

POLICE FEDERATION FOR NORTHERN IRELAND

**Police Act (Northern Ireland) 1970
Statutory Regulations 1991**

VOLUNTARY FUND

Treasurer's Report

and

Financial Statements

For the Year Ended

31st December 2020

**GEORGE HAY & COMPANY
CHARTERED ACCOUNTANTS
STATUTORY AUDITORS
83 CAMBRIDGE STREET
PIMLICO
LONDON SW1V 4PS**

**POLICE FEDERATION FOR NORTHERN IRELAND
VOLUNTARY FUND**

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**POLICE FEDERATION FOR NORTHERN IRELAND
VOLUNTARY FUND**

Information

| | | |
|--|--|-------------|
| FEDERATION OFFICE | Federation Office, 77-79 Garnerville Road, Belfast. BT4 2NX | |
| CHAIRMAN | M. Lindsay | |
| SECRETARY | L. Kelly | |
| ASSISTANT SECRETARY | G. Jenkins | |
| TREASURER | D. Walsh | |
| BUSINESS, FINANCE, PAY AND PENSIONS COMMITTEE | No. 1 Board | D. O'Rourke |
| | No. 2 Board | G. Dodds |
| | No. 3 Board | T. McKendry |
| | No. 4 Board | J. Perry |
| | No. 5 Board | P. Downie |
| TRUSTEES | M. Moore C. Shaw T. Purcell | |
| BANKERS | Danske Bank, Belfast Finance Centre, P.O. Box 183 Donegall Square West Belfast. BT1 6JS | |
| SOLICITORS | Edwards & Co., 28 Hill Street, Belfast. BT1 2LA | |
| | Croasdailes LLP, 23 New Row, Coleraine, Londonderry. BT52 1AD | |
| AUDITORS | George Hay & Company, Chartered Accountants, Statutory Auditors, 83 Cambridge Street, Pimlico, London. SW1V 4PS | |

POLICE FEDERATION FOR NORTHERN IRELAND VOLUNTARY FUND

Treasurer's Report for 2020

I present to the members of the Police Federation for Northern Ireland my Treasurer's Report together with the annual Financial Statements of the Voluntary Fund for the year ended 31st December 2020.

Statement of Financial Position

In 2020 the Fund's net assets have increased by £556,713 to £6,105,434, due to a surplus for the year on the main Fund after tax of £534,514 and a surplus on the Lottery Fund of £22,199. Due to activities by our stockbrokers in the year and movements in the stock markets, the amount at which our investments are included in the Financial Statements (at market value), has increased in the year by £489,221 to £4,662,220. The market value of our investments at the year-end was circa £2 million in excess of their initial cost.

Included within Current Liabilities (Accrued Expenses) is a provision of £628,825 (2019 - £946,055) in respect of unpaid legal costs in respect of ongoing legal cases, some of which maybe recovered at a later date depending on the outcome of the cases.

Statement of Income and Retained Earnings

I can report this year that there is a surplus of subscription income over expenditure of £65,876 (2019 – deficit of £950,860). Investment and other income received in the period amounted to £84,378 (2019 - £105,775).

Our stockbrokers disposed of a number of our investments in the period resulting in a deficit on disposal of investments of £23,637 (2019 – deficit of £4,629). Under financial reporting requirements, any movement in the value of investments is reported in the Statement of Income and Retained Earnings as Unrealised Gains or Losses on Investments and in this period, there is an unrealised gain in the year of £502,706 (2019 – £552,332).

As in previous years legal expenses continue to form a significant proportion of our costs. This year legal costs amount to £547,491 compared to £946,994 last year and £1,685,460 in 2018. The decrease this year is primarily due to the recovery of costs in some cases and the delays in legal and discipline cases due to the impact of COVID. Although this is a welcome fall, legal fees still represent 34% of members' contributions; last year this figure was 62% and in 2018 it was 113%. This continued level of legal fees has resulted in a depletion of funds held by the Federation in recent years. A breakdown of legal costs can be found on page 8 of the Financial Statements.

Administrative expenses (excluding legal fees) of the Fund have decreased this year to £918,543, compared to £1,467,789 in 2019. Major cost decreases arose from the end of funding of the well-being project in the year (costs down £339,685 this year to £60,952), the end of the provision of gadget cover (costs down £67,200 to £48,000), a decrease in office salary and pension costs (due to the level of recharges in the year) as well cost savings associated with the pandemic arising from lower meeting costs, reduced travel and the cancelling of the annual conference. The PSNI have agreed to an annual reimbursement of costs of £45,000 from 2020.

The Fund is liable to corporation tax on the excess of investment income received and chargeable gains over provident payments. This year, provident payments and tax deducted at source on investment income are projected to cover our tax liability and a small tax repayment was received in the year. Under financial reporting requirements, a deferred tax provision is included and this year, due to the rise in the market value of our investment portfolio, the provision has increased by £95,515 to £392,186.

A detailed comparison of the main areas of expenditure appears on page 9 of the Financial Statements with a further breakdown, in chart form on page 11.

Lottery Fund

I am pleased to report that, despite restricted activity due to Covid-19, donations have been made from the fund this year of £26,571 (2019 - £123,640). Overall, there was a surplus on the Lottery Fund for the year of £22,199 (2019 – deficit of £42,702) and at the year-end the Fund holds a total of £360,719 in the capital project account.

The Future

High levels of legal costs continues to put a huge burden on our finances and we continue to examine and control all areas of expenditure. As mentioned in last year's report subscriptions, having previously been frozen for a nine year-period from 2010, need to rise to keep pace with increasing costs and to help to put the Federation on a sounder footing for the future. For your information, Conference in 2020 agreed a proposal for an increase of 10% in November 2021 (to £23.70 per month) with future rises index linked going forward.

Finally, I should like to extend thanks to our Federation staff for their assistance during the year, to the other permanent officials, to our solicitors: Edwards & Co. and Croasdailes LLP, and to our stockbrokers: Close Private Asset Management Limited and Benning Financial Management, for their continued support.



..... D Walsh, Treasurer

12th May 2021



**INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF
THE POLICE FEDERATION FOR NORTHERN IRELAND VOLUNTARY FUND**

Opinion

We have audited the financial statements of the Police Federation for Northern Ireland Voluntary Fund (the Fund) for the year ended 31st December 2020, which comprise the Statement of Financial Position, the Statement of Income and Retained Earnings and the notes to the financial statements. The financial reporting framework that has been applied in their preparation are the Police Federation Regulations and Fund Rules and United Kingdom Accounting Standards, including the measurement principles of FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- fairly reflect the state of the Funds' affairs as at 31st December 2020 and of its results for the year then ended;
- have been properly prepared in accordance with the measurement principles of United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Police Federation Regulations and Fund Rules.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Business, Finance, Pay and Pensions Committee Members' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the entity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Business, Finance, Pay and Pensions Committee Members are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of the Business, Finance, Pay and Pensions Committee Members

As explained more fully in the Statement of Committee Members' Responsibilities set out on page 10 the members of the Business, Finance, Pay and Pensions Committee are responsible for the preparation of the financial statements and for being satisfied that they fairly reflect the state of the Funds' affairs, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Business, Finance, Pay and Pensions Committee Members are responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Business, Finance, Pay and Pensions Committee Members either intend to liquidate the Fund or to cease operations, or have no realistic alternative but to do so.



**INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF
THE POLICE FEDERATION FOR NORTHERN IRELAND VOLUNTARY FUND (CONTINUED)**

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud are detailed below.

Based on our understanding of the Scheme's operations, we identified that the principal risks of non-compliance with laws and regulations related to expenditure being made in accordance with the Police Federation Regulations and Fund Rules, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as income tax, payroll tax and deferred tax.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined there were no principal risks directly impacting the Fund's revenue and management bias in accounting estimates.

Audit procedures performed by the engagement team included:

- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted with unusual account combinations or with unusual descriptions; and
- Challenging assumptions and judgements made by management in their critical accounting estimates.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditors' report.

Use of our report

This report is made solely to the Fund's members, as a body. Our audit work has been undertaken so that we might state to the Fund's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Fund and the Fund's members as a body, for our audit work, for this report, or for the opinions we have formed.

George Hay & Company
Chartered Accountants & Statutory Auditors
83 Cambridge Street
Pimlico
London SW1V 4PS

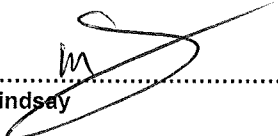
12th May 2021

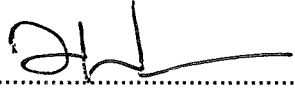
**POLICE FEDERATION FOR NORTHERN IRELAND
VOLUNTARY FUND**

Statement of Financial Position as at 31st December 2020

| | Notes | 2020 £ | 2019 £ |
|--------------------------------|----------|------------------|------------------|
| FIXED ASSETS | 2 | | |
| Land and Buildings | | 467,626 | 475,420 |
| Office Equipment | | 11,312 | 6,424 |
| Computer Equipment | | 18,062 | 11,899 |
| Hume Collection | | 7,075 | 7,075 |
| | | <u>504,075</u> | <u>500,818</u> |
| CURRENT ASSETS | | | |
| Investments | 3 | 4,662,220 | 4,172,999 |
| Debtors | | 28,817 | 212,854 |
| Cash at Bank | | 1,958,926 | 1,847,329 |
| Deposit held with Stockbrokers | | 45,320 | 129,319 |
| | | <u>6,695,283</u> | <u>6,362,501</u> |
| CURRENT LIABILITIES | | | |
| Accrued Expenses | | 701,738 | 1,017,927 |
| Corporation Tax | | - | - |
| Deferred Tax Provision | | 392,186 | 296,671 |
| | | <u>1,093,924</u> | <u>1,314,598</u> |
| NET CURRENT ASSETS | | <u>5,601,359</u> | <u>5,047,903</u> |
| NET ASSETS | | <u>6,105,434</u> | <u>5,548,721</u> |
| REPRESENTED BY | | | |
| Accumulated Fund | 6 | 5,744,715 | 5,210,201 |
| Lottery Fund | 7 | 360,719 | 338,520 |
| | | <u>6,105,434</u> | <u>5,548,721</u> |

Approved by the Business, Finance, Pay and Pensions Committee on 12th May 2021
and signed on its behalf by:


..... Chairman
M. Lindsay


..... Treasurer
D Walsh

**POLICE FEDERATION FOR NORTHERN IRELAND
VOLUNTARY FUND**

**Statement of Income and Retained Earnings
For the Year Ended 31st December 2020**

| | Notes | 2020 £ | 2019 £ |
|--|-------|--------------------|--------------------|
| INCOME | | | |
| Members' Contributions | | 1,597,433 | 1,525,565 |
| | | ----- | ----- |
| LESS: EXPENDITURE | | | |
| Premises | 8 | (65,523) | (61,642) |
| Administrative | 9 | (1,466,034) | (2,414,783) |
| | | ----- | ----- |
| TOTAL EXPENDITURE | | (1,531,557) | (2,476,425) |
| | | ----- | ----- |
| SURPLUS/(DEFICIT) OVER MEMBERS' CONTRIBUTIONS | | 65,876 | (950,860) |
| | | | |
| Interest and Dividends Receivable | | 84,378 | 105,775 |
| Other Income | | - | - |
| | | ----- | ----- |
| SURPLUS/(DEFICIT) BEFORE CAPITAL PROFITS | | 150,254 | (845,085) |
| | | | |
| CAPITAL PROFITS | | | |
| (Deficit) on Disposal of Investments | | (23,637) | (4,629) |
| Unrealised Gains on Investments | | 502,706 | 552,332 |
| | | ----- | ----- |
| | | 629,323 | (297,382) |
| | | | |
| TAXATION | 4 | 706 | 524 |
| DEFERRED TAX | 4 | (95,515) | (125,125) |
| | | ----- | ----- |
| SURPLUS / (DEFICIT) FOR THE YEAR | | 534,514 | (421,983) |
| | | ===== | ===== |

**POLICE FEDERATION FOR NORTHERN IRELAND
VOLUNTARY FUND**

**Notes to the Financial Statements
For the Year Ended 31st December 2020**

1. ACCOUNTING POLICIES

- 1.1 Basis of Preparing the Financial Statements**
The Financial Statements have been prepared under the requirements of the Police Federation Rules and adopting the measurement principles of Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (FRS 102).
- 1.2 Accounting Convention**
The Financial Statements have been prepared under the historical cost convention except for investments which are stated at market value.
- 1.3 Depreciation**
Depreciation has been calculated at rates required to write off the relevant assets over their anticipated useful lives. The following rates and methods have been used:
- | | |
|--------------------------|------------------------------|
| Office Equipment | 20% on written down value |
| Computer Equipment | 20% on cost |
| Leasehold Land | over the period of the lease |
| Buildings at Garnerville | over the period of the lease |
| Hume Collection | nil |
- 1.4 Investments**
Investments are included in the Financial Statements at market value.
- 1.5 Taxation**
The Fund is liable to Corporation Tax on the excess of its non-contribution income, chargeable gains and investment income over provident benefit payments.
- 1.6 Expenditure**
Expenditure is shown inclusive of Value Added Tax.
- 1.7 Pensions**
Pension contributions are charged to the statement of income and retained earnings as incurred. These contributions are paid into money purchase schemes.
- 1.8 Deferred Tax**
Deferred taxation is provided on the liability method to take account of timing differences between the treatment of certain items for accounts purposes and their treatment for tax purposes.

2. FIXED ASSETS

| | Land and Buildings Long Leaseholds | Office Equipment | Computer Equipment |
|------------------------|---------------------------------------|---------------------|-----------------------|
| Cost: | £ | £ | £ |
| At 1st January 2020 | 582,585 | 21,442 | 308,726 |
| Additions | - | 7,716 | 22,577 |
| Disposals | - | - | - |
| | ----- | ----- | ----- |
| At 31st December 2020 | 582,585 | 29,158 | 331,303 |
| | ----- | ----- | ----- |
| Depreciation: | | | |
| At 1st January 2020 | 107,165 | 15,018 | 296,827 |
| Charge for Year | 7,794 | 2,828 | 16,414 |
| Disposals | - | - | - |
| | ----- | ----- | ----- |
| At 31st December 2020 | 114,959 | 17,846 | 313,241 |
| | ----- | ----- | ----- |
| Net Book Value: | | | |
| At 31st December 2020 | 467,626 | 11,312 | 18,062 |
| | ===== | ===== | ===== |
| At 31st December 2019 | 475,420 | 6,424 | 11,899 |
| | ===== | ===== | ===== |

The Hume collection of police badges, purchased from Mr. Hume for £7,075, is on permanent display at the Federation offices.

**POLICE FEDERATION FOR NORTHERN IRELAND
VOLUNTARY FUND**

**Notes to the Financial Statements
For the Year Ended 31st December 2020**

3. INVESTMENTS

| | 2020 | | 2019 | |
|--------------------------|-----------|----------------------|-----------|----------------------|
| | Cost £ | Market Value £ | Cost £ | Market Value £ |
| Value at 1st January | 2,611,572 | 4,172,999 | 2,599,396 | 3,608,491 |
| Additions | 595,538 | 595,538 | 27,551 | 27,551 |
| Disposals | (609,023) | (609,023) | (15,375) | (15,375) |
| Market Value Adjustment | - | 502,706 | - | 552,332 |
| | ----- | ----- | ----- | ----- |
| - Value at 31st December | 2,598,087 | 4,662,220 | 2,611,572 | 4,172,999 |
| | ===== | ===== | ===== | ===== |

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The Voluntary Fund's investments consist of the following:

| | 2020 | | 2019 | |
|-------------------------|-----------|----------------------|-----------|----------------------|
| | Cost £ | Market Value £ | Cost £ | Market Value £ |
| Fixed Interest Funds | 452,553 | 649,576 | 452,553 | 599,082 |
| UK Equities | 629,355 | 1,023,890 | 629,355 | 1,112,722 |
| UK Unit Trusts | 542,810 | 562,235 | 657,778 | 710,559 |
| USA Equities | 166,082 | 546,645 | 165,880 | 393,584 |
| Japanese Equities | 107,322 | 277,830 | 107,322 | 241,694 |
| European Equities | 138,470 | 239,183 | 138,031 | 232,465 |
| Other Overseas Equities | 448,909 | 1,219,691 | 348,067 | 732,937 |
| Other Funds | 112,586 | 143,170 | 112,586 | 149,956 |
| | ----- | ----- | ----- | ----- |
| | 2,598,087 | 4,662,220 | 2,611,572 | 4,172,999 |
| | ===== | ===== | ===== | ===== |

4. TAXATION

Corporation tax is payable on the excess of interest received and chargeable gains over the amount paid out in death grants and other provident payments. A deferred tax liability is provided against unrealised capital gains on investments.

5. MEMBERS LEGAL EXPENSES

The charge in the financial statements represents expenses incurred less amounts recovered in the year.

| | 2020 £ | 2019 £ |
|----------------------|-----------|-----------|
| General | (75,781) | 210,061 |
| Pensions | 157,470 | 5,686 |
| Injury Claims | 470,521 | 169,132 |
| Road Traffic | 560 | 1,720 |
| Assault | 8,300 | 3,796 |
| Discipline | 26,896 | (49,096) |
| Holiday Pay | (203,726) | 446,000 |
| ARC Legal Assistance | 163,251 | 159,695 |
| | ----- | ----- |
| | 547,491 | 946,994 |
| | ===== | ===== |

6. ACCUMULATED FUND

| | 2020 £ | 2019 £ |
|---|-----------|-----------|
| Accumulated Surplus at 1st January 2020 | 5,210,201 | 5,632,184 |
| Surplus/(Deficit) for the Year | 534,514 | (421,983) |
| | ----- | ----- |
| Accumulated Surplus at 31st December 2020 | 5,744,715 | 5,210,201 |
| | ===== | ===== |

**POLICE FEDERATION FOR NORTHERN IRELAND
VOLUNTARY FUND**

**Notes to the Financial Statements
For the Year Ended 31st December 2020**

7. LOTTERY FUND

A lottery commenced on 1st January 1991 with the intention of promoting the aims and objectives of the Federation Country Club and was closed on 30th November 1996. A new lottery fund began in December 1996 and its net income, after payment of prizes, is shown below:

| | 2020 £ | 2019 £ |
|---|-----------|-----------|
| Surplus on Lotteries | 104,848 | 93,708 |
| Interest Received | 2,507 | 2,569 |
| Expenses | (58,585) | (15,339) |
| Donations | (26,571) | (123,640) |
| Surplus/(Deficit) for the year | 22,199 | (42,702) |
| Surplus brought forward at 1st January 2020 | 338,520 | 381,222 |
| Surplus carried forward at 31st December 2020 | 360,719 | 338,520 |

8. PREMISES EXPENSES

| | 2020 £ | 2019 £ |
|------------------------------------|-----------|-----------|
| Depreciation of Land and Buildings | 7,794 | 7,794 |
| Heat and Light | 11,948 | 11,263 |
| Insurance | 2,033 | 1,929 |
| Rates | 29,651 | 33,683 |
| Repairs to Property | 14,097 | 6,973 |
| | 65,523 | 61,642 |

9. ADMINISTRATIVE EXPENSES

| | 2020 £ | 2019 £ |
|--|-----------|-----------|
| Annual Conference | 500 | 31,304 |
| Audit Fee | 9,700 | 9,700 |
| Computer & Website Expenses | 124,474 | 124,543 |
| Death Grants, Wreaths and Advertisements | 14,635 | 14,055 |
| Depreciation - Office Equipment | 19,242 | 13,505 |
| Eurocop | 8,400 | 13,993 |
| Gadget Cover | 48,000 | 115,200 |
| Insurance | 7,461 | 11,910 |
| Meetings | 28,920 | 61,365 |
| Members' Legal Expenses (note 5) | 547,491 | 946,994 |
| Payroll Costs and Salary Contributions | 426,617 | 464,678 |
| Presentations & Donations | 5,502 | 13,620 |
| Printing, Postage, Stationery and Telephone | 24,540 | 27,713 |
| Professional Fees | 79,401 | 79,115 |
| Project costs | 60,952 | 400,637 |
| Public Relations | 55,989 | 57,340 |
| Publications | 8,000 | 20,087 |
| Regional Grants | 7,500 | 7,710 |
| Repairs and Maintenance | 9,386 | 11,127 |
| Sundry Expenses | 24,324 | 22,642 |
| Uniforms | - | 3,545 |
| | 1,511,034 | 2,450,783 |
| Refund of Expenses from the Police Service of Northern Ireland | (45,000) | (36,000) |
| | 1,466,034 | 2,414,783 |

**POLICE FEDERATION FOR NORTHERN IRELAND
VOLUNTARY FUND**

**Notes to the Financial Statements
For the Year Ended 31st December 2020**

10. STATEMENT OF COMMITTEE MEMBERS' RESPONSIBILITIES

The Business, Finance, Pay and Pensions Committee is responsible for keeping accounts showing all monies received and paid out and for preparing financial statements that fairly reflect the state of affairs of the Fund at the end of the financial year and of the results of the Fund for that period and to cause the financial statements for each year to be audited by an independent auditor. In doing so, the Committee is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- ensure that the financial statements are prepared on the going concern basis unless it is inappropriate to presume that the Fund will continue to operate.

The Business, Finance, Pay and Pensions Committee is responsible for keeping proper accounting records and is also responsible for safeguarding the assets of the Fund and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

11. CONTINGENT LIABILITIES

There are a number of legal cases pending, which could result in charges to the Fund. It is impossible at this stage to assess the outcome of these cases and therefore the potential charge cannot be quantified.

12. IMPACT OF CORONAVIRUS (COVID-19)

In light of the emergence of the coronavirus (COVID-19) during the period, the Fund has assessed, on an ongoing basis, the impact on its operations and closely monitored its finances, which have not been materially affected as a result of the global pandemic.

The potential for a fall in global equity markets is an event that would negatively impact on the value of the Fund's investments, but it is too early to predict whether there will be any long-term impact on the investment portfolio in the current financial year or beyond as a result of COVID-19.