Assembly Contributory Pension Fund

Annual Report and Accounts
For the year ended 31 March 2025

Laid before the Northern Ireland Assembly
by the Comptroller and Auditor General under
Schedule 1 of the Assembly Pensions (Northern Ireland) Order 1976

On

3 July 2026

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ASSEMBLY CONTRIBUTORY PENSION FUND ACCOUNTS 2024-25

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ASSEMBLY CONTRIBUTORY PENSION FUND ACCOUNTS 2024-25

TRUSTEE'S REPORT

INTRODUCTION

The Assembly Contributory Pension Fund was set up as from 10 November 1976 by the Assembly Pensions (Northern Ireland) Order 1976 ("the 1976 Order") to provide for the payment of pensions to ex-members of the Assembly in place at that time, who had attained 65 years of age and who had not less than 4 years reckonable service, and, subject to certain conditions to the widows, widowers and children of deceased members who were in receipt of pensions or had completed 4 years reckonable service at the time of death.

The qualifying period was subsequently reduced to 3 years for holders of qualifying offices only, by the Assembly Pensions (Amendment) (Northern Ireland) Order 1984.

The Scheme provides for an immediate pension, at the age of 65, of one-sixtieth of the relevant terminal salary for each year of service. An actuarially reduced pension may be paid to a former member any time after age 60. The Pensions (Increase) Act (Northern Ireland) 1971 made provision that the rate of pensions should be subject to periodic review and if necessary be increased by Order in Council. Under the Pensions Increase (Review) Order (Northern Ireland) 2024 an increase of 6.7% was applied to pensions from 8 April 2024.

The other main provisions of the Scheme are: -

i. a half-rate widow's/widower's pension;

ii. a children's pension (at the rate of the widow's pension for two or more eligible children, one half that rate for one child); and

iii. transfer of pension rights.

MANAGEMENT OF THE SCHEME

Article 3 (4) of the 1976 Order appointed the Secretary of State for Northern Ireland as the sole Trustee of the Fund until such time as the Assembly first appoints three or more Trustees under the Order.

FINANCIAL DEVELOPMENT OF THE SCHEME

As the scheme is closed to new members, the membership profile continues to age year on year. As at 31 March 2025 the age profile of the beneficiaries of the scheme was as detailed in the table below:

Age	**65-69**	**70-74**	**75-79**	**80-84**	**85-89**	**90-94**	**95-99**	**Total**
Members	1	1	3	0	2	1	1	9
Dependants	0	0	0	1	1	1	0	3

These accounts have been prepared and audited in accordance with regulations in Schedule 1 (12) and 1 (13) of the 1976 Order respectively.

TRUSTEE'S REPORT (continued)

ACTUARIAL STATUS OF THE SCHEME

The 1976 Order provides for the Government Actuary to make a report every three years on the general financial position of the Fund and to recommend the annual rate of the Northern Ireland Consolidated Fund contribution. As a result of these previous reports and recommendations no contribution has been required since December 1989.

In his latest report, which referred to the position at 31 March 2022, the Government Actuary reported a surplus of assets over liabilities of £3.602 million, representing around 958% of the value of the liabilities (£0.376 million), resulting in the Fund being in a strong position to cope with a future period of adverse investment experience. As the assets were sufficient at the valuation date to cover liabilities arising (including dependants' contingent benefits) in respect of pensions in payment and preserved benefits for members whose pensionable service has ceased, including pension increases, he recommended that no contribution should be made from the Northern Ireland Consolidated Fund for the time being.

The valuation method used for the report compared the market value of assets at the valuation date with the value of the liabilities discounted to that date, on a basis reflecting market yields. The real investment yield is the excess of the gross return achieved on investments over the rate of increase in the Consumer Price Index (CPI). The gross rate of return for the 2022 valuation was based on the gross yield in a typical fixed-interest gilt portfolio of similar term to the liabilities, calculated at 1.63% per annum. This gross discount rate and a CPI assumption of 3.29% per annum, resulted in a discount rate of -1.59% being used for the purposes of the valuation. As the number of members is too small to provide sufficient data for a reliable assessment of mortality rates based on the schemes own experience, the assumptions needed for the valuation have been based on those adopted for the 2023 valuation of the Parliamentary Contributory Pension Fund (PCPF). The base mortality assumptions were in in line with the standard S3 series mortality tables published by the Actuary Profession, SAPS S3 Normal Amounts tables S3NMA for males and S3NFA (Middle) for females with an 85% scaling applied to both the male and female tables (100% scaling applied to female dependents). The future mortality improvements used were in line with the improvement rates in the principal 2020-based ONS UK population projections. The life expectancy of male pensioners age 65 decreased slightly from the 2019 valuation from 23.6 to 23.5 years. The life expectancy of widows at the same age remained the same at 23.9 years. For male pensioners aged 85 the life expectancy increased from 7.4 to 7.5 years and for widows from 7.3 to 7.5 years.

The Government Actuary considered the investment portfolio in place at the valuation date to be reasonably appropriate in relation to the liabilities to be met from the Fund.

SCHEME MEMBERSHIP

As at 31 March 2025 the number of beneficiaries from the Fund was as follows: -

Category	No.
Retired Members	9
Dependants	3

TRUSTEE'S REPORT (continued)

INVESTMENT REPORT

The day-to-day management of the Fund's Investment portfolio is carried out by external investment managers at J&E Davy (UK) Limited (trading as Davy Private Clients UK). The portfolio is managed on the basis of the investment strategy set by the Department on behalf of the Trustee.

The Fund's investment strategy is to maximise optimum return on the investments without exposing the Fund to any undue risk, taking account of the following objectives, in priority order – Safety, Diversification, Liquidity, Return on Investment and socially responsible investing.

Given the nature of the Fund's liabilities, a balanced level of investment risk is deemed acceptable. All investments should be undertaken with a view to preserving capital and to provide sufficient liquidity to enable the Fund to meet all its current and future obligations as they become payable.

The diversification objective is designed to reduce exposure to risk by combining a variety of investments, such as money market securities, stocks, bonds, and commodities, which are unlikely to all move in the same direction. The goal of diversification is to reduce the risk or volatility in a portfolio. Volatility is limited by the fact that not all asset classes or industries or individual companies move up and down in value at the same time or at the same rate. Diversification reduces both the upside and downside potential and allows for more consistent performance under a wide range of economic conditions.

As noted in previous years' reports, following a review of the fund with the investment managers a socially responsible investment objective was adopted in 2022-23. This ethical overlay ensures exclusions to industries, including (but not limited to) the following:

- Armaments / weapons
- Gambling
- Alcohol & tobacco
- UN Global Compact (UNGC) controversies or violations
- Significantly reduced exposure to industries with a high proportion of revenue from fossil fuels.

Overall, the strategy is aimed at a 55% allocation to equities and 45% bonds with a +/- 15% corridor to implement tactical asset class decision including cash holdings, alternatives etc.

- 40 – 70% in Equities
- 24 – 54% in Fixed Income Securities (Bonds)
- Up to 19% in Alternatives
- Up to 17% in cash and cash funds

The actual allocations will vary from the above due to market price movements, intervals between rebalancing the portfolio and tactical asset class decisions. Actual allocations at the year-end are shown below:

TRUSTEE'S REPORT (continued)

INVESTMENT REPORT (continued)

	2024/25 %	2023/24 %
Equities	57	59
Fixed Income Securities	35	34
Other	7	5
Cash and cash funds	1	2
	100	100

Year on year there was no significant strategic change to allocations across the asset classes and the changes in % holdings are primarily due to the movements in market values.

Total investment income increased by £5,709 (26%) from the previous year. This was primarily due to increased distributions from existing holdings, (+£5,562) rather than portfolio changes and there is still a preference to holding accumulation funds over distribution funds. There was also a slight increase of £147 in interest income.

The overall value of the fund increased by £61,082 from £4,199,317 to £4,260,399 during the period. Markets performed well during 2024 and the Fund was valued at around £4.4m at the end of December. However, Q1 of 2025 saw US markets fall amid news that China's DeepSeek had developed an artificial intelligence (AI) model comparable to market leaders but at a fraction of the cost. Q1 also saw the inauguration of President Trump and the announcement of tariffs on imports from many of the US's biggest trading partners. This also led to volatility in the markets. During the earlier part of the year the fund managers had taken steps to reduce market exposure to the US stock market and the mega cap technology stocks and had taken an overweight position in European equities. Europe and other markets fared better in the early months of 2025 but, unfortunately for the end of the reporting period, there was a slight downward trend in the last few days of March as 'Liberation Day', 2 April, approached with President Trump due to bring forward Executive Order 14257 imposing broad tariffs on foreign imports. The fund continues to hold investments in gold and these performed well in the period as prices rose amid the volatility.

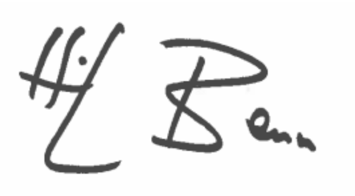
Further details on the categories of investments held are set out in the Net Assets Statement on page 17, with the underlying exposure of the Pooled Investment Vehicles to other asset classes shown at note 8.

TRUSTEE'S REPORT (continued)

INVESTMENT REPORT (continued)

CUSTODIAL ARRANGEMENTS

J&E Davy (UK) Limited (trading as Davy Private Clients UK) manage the portfolio on behalf of the Department of Finance and custodial services are provided by J&E Davy. Reports are produced on a quarterly basis to enable performance to be monitored.



TRUSTEE TO THE FUND

03 JUNE 2026

STATEMENT OF RESPONSIBILITIES OF THE TRUSTEE AND THE DEPARTMENT OF FINANCE

Under paragraph 12 of Schedule 1 to the Assembly Pensions (Northern Ireland) Order 1976, the Trustees of the Assembly Contributory Pension Fund are responsible for keeping proper accounts and preparing financial statements in respect of each financial year, in such form and manner as the Department of Finance may direct. The accounts are prepared on an accruals basis and must show a true and fair view of the state of affairs of the Assembly Contributory Pension Fund at the year end and of its income and expenditure for the financial year. Article 3 (4) of the 1976 Order appointed the Secretary of State for Northern Ireland as the sole Trustee of the Fund.

ASSEMBLY CONTRIBUTORY PENSION FUND ACCOUNTS 2024-25

GOVERNANCE STATEMENT

Scope of responsibility

As sole Trustee, I have responsibility for maintaining a sound system of internal control in respect of the Assembly Contributory Pension Fund. This system of internal control supports the achievement of the policies, aims and objectives of the Fund, whilst safeguarding the Fund's assets for which I am personally responsible, in accordance with the responsibilities assigned to me in Managing Public Money Northern Ireland.

The Fund is administered jointly by Civil Service Pensions (CSP) and Government Accounts Branch (GAB), which are both part of the Department of Finance (DoF) and I rely on the internal control framework within the Department and the views of the Departmental Accounting Officer in reaching my view on the adequacy of the system of internal control in relation to the Pension Fund.

The Pension Fund is managed within the DoF's overall risk and governance framework as set out in the DoF Annual Report and Accounts 2024-25, details of which can be found at https://www.finance-ni.gov.uk/publications/dof-resource-accounts

Risk and Control Framework

CSP is responsible for the overall management of the scheme arrangements and administration of the pension payments due under the scheme, while GAB is responsible for the other administrative functions such as the Investment Strategy, working with the fund managers and preparation of the annual accounts. The Head of each branch has overall responsibility on a day-to-day basis for risk management associated with these duties. Members of each team are responsible for ensuring that the tasks in their areas are compliant with operational policies and procedures and legislation. Significant risk issues are recorded in a risk register and are assessed by likelihood and impact. The risk register is reviewed on a regular basis.

Level of Assurance

The Accounting Officer is responsible for reviewing the effectiveness of the system of internal control. This review is informed by the information provided in stewardship statements from Directors bi-annually. These stewardship statements are based on assurances provided by managers within business areas on risk management, financial management, compliance with approvals and delegations and on the implementation of Internal Audit recommendations. Further assurance is provided by the Head of Internal Audit on compliance with the controls and actions recommended in audit assignments which have been conducted and from comments made by external auditors in their report to those charged with governance and other reports.

Based on the audit work performed, it is the opinion of the HIA that the Department has established and maintained "satisfactory" governance, risk management and control processes during 2024-25. The overall opinion is based mainly on the results of the internal audit activity carried out during 2024-25 and cumulative assurances derived from the internal audit activity during the previous three years.

GOVERNANCE STATEMENT (continued)

Internal Audit carried out a review of GAB in February and March 2023. The purpose of the review was to provide an independent professional opinion on the adequacy and effectiveness of the risk management, control and governance framework internal established by management to facilitate the achievement of business objectives. While the scope of the audit did not look at the management of the pension funds, it did encompass a review of the following key GAB activities:

- Management of the Northern Ireland Consolidated Fund (NICF) to ensure departments have sufficient cash to meet their requirements;
- Issues and repayments of government loans from the NICF; and
- Information Assurance and Data Security.

The final report was issued in June 2023 and a satisfactory audit opinion was received.

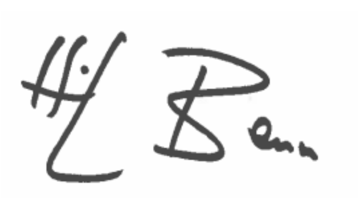
In 2024-25 Internal Audit were engaged to carry out two reviews within CSP. The first review was a consulting review which included the control, governance and risk management arrangements associated with overpayments that were identified in 2023-24. The second was centred around the implementation of the McCloud Remedy which is not relevant to these funds.

Internal Control Issues

No significant internal control issues, including data related issues, have been identified in 2024-25. The adoption of arrangements such as the use of electronic sign off and ensuring all supporting documentation is held electronically, has ensured that the internal controls have not been affected adversely by the adoption of hybrid working arrangements.

Conclusion

Taking into account the arrangements set out in the governance statement, there are appropriate governance structures and systems of internal control in place which have operated effectively during 2024-25.



TRUSTEE TO THE FUND

03 JUNE 2026

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

Opinion on financial statements

I certify that I have audited the financial statements of the Assembly Contributory Pension Fund for the year ended 31 March 2025 under Schedule 1 of the Assembly Pensions (Northern Ireland) Order 1976. The financial statements comprise the Fund Account, Net Assets Statement and the related notes including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and the Statement of Recommended Practice (SORP): Financial Report of Pension Schemes.

In my opinion the financial statements:

- give a true and fair view of the state of the scheme's affairs as at 31 March 2025 and of the net increase in the scheme during the year and of the amount and disposition at that date of its assets and liabilities other than liabilities to pay benefits after the Scheme year end; and

- have been properly prepared in accordance with paragraph 12 of Schedule 1 to the Assembly Pensions (Northern Ireland) Order 1976 and Department of Finance directions issued thereunder.

Opinion on regularity

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

Basis for opinions

I conducted my audit in accordance with International Standards on Auditing (ISAs) (UK), applicable law and Practice Note 10 'Audit of Financial Statements and Regularity of Public Sector Bodies in the United Kingdom'. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of this certificate. My staff and I are independent of the Assembly Contributory Pension Fund in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK, including the Financial Reporting Council's Ethical Standard, and have fulfilled our other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my opinions.

Conclusions relating to going concern

In auditing the financial statements, I have concluded that Assembly Contributory Pension Fund's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE NORTHERN IRELAND ASSEMBLY (continued)

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Assembly Contributory Pension Fund'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.

The going concern basis of accounting for the Assembly Contributory Pension Fund is adopted in consideration of the requirements set out in the Government Financial Reporting Manual, which require entities to adopt the going concern basis of accounting in the preparation of the financial statements where it anticipated that the services which they provide will continue into the future.

My responsibilities and the responsibilities of the Trustee with respect to going concern are described in the relevant sections of this report.

Other Information

The other information comprises the information included in the annual report other than the financial statements and my audit certificate and report. The Trustee is responsible for the other information included in the annual report. My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Opinion on other matters

In my opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustee’s Report the Statement of Responsibilities of the Trustee and the Department of Finance and the Governance Statement, for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I report by exception

In the light of the knowledge and understanding of the Assembly Contributory Pension Fund and its environment obtained in the course of the audit, I have not identified material misstatements in the Trustee’s Report, the Statement of Responsibilities of the Trustee and the Department of Finance or the Governance Statement.

THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE NORTHERN IRELAND ASSEMBLY (continued)

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 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 Governance Statement does not reflect compliance with the Department of Finance's guidance.

Responsibilities of the Trustee and the Department of Finance for the financial statements

As explained more fully in the Statement of Responsibilities of the Trustee and the Department of Finance, the Trustee is responsible for:

- the preparation of the financial statements in accordance with the applicable financial reporting framework and for being satisfied that they give a true and fair view;
- such internal controls as the Trustee determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud of error;
- assessing the Assembly Contributory Pension 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 Trustee anticipates that the services provided by the Assembly Contributory Pension Fund will not continue to be provided in the future.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit, certify and report on the financial statements in accordance with the Assembly Pensions (NI) Order 1976.

My 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 a certificate that includes my 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.

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulation, including fraud.

THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE NORTHERN IRELAND ASSEMBLY (continued)

My procedures included:

- obtaining an understanding of the legal and regulatory framework applicable to the Assembly Contributory Pension Fund through discussion with management and application of extensive public sector accountability knowledge. The key laws and regulations I considered included the Assembly Pension (Northern Ireland) Order 1976;
- making enquires of management and those charged with governance on Assembly Contributory Pension Fund's compliance with laws and regulations;
- making enquiries of internal audit, management and those charged with governance as to susceptibility to irregularity and fraud, their assessment of the risk of material misstatement due to fraud and irregularity, and their knowledge of actual, suspected and alleged fraud and irregularity;
- completing risk assessment procedures to assess the susceptibility of the Assembly Contributory Pension Fund's financial statements to material misstatement, including how fraud might occur. This included, but was not limited to, an engagement director led engagement team discussion on fraud to identify particular areas, transaction streams and business practices that may be susceptible to material misstatement due to fraud. As part of this discussion, I did not identify any areas with high potential for fraud.
- engagement director oversight to ensure the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with the applicable legal and regulatory framework throughout the audit;
- designing audit procedures to address specific laws and regulations which the engagement team considered to have a direct material effect on the financial statements in terms of misstatement and irregularity, including fraud. These audit procedures included, but were not limited to, reading minutes of meetings, and agreeing financial statement disclosures to underlying supporting documentation and approvals as appropriate, and
- addressing the risk of fraud as a result of management override of controls by:
    - performing analytical procedures to identify unusual or unexpected relationships or movements;
    - testing journal entries to identify potential anomalies, and inappropriate or unauthorised adjustments;
    - assessing whether judgements and other assumptions made in determining accounting estimates were indicative of potential bias; and

THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE NORTHERN IRELAND ASSEMBLY (continued)

  - investigating significant or unusual transactions made outside of the normal course of business.

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of my certificate.

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

Report

I have no observations to make on these financial statements.

Dorinnia Carville
Comptroller and Auditor General
Northern Ireland Audit Office
106 University Street
BELFAST
BT7 1EU

29 June 2026

ASSEMBLY CONTRIBUTORY PENSION FUND ACCOUNTS 2024-25

FUND ACCOUNT FOR THE YEAR ENDING 31 MARCH 2025

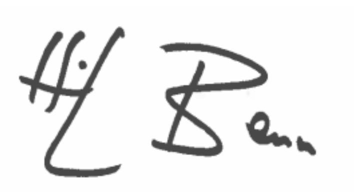
	Notes	2024/25 £	2023/24 £
Benefits and Expenses Payable			
Members		14,040	12,981
Dependants		3,187	2,997
Administrative Expenses	4	18,579	15,070
Net withdrawals from dealings with members		35,806	31,048
Returns on Investments			
Investment Income	5	27,732	22,024
Change in market value of investments	6	107,874	411,217
Investment management expenses		(38,718)	(35,537)
Net Returns on Investments		96,888	397,704
Net Increase in the Fund During the Year		**61,082**	**366,656**
Net Assets of the Fund			
At 1 April 2024		4,199,317	3,832,661
At 31 March 2025		**4,260,399**	**4,199,317**

ASSEMBLY CONTRIBUTORY PENSION FUND ACCOUNTS 2024-25

NET ASSETS STATEMENT

	Notes	31 March 2025 £	31 March 2024 £
Investment Assets			
Pooled Investment Vehicles	8	4,011,735	4,010,046
Other	8	286,618	218,471
Total Value of Investments		4,298,353	4,228,517
Current Assets	7	1,499	3,259
Current Liabilities	7	(39,453)	(32,459)
Net Assets of the Fund		**4,260,399**	**4,199,317**

The accounts summarise the transactions of the scheme and deal with the net assets at the disposal of the trustees. They do not take account of obligations to pay pensions and benefits which fall due after the end of the scheme year. The actuarial position of the scheme, which does take account of such obligations, is dealt with in the triennial actuarial reports prepared by the Government Actuary. The results of the latest report are summarised in the Trustee's Report that accompanies these accounts.



Trustee to the Fund

03 JUNE 2026

NOTES TO THE ACCOUNTS

1. Basis of Preparation

The accounts have been prepared in accordance with the Accounts Direction issued by the Department of Finance under Schedule 1 (12) of the 1976 Order, and with the guidelines set out in the Statement of Recommended Practice, Financial Reports of Pension Schemes (Revised July 2018) (SORP) insofar as they apply to this pension scheme, and apart from the departure from the recommendations set out in note 2.

2. Departure from the recommendations of the SORP

The revised SORP recommended a number of additional disclosures on investment risk. These accounts have been prepared in accordance with these requirements apart from the full adoption of the look through approach to evaluating indirect currency risk of pooled investment vehicles recommended by the SORP. Given the particular circumstances of the scheme, it is not considered that the additional costs of preparing this information would bring significant additional value to the users of the accounts.

3. Accounting Policies

a. The accounts record the income and expenditure of the Fund during the year ended 31 March 2025 and give details of the net assets at that date. They do not show the long-term liabilities for pensions which could arise in the future. The long-term financial position is the subject of a three-yearly report by the Government Actuary.

b. The accounts have been prepared using the historical cost convention, with investments stated at fair value at 31 March. The market value of Stock Exchange securities is based at the current bid prices on the relevant Stock Exchange at the year end. The Sterling equivalent of the market value of any overseas investments is calculated on the basis of the exchange rates prevailing at the year end.

c. Interest on any cash temporarily invested in the Northern Ireland Consolidated Fund, together with interest earned on government stocks, bonds, debentures and loan stock is accounted for on an accruals basis and is shown under the Net Assets as interest accrued. Dividends from other investments are accounted for when the securities are quoted ex-dividend. Any refunds of overseas tax are accounted for when received.

d. Gains and losses on investments are accounted for in the year in which they are realised.

NOTES TO THE ACCOUNTS (continued)

		2024/25 £	2023/24 £
4.	**Administrative Expenses**		
	General expenses	10,824	10,320
	Audit fee	4,750	4,250
	Government Actuary's Fee	3,005	500
	Total Administrative Expenses	**18,579**	**15,070**
5.	**Investment Income**		
	Income from Pooled Investment Vehicles	27,539	21,977
	Interest on cash deposits	193	47
	Total Investment Income	**27,732**	**22,024**
6.	**Change In Market Value of Investments**		
	Net profit on sale of investments	178,612	30,911
	Net (depreciation) / appreciation of investments	(70,738)	380,306
	Total Change in Market Value	**107,874**	**411,217**
7.	**Current Assets and Liabilities**		
	Current Assets		
	Accrued Income	125	795
	Cash at Bank	1,374	2,464
	Total Current Assets	**1,499**	**3,259**
	Current Liabilities		
	Audit Fee	4,750	4,250
	Administration Expenses	10,824	10,320
	Custody Fee	9,833	9,332
	Government Actuary's Fee	8,005	5,000
	Pensions Payable	6,041	3,557
	Total Current Liabilities	**39,453**	**32,459**

NOTES TO THE ACCOUNTS (continued)

8. Investments

	Value at 1 April 2024 £	Purchases at Cost £	Sales Proceeds £	Change in Market Value £	Value at 31 March 2025 £
Pooled Investment Vehicles	4,010,046	1,378,003	(1,416,041)	39,727	4,011,735
Other	218,471	-	-	68,147	286,618
	4,228,517	**1,378,003**	**(1,416,041)**	**107,874**	**4,298,353**

The change in market value of investments during the year comprises all increases and decreases in the market value of investments held at any time during the year, including profits and losses realised on sales of investments during the year.

Transaction costs are included in the cost of purchases and sale proceeds. There were no transaction costs during the year (2023/24: £151). In addition to the transaction costs disclosed above, indirect costs are incurred through the bid-offer spread on investments within pooled investment vehicles. The amount of indirect costs is not separately provided to the scheme. As reported on page 16 investment management expenses were £38,718 (2023/24: £35,537).

The exposure of Pooled Investment Vehicles to other asset classes is shown below.

The 2023-24 comparatives in the table have been restated following a review as some investments had been incorrectly reported as Exchange Traded Funds rather than Open Ended Investment Companies. There were no changes in relation to classification as Pooled Investment Vehicles or Other or to the exposure to underlying asset class. The total value also remained unchanged. This error also required the 2023-24 comparative figures at Note 9 Fair value determination to be restated.

NOTES TO THE ACCOUNTS (continued)

8. Investments (continued)

	2024/25 £	2023/24 (Restated) £
Pooled Investment Vehicles		
Unit Trusts – Overseas Equities	101,934	97,255
Exchange Traded Funds – Overseas Equities	226,827	1,330,622
Open Ended Investment Companies – Overseas Equities	2,126,520	1,051,165
Total Pooled Investment Vehicles - Equities	***2,455,281***	***2,479,042***
Open Ended Investment Companies – UK Bonds	-	204,221
Open Ended Investment Companies – Overseas Bonds	1,494,788	1,251,258
Total Pooled Investment Vehicles - Bonds	***1,494,788***	***1,455,479***
Open Ended Investment Companies – Other	61,666	75,525
Total Open Ended Investment Companies – Other	***61,666***	***75,525***
Total Pooled Investment Vehicles	**4,011,735**	**4,010,046**
Other		
Other Alternatives	35,436	35,813
Physically backed Exchange Traded Commodities	251,182	182,658
Total Other	**286,618**	**218,471**

NOTES TO THE ACCOUNTS (continued)

9. Fair value determination

FRS 102 and the SORP require disclosure of how the fair value of financial instruments has been estimated using the following fair value hierarchy:

Level 1: The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Inputs other than quoted prices included within level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.

Level 3: Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability.

The Scheme’s investment assets have been fair valued using the above hierarchy categories as follows:

As at 31 March 2025	**Level 1**	**Level 2**	**Level 3**	**Total**
	£	**£**	**£**	**£**
Pooled Investment Vehicles	226,827	3,784,908	-	4,011,735
Other	286,618	-	-	286,618
Total	**513,445**	**3,784,908**	**-**	**4,298,353**

As at 31 March 2024 (Restated)	**Level 1**	**Level 2**	**Level 3**	**Total**
	£	**£**	**£**	**£**
Pooled Investment Vehicles	1,330,622	2,679,424	-	4,010,046
Other	218,471	-	-	218,471
Total	**1,549,093**	**2,679,424**	**-**	**4,228,517**

10. Investment Risks

FRS 102 and the SORP require the disclosure of information in relation to certain investment risks. These risks are set out by FRS 102 as follows:

Credit risk: this 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.

Market risk: this comprises currency risk, interest rate risk and other price risk.

- Currency risk: this is the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes in foreign exchange rates.
- Interest rate risk: this is the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes in market interest rates.
- Other price risk: this is the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Scheme has exposure to these risks because of the investments it makes to implement its investment strategy described in the Trustee's Report. Overall, the Scheme has a balanced attitude to risk and seeks to reduce its exposure through portfolio diversification. These investment objectives, including the approach to risk, are implemented by the Scheme's investment managers in their day to day running of the fund and monitored by the department through regular review of the portfolio.

In order to achieve diversification, the investment managers have invested in various pooled investment vehicles, which are a cost-effective way for small schemes to get wider exposure to asset classes, markets and industry. The Scheme will have indirect exposure to the risks associated with the underlying investment of the particular vehicle.

An analysis of pooled investment vehicles by underlying investment and type of arrangement can be found at note 8.

Further details on how the Scheme is exposed to credit and market risk and how this is managed is set out below.

Credit risk

The Scheme is exposed to direct credit risk because it has cash balances and holds pooled investment vehicles. The scheme is also indirectly exposed to the credit risks arising on the underlying bond investments held within the pooled investment vehicles.

Credit risk in relation to cash is mitigated by holding the funds within financial institutions which are at least investment grade rated or within the Northern Ireland Consolidated Fund.

NOTES TO THE ACCOUNTS (continued)

10. Investment Risks (continued)

Direct credit risk from pooled investment vehicles is mitigated by the underlying assets being ring fenced from the pool manager, the regulatory environment in which the pool managers operate and diversification of investments among a number of pooled arrangements.

Indirect credit risk arising due to the underlying investments in bonds held by the pooled investment vehicles is mitigated by diversifying the portfolio across a range of funds whose investments will include government bonds, where the credit risk is minimal, and investment grade corporate bonds.

Currency risk

The overwhelming majority of the Scheme's investments are priced in GBP. However, some funds are priced in US Dollar or Euro. All defensive assets are hedged back to GBP. The Scheme is indirectly exposed to currency risk through overseas investments held within pooled investment vehicles. The Scheme holds a number of global funds and the Scheme's investment managers have advised that these funds primarily hold investments denominated in a mix of Sterling, US Dollar or Euro. There is also some limited exposure to other currencies. This investment in a range of overseas markets and industries is part of the wider diversification strategy.

Interest rate risk

The Scheme is subject to interest rate risk because some of the Scheme's investments are held in bonds through pooled vehicles and cash. Typically, investments of this type are held as part of an investment strategy as they will move in line with the long term liabilities of a scheme. For example, if interest rates fall the value of the investment will rise to help match the increase in actuarial liabilities arising from a fall in the discount rate.

Other price risk

Other price risk arises principally in relation to the Scheme's return seeking portfolio which includes equities held in pooled vehicles. The scheme manages this exposure to overall price movements by constructing a diverse portfolio of investments across various markets.

Liquidity Risk

In addition to the risk disclosures required by FRS 102 and the SORP, the Scheme is exposed to liquidity risk. Liquidity risk is the risk that immediate cash needs cannot be met due to an inability to convert current assets (such as investments) into cash by selling at market value. This may be due to a lack of buyers or an inefficient market that cannot match buyers with sellers, resulting in capital losses.

A balanced level of risk is deemed acceptable but to manage this exposure to liquidity risk all investments are untaken with a view to preserving capital and to providing sufficient liquidity to enable the Scheme to meet all of its current and future obligations as they become payable.

NOTES TO THE ACCOUNTS (continued)

11. Related Party Transactions

The Secretary of State for Northern Ireland is the sole Trustee of the Fund and is a related party. The Department of Finance who manage the Fund, and J&E Davy (UK) Limited, who provide investment management services to the Department during the year, are also regarded as related parties. During the year the Fund has had material transactions with the Department and subsequently J&E Davy UK Limited.

Other than the related party transactions disclosed above the Trustee, key management staff and other related parties have not undertaken any material transactions with the Fund during the year.

12. Events after the Reporting Period

There were no events after the reporting date which require adjustment to the financial statements or disclosure within them.

Date of authorisation for issue

The Accounts were authorised for issue on 29 June 2026.