash equivalent Note 11. The Agency's financial liabilities comprise trade payables excluding tax assets, accruals and deferred income Note 12. The carrying value of these financial assets and liabilities, as disclosed in the notes to the accounts, approximates to fair value because of their short maturities. The Agency recognises the components of net gain/loss through the SoCNE.

### **Risk Management**

Financial risks include credit risk, liquidity risk and market risks (interest rate and currency).

#### **Credit risk**

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Agency is not exposed to significant credit risk and manages its exposure via credit risk management policies which require review of the credit history of the organisations that the Agency wishes to trade with. Publicly available credit information from recognised providers is utilised for this purpose where available. The maximum exposure to credit risk is represented by the carrying amounts of the trade receivables carried in the SoFP.

#### **Liquidity risk**

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

The Agency's financial assets of £633k (2010-11: £Nil), found in Note 11, are non-interest bearing financial assets and comprise of cash and cash equivalents. Cash and cash equivalents are held in sterling and are available on demand.

### Currency Risk

Currency risk is the risk that the fair value of future cashflows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Agency does not have the authority to manage currency risk through hedging.

### Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. All of the Agency's financial assets and liabilities carry nil or fixed rates of interest. The Agency is therefore not exposed to any interest rate risk.

### Embedded Derivatives

In accordance with IAS 39, Financial Instruments: Recognition and measurement, the Agency has reviewed all contracts for embedded derivatives that are required to be separately accounted for if they do not meet certain requirements set out in the standard. In relation to the Agency's Laganside PFI contract there is a payment mechanism that determines the charge the Agency will pay from 2009 to 2026 which is based on the UK retail price index (RPI) and UK Gross Domestic Product Index (GDP). The embedded derivative is deemed to be closely related to the host contract as the amounts charged are in relation to the economic environment within which the Agency operates.

## 19. Contingent liabilities disclosed under IAS 37

The Agency has contingent liabilities where the possibility of the liability crystallising is judged to be possible. Unless otherwise stated, the quantum of the liability can either not be determined with reasonable certainty or to quantify it would jeopardise the outcome of the case.

### 19.1 Legal Claims and Costs

There is an estimated contingent liability of £395k (2010-11: £321k) in relation to legal claims and costs; further information is disclosed within note 13.2.

Legal cases pending

2011-12	
£'000	
	395
	<b>395</b>

There are further contingent liabilities upon which it is not possible to put a value. It is the Agency's assertion that these claims are unsubstantiated.

### **19.2 Fee paid judicial office holders' pension rights**

There are a number of Employment Tribunal cases relating to fee paid judicial office holders claiming retrospective pension rights against the Agency. These cases are stayed pending the outcome of a similar case against Ministry of Justice. This case is scheduled to be heard in the Supreme Court on the 4 July 2012, however NICTS do not expect a judgment to be made at this time. The implications of any potential decisions taken at this hearing that may adversely affect NICTS could not be reliably estimated before the laying of the accounts.

### **19.3 Data Breach Fine**

A data breach by a Tribunal has been reported by the Agency to the Information Commissioner's Office. An investigation into the circumstances which lead to the breach is on-going and could result in a fine imposed on the Agency.

### **19.4 Legacy Inquests**

The programme of legacy inquests will create a budgetary pressure in future years. This is currently unquantifiable as there is not yet an agreement on the best model for delivery of these high profile inquests.

## **20. Losses and special payments**

During the year, there were 15 cases totalling £8,380 (2010-11: 21 cases totalling £16,785).

## **21. Related-party transactions**

The Agency is an executive Agency of the DOJ. The DOJ is regarded as a related party. During the year, the Agency has had various material transactions with the Department, and with other entities for which the DOJ is regarded as the parent Department, namely the Police Service of Northern Ireland, the NIPS, the Compensation Agency, the Youth Justice Agency and the NILSC. In addition, the Agency has had various material transactions with other government departments and other central government bodies.

During the year, no Board members have undertaken any material transactions with the Agency.

The Director, David Lavery is on the board of SLS Legal Publications. SLS Legal Publications received payments in the 2011-12 financial year totalling £37,142 (2010-11: £43,117). His wife is a fee paid office holder of the Mental Health Review

Tribunal and the Appeal Tribunals. She received fees totalling £48,948 (2010-11: £41,355).

Geraldine Fee's husband was a Lay Magistrate for the Agency during the period. As a Lay Magistrate he received payments totalling £1,024 (2010-11: £1,092).

Siobhan Broderick's husband was a fee paid Deputy Judge during the period. As a fee paid Deputy Judge he received payments totalling £39,312 (2010-11: £34,983). Her sister in law is a solicitor employed by P Fahy Solicitors. P Fahy Solicitors received payments in the 2011-12 financial year totalling £34,925 (2010-11: £104,471).

Sharon Hetherington's husband is employed by PricewaterhouseCoopers. PricewaterhouseCoopers received payments in the 2011-12 financial year totalling £36,000 (2010-11: £329,551).

## 22. Third-party assets

The Agency holds as custodian or trustee certain assets belonging to third parties.

### Third Party Monetary Assets

The Agency, through the CFO, continues to provide a banking and investment service for funds that are deposited in court. The investment service is carried out by an external service provider. Examples of the types of funds include monies held for minors until they attain the majority, certain assets of some mental health patients, and payments into court in satisfaction of a claim as well as statutory deposits and unclaimed balances in court.

These are not the Agency's assets and are not included in the accounts. The assets held at the reporting date to which it was practical to ascribe monetary values, comprised monetary assets such as bank balances and monies on deposit, and listed securities. They are set out in the table immediately below:

	31 March 2011 £'000	Gross inflows £'000	Gross outflows £'000	31 March 2012 £'000
Monetary assets such as bank balances and monies on deposit	104,994	129,612	(146,984)	87,622
Listed securities	165,767	99,941	(65,320)	200,388
<b>Total Third Party Assets</b>	<b>270,761</b>	<b>229,553</b>	<b>(212,304)</b>	<b>288,010</b>

### Third Party Inventory Assets

The Official Solicitor may be appointed to act as a financial controller for persons deemed by the courts to be incapable of managing their financial affairs and assets. In such capacity the Official Solicitor acts as custodian of a number of property

assets. Title deeds for property may also be held by the court service as security or bails in relation to legal actions.

Other significant assets held at the balance sheet date to which it was not practical to ascribe monetary values comprised:

	31 March 2012 Number	31 March 2011 Number
Property assets	794	877

## **23. Entities within the accounting boundary**

### **Entities within the accounting boundary**

The accounting boundary incorporates only the core Agency.

The funds invested by the CFO are specifically excluded from the accounting boundary, following HM Treasury guidance. Third party monies are similarly excluded.

CFO publish separate audited financial accounts.

## **24. Corresponding amounts**

During the financial year 2011-12, the following changes took place as detailed within Note 2;

- 1) Machinery of Government Changes;
- 2) PPE;
- 3) Trust Statement; and
- 4) Deferred Income.

## Statement of Comprehensive Net Expenditure for the year ended 31 March 2011

	2010-11 Published Resource Accounts £'000	Machinery of Government Adjustments Tribunals £'000	Machinery of Government Adjustments DOJ Transfer £'000	PPE £'000	Trust Statement Adjustment £'000	Deferred Income £'000	Restated 2010-11 £'000
<b>Administration costs</b>							
Staff costs	6,406	-	(2,430)	-	-	-	3,976
Other administration costs	3,786	-	(85)	-	-	-	3,701
Operating Income	-	-	-	-	-	-	-
<b>Programme costs</b>							
Staff costs	19,126	188	-	-	-	-	19,314
Programme costs	155,982	116	(101,598)	91	(728)	-	53,863
Operating Income	(29,639)	863	-	-	728	(109)	(28,157)
<b>Net Operating Cost</b>	<b>155,661</b>	<b>1,167</b>	<b>(104,113)</b>	<b>91</b>	<b>-</b>	<b>(109)</b>	<b>52,697</b>

## Impact on Financial Statements

The tables below summarise the overall impact of the above on corresponding amounts in the SoCNE and SoFP.



## Statement of Financial Position as at 31 March 2011

	2010-11 Published Resource Accounts £'000	Machinery of Government Adjustments Tribunals £'000	Machinery of Government Adjustments DOJ Transfer £'000	PPE £'000	Trust Statement Adjustment £'000	Deferred Income £'000	Restated 2010-11 £'000
<b>Non-current assets:</b>							
Property, plant and equipment	209,008	-	-	482	-	-	209,490
Intangible assets	1,289	-	-	-	-	-	1,289
<b>Current assets:</b>							
Trade and other receivables	5,566	(187)	(7)	-	93	-	5,465
Cash and cash equivalents	-	-	-	-	-	-	-
<b>Liabilities:</b>							
Cash and cash equivalents	(635)	-	-	-	-	-	(635)
Trade and other payables	(12,882)	-	324	-	(93)	1,546	(11,105)
Provisions	(8,914)	-	700	-	-	-	(8,214)
Other payables	(20,088)	-	(1)	-	-	-	(20,089)
	173,344	(187)	1,016	482	-	1,546	176,201
<b>Taxpayer's Equity:</b>							
General Fund	58,209	(187)	1,016	476	-	1,546	61,060
Revaluation Reserve	115,135	-	-	6	-	-	115,141
	173,344	(187)	1,016	482	-	1,546	176,201

**Statement of Financial Position as at 31 March 2010**

	2009-10 Published Resource Accounts £'000	Machinery of Government Adjustments Tribunals £'000	Machinery of Government Adjustments DOJ Transfer £'000	PPE £'000	Deferred Income £'000	Restated 2009-10 £'000
				<b>Non-current assets:</b>		
Property, plant and equipment	211,121	-	-	568	-	211,689
Intangible assets	2,143	-	-	-	-	2,143
<b>Current assets:</b>						
Trade and other receivables	6,374	(425)	(9)	-	-	5,940
Cash and cash equivalents	2,841	-	-	-	-	2,841
<b>Liabilities:</b>						
Trade and other payables	(15,361)	-	495	-	1,437	(13,429)
Provisions	(4,749)	-	-	-	-	(4,749)
Other payables	(21,004)	-	-	-	-	(21,004)
	<b>181,365</b>	<b>(425)</b>	<b>486</b>	<b>568</b>	<b>1,437</b>	<b>183,431</b>
<b>Taxpayer's Equity:</b>						
General Fund	64,535	(425)	486	568	1,437	66,601
Revaluation Reserve	116,830	-	-	-	-	116,830
	<b>181,365</b>	<b>(425)</b>	<b>486</b>	<b>568</b>	<b>1,437</b>	<b>183,431</b>

**25. Events after the reporting period**

On the 1 May 2012 the Parole Commissioners transferred to the NICTS.

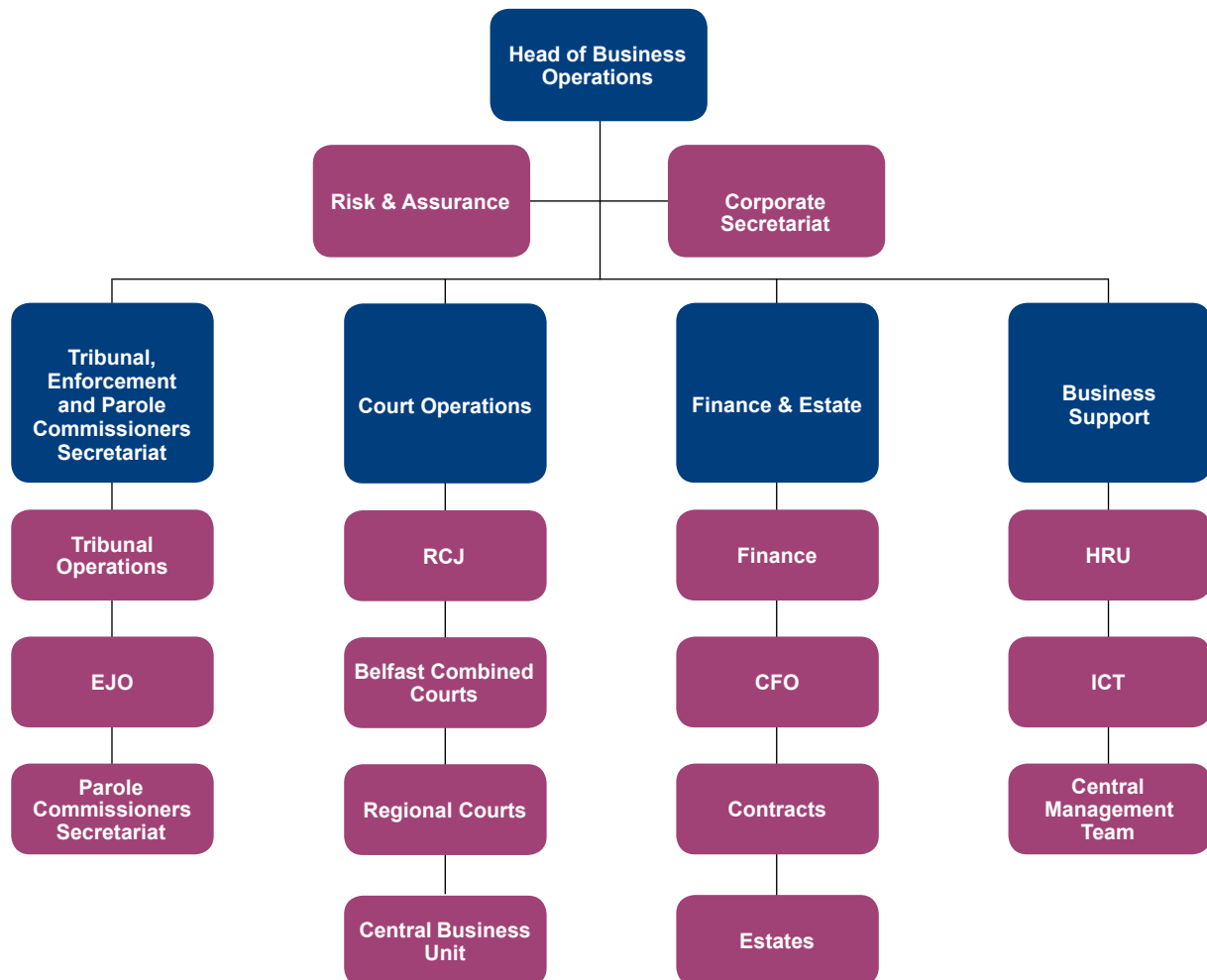
There is no impact on the 2011-12 financial statements arising from the transfer.

There were no other material events post the SoFP, for the year ended 31 March 2012.

The Accounting Officer authorised these financial statements for issue on the same date that they were certified by the C&AG.

## PART 5 APPENDICES

### Annex A Northern Ireland Courts and Tribunals Service Organisational Chart 2012



## Annex B Staffing

At the end of March 2012, the number of staff employed by the Agency was 763. A breakdown is provided below.

Staff Complement	
Business Operations Division	601
Business Support Division	101
Office of the Lord Chief Justice	43
Management Board/ MB Secretariat/Personal Secretaries/Communications Group	18
<b>Total</b>	<b>763</b>

The majority of our staff joins the Agency at the entry grade of Administrative Officer.

Specialised posts are advertised as required throughout the year. These would include professionally qualified legal and accountancy appointments.

Staff Complement	
Administrative Assistant	8
Administrative Officer	338
Executive Officer 2	14
Executive Officer 1	248
Staff Officer	78
Deputy Principal	41
Principal Officer	28
Grade 6	5
Grade 5	2
Grade 3	1
<b>Total</b>	<b>763</b>

## **Annex C Court and Tribunal Performance Standards 2011-12**

### **Criminal Business**

To facilitate the efficient disposal of criminal business<sup>2</sup>

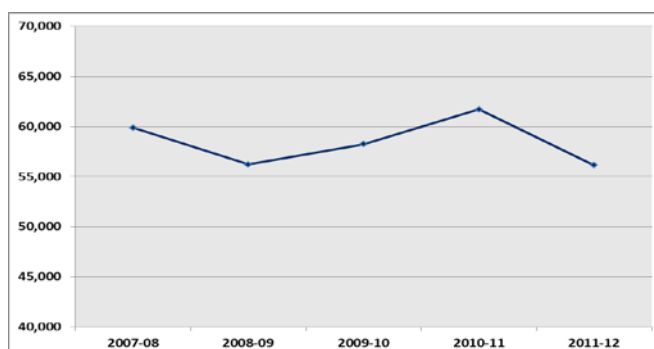
- 80% of Crown Court defendants will be arraigned within six weeks of committal;  
(In 2011-12 we achieved 85%)
- 80% of Crown Court defendants will start their trial within 18 weeks of committal;  
(In 2011-12 we achieved 75%)
- 80% of Crown Court defendants will be sentenced within six weeks of a plea or finding of guilt;  
(In 2011-12 we achieved 79%)
- 80% of Magistrates' Courts adult defendants will have their case disposed of within nine weeks of first listing;  
(In 2011-12 we achieved 81%)
- A finding will be reached within 12 weeks from first listing for 80% of youth court defendants.  
(In 2011-12 we achieved 82%)
- 90% of Court of Appeal defendants will have their case listed within three weeks;  
(In 2011-12 we achieved 100%)
- 98% of Causeway Service Level Agreement resulting targets will be achieved;  
(In 2011-12 we achieved 98%)
- 98% of Court of Appeal, Crown Court, Magistrates Court and youth court orders will be produced and issued within five working days.  
(In 2011-12 we achieved 97%)

The chart below shows the levels of criminal business received over the past five years.

---

<sup>2</sup> These Standards, with the exception of the Court of Appeal, Causeway and Court Order Standards, are set by the Lord Chief Justice.

Figure 1: Criminal Business Received



### Criminal Court Business – Volumes, Disposals and Performance

Business Volumes Received	2011-12	% difference*
Total Criminal business	56,147	-9%
Crown Court cases	1,645	1%
Magistrates' adult defendants	51,807	-8%
Magistrates' youth defendants	2,695	-22%
Business Volumes disposed		
Total criminal business	56,950	-4%
Crown Court cases	1,579	24%
Magistrates' adult defendants	52,496	-4%
Magistrates' youth defendants	2,875	-15%
Sittings		
Total criminal sittings	6,570	-1%
Crown Court	2,540	-1%
Magistrates' adult	3,497	0%
Magistrates' youth	533	-3%
Performance against a target of 80% compliance		
Crown Court <sup>3</sup>	75%	-6%
Magistrates' adult	81%	0%
Magistrates' youth	82%	4%

\* compared with equivalent data for the 2010-11 period

<sup>3</sup> Committal to hearing target

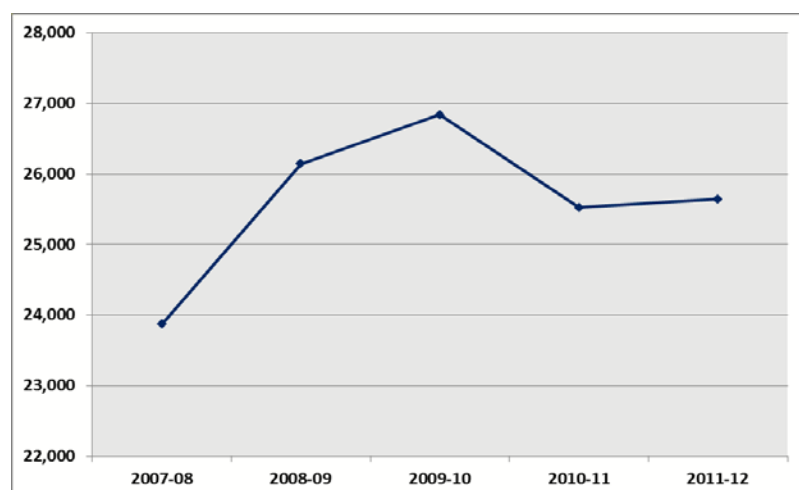
## Civil Business

To facilitate the efficient disposal of civil business

- 98% of Queens Bench writs set down will be listed within three months of being set down;  
(In 2011-12 we achieved 98%)
- 98% of Personal Injury and Clinical Negligence writs will be listed within three months of receipt of the Certificate of Readiness;  
(In 2011-12 we achieved 100%)
- 98% of civil bills will be listed for hearing within 16 weeks of receiving a Certificate of Readiness;  
(In 2011-12 we achieved 100%)
- 97% of small claims default decrees will be issued within five working days of applicant's request;  
(In 2011-12 we achieved 95%)
- 97% of mortgage applications will be listed for hearing within six weeks;  
(In 2011-12 we achieved 100%)
- 97% of creditors' petitions will be listed for hearing within six weeks.  
(In 2011-12 we achieved 100%)
- 95% of High Court and County Court Orders will be produced and issued within five working days of request or requisition;  
(In 2011-12 we achieved 93%)

The chart below shows the levels of civil business received over the past five years.

Figure 2: Civil Business Received



**Civil Court Business – Volumes, Disposals and Performance**

<b>Business Volumes Received</b>	<b>2011-12</b>	<b>% difference*</b>
Total civil business	25,650	0%
Civil Bills (Notice of Intentions to Defend)	7,053	-8%
Small Claims	13,039	1%
Writs set down	1,971	38%
Mortgages received	3,587	3%
<b>Business Volumes disposed</b>		
Total civil business	30,377	-2%
Ordinary Civil Bills	10,939	-5%
Small Claims	10,658	-12%
Writs disposed	6,093	33%
Mortgages disposed	2,687	-2%
<b>Sittings</b>		
Total civil sittings	2,865	-2%
County Court	2,088	-4%
Queen's Bench	569	5%
Chancery	208	0%
<b>Performance against a target of compliance</b>		
Civil Bills (98%)	100%	0%
Small Claims (97%)	95%	-4%
Writs set down (98%)	98%	0%
Mortgages received (97%)	100%	5%

\* compared with equivalent data for the 2010-11 period



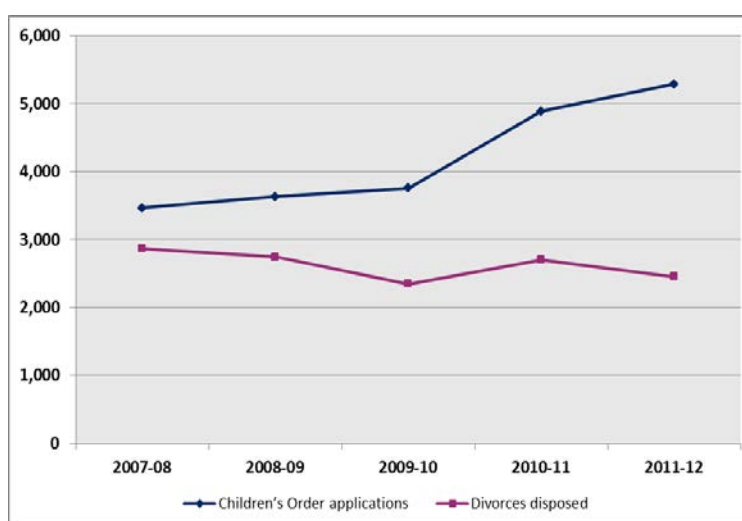
## Family Business

To facilitate the efficient disposal of family business <sup>4</sup>

- 90% of Children Order application will be listed for hearing within six weeks of receipt of correct papers;  
(In 2011-12 we achieved 99%)
- 95% of Office of Care and Protection annual case reviews will be carried out within six weeks of receipt of complete Controllers' accounts;  
(In 2011-12 we achieved 99%)
- 95% of applications for controllership orders (where no objection has been lodged) will be issued within 14 days of receipt of all required paperwork;  
(In 2011-12 we achieved 97%)
- 97% of undefended divorces will be listed for hearing within six weeks of receipt of certificate of readiness.  
(In 2011-12 we achieved 98%)
- 95% if High Court Orders (Children Orders) will be produced and issued with 15 working days of the court hearing  
(In 2011-12 we achieved 97%)
- 95% of Family Care Centre and Family proceedings Court Orders will be produced and issued within five workings days of the court hearing  
(In 2011-12 we achieved 96%)

The chart below shows the levels of family business received over the past five years.

Figure 3: Family Business Disposed



<sup>4</sup> The courts seek to attain the requirement prescribed in the Children (Northern Ireland) Order 1995 that any matter relating to children will be dealt with expeditiously. Any steps in the process will be informed by that statutory imperative and by the provisions of the Case Management Protocol for Public Law cases.

**Family Court Business – Volumes, Disposals and Performance**

<b>Business Volumes Received</b>	<b>2011-12</b>	<b>% difference*</b>
Children Order applications	5,873	6%
Divorces received	2,807	9%
<b>Business Volumes disposed</b>		
Children Order applications	5,290	8%
Divorces disposed	2,457	-9%
<b>Sittings</b>		
Children Order	1,779	-6%
<b>Performance against a target of 90% compliance</b>		
Children Order	99%	8%

\* compared with equivalent data for the 2010-11 period

**Coroners Service Business**

To facilitate the efficient disposal of Coroners Service business

- 97% of all deaths investigated that do not require a post mortem examination will have the certificate of registration issued to the Registrar of Deaths within three working days of the death being reported to the Coroner;  
(In 2011-12 we achieved 98%)
- 92% of all deaths that require a post mortem examination and that examination reveals a natural cause of death will have the certificate of registration issued to the Registrar of Deaths within five working days of receipt of the post mortem report;  
(In 2011-12 we achieved 93%)
- 90% of inquests will have a hearing fixed within 28 days of the Coroner's direction to list.  
(In 2011-12 we achieved 97%)

## Enforcement of Judgments Office

Our targets for the EJO were to

- Issue 90% of notices of intention within three days of receipt: 93% issued
- Accept 90% of enforcement applications within eight days: 97% accepted
- Complete 85% of repossessions within 26 weeks of acceptance: 85% completed.
- Issue summonses for interview in 90% of all debt cases within 25 days of acceptance: 62% completed.
- Accept 90% of taxation applications within 22 days: 97% accepted
- Issue 95% of taxation assessments within 13 days: 59% issued

## Enforcement of Judgments Office Business

Business Volumes	2011-12	2010-11	% difference
Total money recovered by the Enforcement process	£7.8m	£6.2m	26%
Notices of Intent to Enforce a Judgment	19,155	20,175	-5%
Applications to Enforce a Judgment	12,475	11,603	7.5%
Applications for Repossession	1,577	1,244	27%

## Court of Judicature of Northern Ireland Taxing Office Business

Business Volumes	2011-12	2010-11	% difference
Taxing Applications Lodged	1,585	1,979	-20%
Taxing Assessments Completed	1,981	1,929	3%
Taxing Certificates Issued	1,884	1,047	80%

## **Tribunal Business**

To facilitate the efficient disposal of tribunal business

### **Northern Ireland Valuation Tribunal (NIVT)**

- 98% of NIVT cases will be listed within eight weeks of agreed papers being received.  
(In 2011-12 we achieved 100%)

### **Social Security and Child Support Commissioner**

- 98% of applications for leave to appeal to the Social Security Commissioner will be listed within eight weeks of a direction.  
(In 2011-12 we achieved 100%)
- 98% of appeals to the Social Security Commissioner will be listed within eight weeks of a direction.  
(In 2011-12 we achieved 100%)

### **Pension Appeals Tribunal**

- 90% of pension appeals will be listed for hearing within 25 weeks of receipt of the statement of case.  
(In 2011-12 we achieved 98%)

### **Northern Ireland Traffic Penalty Tribunal (NIVT)**

- 99% of TPT postal/in person applications will be listed within 8 weeks of agreed papers being received.  
(In 2011-12 we achieved 100%)

### **Criminal Injuries Compensation Appeals Panel NI (CICAPNI)**

- 95% of CICAPNI cases will be listed within 16 weeks of agreed evidence bundle being received.  
(In 2011-12 we achieved 95%)

### **Special Educational Needs and Disability Tribunal (SENDIST)**

- 95% of SENDIST appeals will be listed within eight weeks from the end of the case statement period.  
(In 2011-12 we achieved 90%)

### **Health and Safety Tribunal**

- 98% of Health & Safety Cases will be listed within 8 weeks of agreed papers being received.  
(In 2011-12 we achieved 100%)

### **Mental Health Review Tribunal (MHRT)**

- 83% of MHRT appeals will be disposed of within eight weeks of receipt \*  
(In 2011-12 we achieved 80%)

---

\* This standard is set by the Tribunal President

**Care Tribunal**

- 97% Care appeals will be listed for preliminary hearing within 18 weeks of receipt.  
(In 2011-12 we achieved 100%)
- 97% of Care appeals will be listed for hearing within 18 weeks of preliminary hearing.  
(In 2011-12 we achieved 100%)

**Lands Tribunal**

- 95% of notice parties to cases before the Lands Tribunal will be sent notification of a case within three working days of registration.  
(In 2011-12 we achieved 98%)
- 90% of referrals will have the date of first mention / review fixed within three working days of the Lands Tribunal's direction to list.  
(In 2011-12 we achieved 99%)

**The Appeals Tribunal**

- The first hearing for Disability Living Allowance and Attendance Allowance appeals will be within nine weeks of receipt of appeal by the Appeals Tribunal.\*  
(In 2011-12 the actual average time taken was 10.10 weeks)
- The first hearing for Employment and Support Allowance appeals will be within eight weeks of receipt of appeal by the Appeals Tribunal.\*  
(In 2011-12 the actual average time taken was 8.79 weeks)
- The first hearing for Income Support; Job Seekers Allowance; Social Fund and Incapacity Benefit will be within eight weeks of receipt of appeal by the Appeals Tribunal.\*  
(In 2011-12 the actual average time taken was 7.66 weeks)
- The first hearing for all jurisdictions will be within nine weeks of receipt of appeal by the Appeals Tribunal.  
(In 2011-12 the actual average time taken was 9.09 weeks)

**Tribunal Business – Volumes, Disposals and Performance**

<b>Business Volumes Received</b>	<b>2011-12</b>	<b>2010-11</b>	<b>% difference</b>
Total Tribunal Business	17,441	16,759	4%
Care Tribunal	2	2	0%
Charity Tribunal	0	0	0%
Criminal Injuries Compensation Appeals Panel	670	647	4%
Health and Safety Tribunal	1	0	100%
Lands Tribunal	216	154	40%
Mental Health Review Tribunal	335	290	16%
Northern Ireland Traffic Penalty Tribunal	492	533	-8%
Northern Ireland Valuation Tribunal	40	27	48%
Office of the Social Security and Child Support Commissioner	280	299	-6%
Pensions Appeal Tribunal	168	155	8%
Rent Assessment Panel	16	18	-11%
Special Educational Needs and Disability Tribunal	81	66	23%
The Appeals Tribunal	15,140	14,568	4%

## Appendix 1

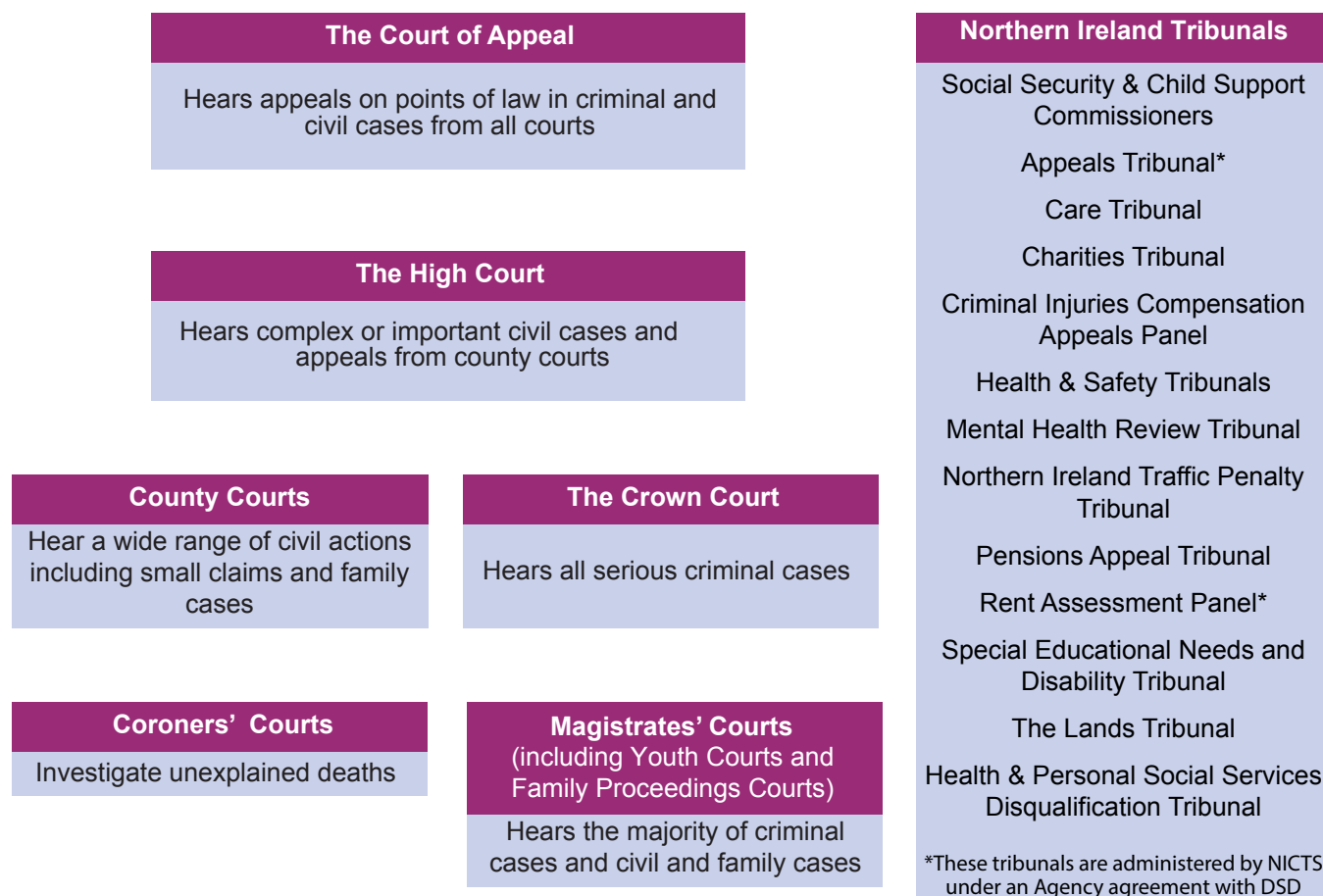
## Court Divisions &amp; Map



Division	County Court Division	Petty Sessions District
<b>Belfast</b>	Belfast	Belfast and Newtownabbey
<b>Londonderry</b>	Londonderry	Londonderry, Magherafelt, Limavady
<b>Craigavon</b>	Craigavon	Craigavon, Lisburn
<b>Antrim</b>	Antrim	Antrim, Ballymena, Larne, North Antrim
<b>Armagh</b>	Armagh	Armagh, Banbridge (sitting at Newry), Newry and Mourne
<b>Omagh</b>	Omagh	East Tyrone, Fermanagh, Omagh, Strabane
<b>Newtownards</b>	Newtownards	Ards, North Down, Castlereagh, Down

## Appendix 2

### Northern Ireland Courts and Tribunals Structure





## Appendix 3

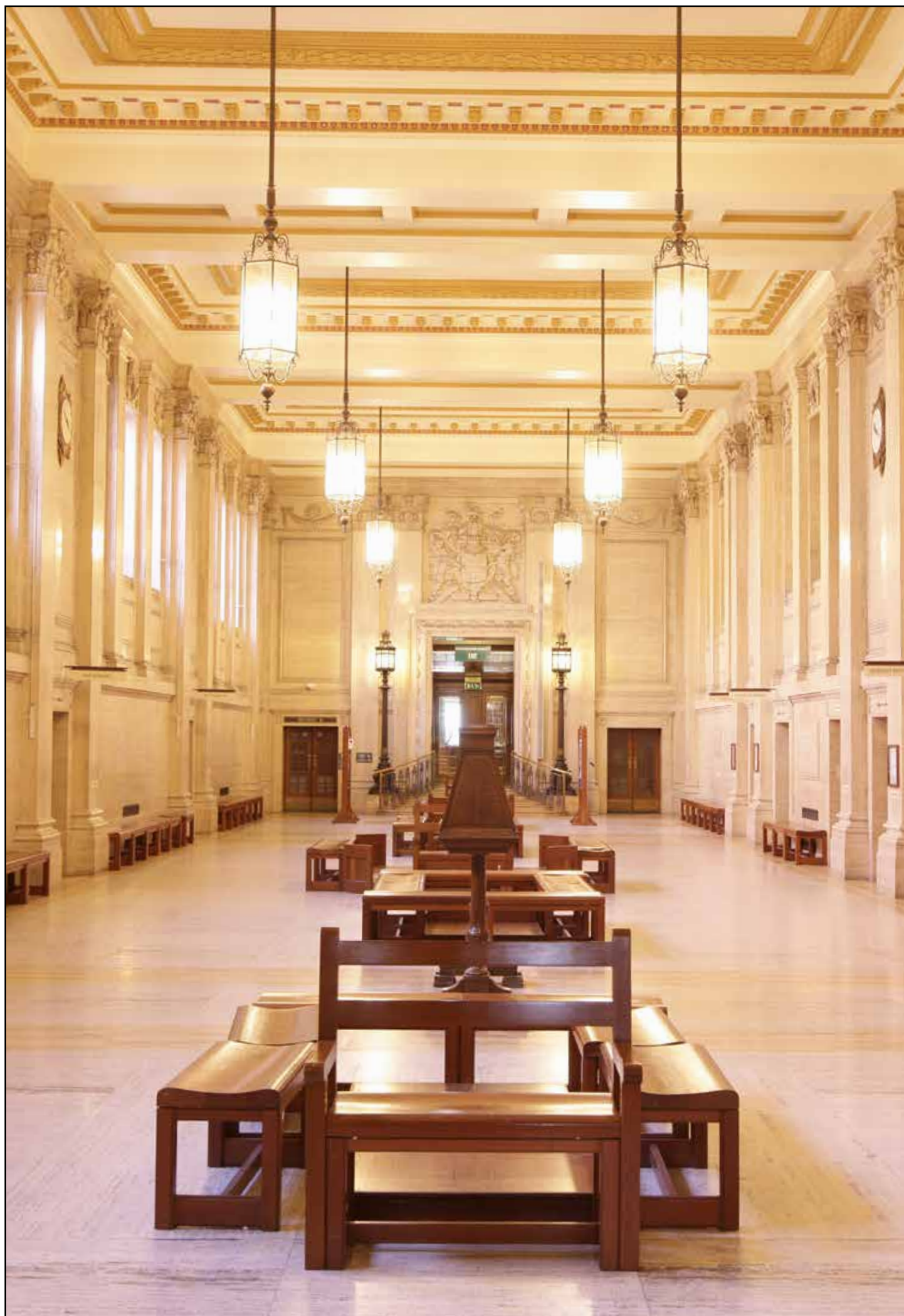
# Judicial Complement in Northern Ireland

**Judicial complement of salaried judicial officers in Northern Ireland as at 31 March 2012:**

Lord Chief Justice	1
Lord Justices of Appeal	3
High Court Judges*	10
County Court Judges	17
District Judges (Magistrates' Courts)**	21
District Judges (County Court)	4
High Court Masters	7
Social Security and Child Support Commissioners	2
Coroners***	3
Lands Tribunal Member	1
Appeal Tribunal Commissioners	2
<b>Total</b>	<b>71</b>
Lay Magistrates	195
Fee Paid Tribunal members	303
Number of Deputy and fee paid Judicial Officers	57

\* Two vacancies

\*\* Includes two part-time



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ISBN 978-0-337-09841-3



9 780337 098413