

# STRATEGIC INVESTMENT BOARD LIMITED

Company Registration No. NI45710

Annual Review and Financial Statements 2023-24

Year Ended 31st March 2024

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# 1 Glossary of Terms

<b>Abbreviation</b>	<b>Full name</b>
ALB	Arm's Length Body
CEO	Chief Executive Officer
Covid-19	Coronavirus Disease 2019
CSU	Council Support Unit
DAERA	Department of Agriculture, Environment and Rural Affairs
DAO letter	'Dear Accounting Officer' letter
DE	Department of Education
DfC	Department for Communities
DfE	Department for the Economy
DfI	Department for Infrastructure
DoF	Department of Finance
DoH	Department of Health
DoJ	Department of Justice
EU	European Union
FOI	Freedom of Information
FTC	Financial Transactions Capital
FTE	Full-time Equivalent
FReM	Financial Reporting Manual
GAA	Gaelic Athletic Association
GDPR	General Data Protection Regulations
IAS	International Accounting Standard
IASB	International Accounting Standards Board
ICLRD	International Centre for Local and Regional Development
IFRS	International Financial Reporting Standard
ISNI	Investment Strategy Northern Ireland
LIBOR	London Interbank Offered Rate
MLKDC	Maze Long Kesh Development Corporation
MSFM	Management Statement and Financial Memorandum
NFI	National Fraud Initiative
NIAO	Northern Ireland Audit Office
NICS	Northern Ireland Civil Service

NICTS	Northern Ireland Courts & Tribunal Service
NIFRS	Northern Ireland Fire & Rescue Service
NMNI	National Museums Northern Ireland
ONS	Office for National Statistics
OPA	Operational Partnership Agreement
PES	Public Expenditure System
PfG	Programme for Government
PFI	Private Finance Initiative
PPP	Public Private Partnership
SBRI	Small Business Research Initiative
SIF	Social Investment Fund
SIRB	Strategic Investment and Regeneration Branch
SoCNE	Statement of Comprehensive Net Expenditure
SoFP	Statement of Financial Position
SONI	System Operator for Northern Ireland
SONIA	Sterling Overnight Index Average
SSAP	Statement of Standard Accounting Practice
SSU	Strategic Support Unit
TEO	The Executive Office

## **2 Officers and Professional Advisers**

### **2.1 Directors**

Mr. Duncan McCausland	Non-Executive Director	(since September 2013)
Ms. Marie-Thérèse McGivern	Non-Executive Director	(since September 2013)
Mr. Daniel McSorley	Non-Executive Director	(since November 2015)
Mrs. Kathryn Thomson	Non-Executive Director	(since September 2015)
Mr. Brett Hannam	Chief Executive	(since June 2012)

### **2.2 Secretary**

Gregor Hamilton

### **2.3 Auditors**

Northern Ireland Audit Office  
106 University Street  
Belfast  
BT7 1EU

### **2.4 Principal Bankers**

Danske Bank  
8-9 Donegall Square North  
Belfast  
BT1 5GJ

### **2.5 Registered Office**

The Kelvin  
17-25 College Square East  
Belfast  
BT1 6DH

## **3 Performance Report for the Year Ended 31st March 2024**

### **3.1 Overview**

During 2023-24 Strategic Investment Board Ltd continued to provide advice to the Executive, Departments, Councils and other organisations in relation to the articulation and delivery of their major investment programmes and projects.

#### **3.1.1 Chief Executive's Perspective on Performance**

In 2023-24, Strategic Investment Board Ltd assisted its partners in the planning of major investments, the delivery of programmes and projects, the management of assets and the promotion of reform.

This is my last report as Chief Executive and I wish to place on record my thanks to the Chairs and Boards of Strategic Investment Board Ltd who, together with officials in The Executive Office (TEO), have continuously supported our work. Most of all, I wish to thank my colleagues who, throughout my eighteen years with the organisation, have striven tirelessly for the benefit of Northern Ireland. I wish them all every success in the future.

#### **3.1.2 Performance and Activities**

During 2023-24, the Strategic Investment Board Ltd:

- Managed the development of the Investment Strategy Northern Ireland (ISNI) and the Medium-Term Infrastructure Investment Plan;
- Completed the draft Green Growth Strategy, led work on the development of the draft Climate Action Plan 2023-2027 and published a consultation paper on Northern Ireland's 2030 and 2040 Emissions Reduction Targets and First Three Carbon Budgets;
- Completed the draft Circular Economy Strategy;
- Completed the report of the Culture, Arts and Heritage Strategy Taskforce;
- Led the development of the Fuel Poverty Strategy;
- Completed a summary report on the root causes of delay and cost overruns in major capital projects;
- Completed a review of the mandatory use of scoring for social value in government procurements;
- Contributed to the development of the Refugee Integration Strategy and the Ending Violence Against Women and Girls Strategy;
- Negotiated a Master Development Agreement for the development of the eight acres of land surrounding the new Belfast Grand Central Station in accordance with an approved masterplan;
- Designed the Peace Plus Youth Programme;
- Managed £630m of programmes and projects on behalf of Councils;
- Provided Directors or Managers for the following programmes and projects:
  - Strule Education Campus;
  - NI Fire & Rescue Service (NIFRS) Training College at Desertcreat;



- Casement Park;
- The Urban Villages programme;
- arc21 Waste Management procurement;
- Southern Regional College Campus programme;
- Northern Regional College Campus programme;
- The regeneration of the Ebrington site in Derry~Londonderry;
- Ultrafast Broadband (Projects Stratum and Gigabit);
- Mobuoy Road Remediation Project;
- Carrickfergus Regeneration Programme;
- Ulster University City Deal projects;
- Office of Building Reform; and
- Tackling Paramilitarism programme.
- Provided data analytical support to Departments and Arm's Length Bodies (ALBs);
- Managed the ISNI Delivery Tracking System and project pipeline;
- Published a report on the Adaptive Reuse of Existing Assets (AREA);
- Managed £332m of loans of Financial Transactions Capital (FTC); and
- Through the Buy Social initiative, supported its partners in the delivery of:
  - Paid employment for 4,345 people disadvantaged in the labour market;
  - 150 job opportunities in Social and micro enterprises in the supply chain;
  - 1,381 hours of Digital inclusion initiatives;
  - 3,700 hours of environmental initiatives;
  - 3,740 hours of health and wellbeing initiatives;
  - 8,706 hours of skills development.

Strategic Investment Board Ltd:

- Supported **TEO** by:
  - providing the interim Chief Executive for the Maze Long Kesh Development Corporation (MLKDC);
  - providing a team to work on the Urban Villages programme;
  - operating the 'Social Value' unit to promote the delivery of social value in public sector procurement and implement mandatory scoring for Social Value in public procurement;
  - providing a Director and Project Managers to deliver capital projects, strategic planning and asset disposals at Ebrington;
  - supporting the management of operational Public Private Partnership (PPP)/ Private Finance Initiative (PFI) contracts;
  - supporting the development of the Ending Violence Against Women and Girls Strategy and the publication of the consultation on its 2023-2030 Strategic Framework;

- 
- completing the final capital projects delivered as part of the Social Investment Fund (SIF) programme;
  - supporting the development of a Refugee Integration Strategy;
  - completing a review of its International Relations Strategy;
  - completing a report on 'Indicators and Information Systems for Understanding the Impacts of the NI Protocol';
  - contributing to a review of the T:BUC Strategy;
  - recruiting Non-Executive members of the Northern Ireland Civil Service (NICS) Board; and
  - recruiting a Chief Scientific and Technical Adviser to the NICS.
  - Supported **The Department of Agriculture, Environment & Rural Affairs (DAERA)** by:
    - providing a Director and other support to the Green Growth Programme;
    - providing a Project Manager for the arc21 residual waste management infrastructure project;
    - providing support to the development of a digital strategy for AFBI;
    - providing strategic advice on waste management; and
    - providing a Project Director for the Mobuoy Remediation Project.
  - Supported **The Department for the Economy (DfE)** by:
    - implementing the Energy Management Programme;
    - providing a Project Director for the Ultrafast Broadband project (Projects Stratum and Gigabit);
    - providing Project Managers for the Southern and Northern Regional Colleges capital investment programmes;
    - providing assurance on the delivery of the Department's portfolio of City Deal projects;
    - administering the Department's FTC loan portfolio and providing ongoing due diligence;
    - supporting the development of a £29.2m FTC investment by Invest NI in a £60m mezzanine loan fund for Northern Ireland;
    - advising on the promotion of the role of Hydrogen in decarbonisation and renewable energy generation;
    - designing the Peace Plus Youth Programme;
    - providing programme management for the Small Business Research Initiative (SBRI);
    - managing the Energy Risk Management Advisory Services contract;
    - managing the £9m energy management 'Invest to Save' programme;
    - completing an interim evaluation of the Higher-Level Apprenticeships Programme;
    - providing digitisation advice to Tourism NI;

- providing a Chief Executive for Manufacturing NI; and
- providing a Strategic Adviser and Project Officer to support the development of a Circular Economy Strategy.
- Supported **The Department for Communities (DfC)** by:
  - providing the Gaelic Athletic Association (GAA) with a Project Manager for Casement Park;
  - providing an embedded team to advise the Engaged Communities group on infrastructure planning and delivery;
  - providing an embedded team in the Office of Building Reform;
  - providing a Capital Programme Director to National Museums, NI;
  - providing project management support to Historic Environment Division;
  - drafting the report of the Culture, Arts and Heritage Strategy Taskforce entitled 'Investing in Creative Delivery';
  - drafting the business case for a new affordable housing fund;
  - supporting the development of a Housing Strategy and the NIHE landlord proposal;
  - managing the pilot of the Living High Street initiative in Downpatrick;
  - providing a Project Manager to the Armagh Observatory and Planetarium Science Park project;
  - providing project development advice for the Queen's Parade, Bangor project; and
  - advising on NI Screen digitisation infrastructure.
- Supported the **Department of Education (DE)** by:
  - providing a Construction Manager and leading the communications function for the Strule Educational Campus programme; and
  - providing data analytical support to the Department's schools and transport planners.
- Supported the **Department of Finance (DoF)** by:
  - providing a Project Manager for the LPS Database project;
  - providing contract Management of Energy Risk Management Advisory Services; and
  - administering the Department's FTC loan portfolio, including appraisal of investment opportunities and due diligence for transactions.
- Supported the **Department of Health (DoH)** by:
  - providing a Project Manager for the NIFRS College at Desertcreat;
  - managing the implementation of a Digital Strategy for HSC;
  - supporting the delivery of the Encompass Digital Patient Records System;
  - providing Data Analysis and Dynamic Systems Modelling support to DoH, PHA and the HSC Board;

- supporting the development of a Data Institute;
- providing the SRO for the Clinical Archiving and Clinical Coding project;
- supporting the PHA by the establishment of a Central Information Directorate and the provision of data scientists;
- the design of a Population Health model for NI;
- the development of a NI Trusted Health Research Environment;
- the development of a proposal for an NI Mental Health Digital Hub;
- the provision of support to the South West Regional Hospital in respect of PFI negotiations; and
- the development of a Population Health Model for NI.
- Supported the **Department for Infrastructure (Dfi)** by:
  - advising NI Water on hydrogen projects;
  - advising on the regeneration element of the Weavers Cross project, including the identification of a development partner;
  - seconding an Asset Management Adviser;
  - supporting the development of the Electric Vehicle Charging Point programme OBC; and
  - developing a business case for the relocation of the Translink HQ Building.
- Assisted the **Department of Justice (DoJ)** through the:
  - provision of a Programme Director and Research Analyst to the Tackling Paramilitary Activity Programme;
  - supporting NI Courts Service in respect of the handover of Laganside Courts on completion of PFI contract term;
  - development of a Strategic Decision Support System for the NI Courts and Tribunal Service (NICTS); and
  - development of the NI Courts Transformation Planning System.
- Supported **Belfast City Council, Derry City and Strabane District Council, Ulster University** and **Queen’s University, Belfast** by advising on City Deal projects.
- Supported **Belfast City Council** and other stakeholders through the deployment of a Director for the Belfast Innovation District.
- Supported **Derry City and Strabane District Council** through:
  - the provision of a Property Advisor;
  - management of the Community Centres Capital programme; and
  - the development of Foyle Street regeneration proposals.
- Supported **Causeway Coast and Glens Council** by the provision of two Project Managers to support the delivery of its capital programme and Growth Deal, work that includes managing the delivery of the £70m Shared Education Campus in Ballycastle.

- Supported **Ards and North Down Borough Council** by the provision of a Head of Strategic Capital Development and by helping to secure £9.3m to support the development of greenways.
- Supported **Mid Ulster District Council** by helping to secure £9m to enable the regeneration of Maghera.
- Supported **Mid and East Antrim Council** by managing the £42m Carrickfergus Regeneration programme.
- Supported Councils by providing an Estate Planning and Management Advisor to support Councils.
- Supported digital transformation programme of **the Crown Solicitor's Office**.
- Managed the NI Public Sector Asset Management Professional Services Framework 2020.
- Provided 1,994 days of support (on 113 assignments) to partners by the deployment of staff from the Strategic Support Unit (SSU).
- Supported Departments and other organisations through the provision of advice on procurement law, recruitment and communications.

### 3.1.3 The Key Issues and Risks

This section examines the major risks arising from the environment in which Strategic Investment Board Ltd operates and sets out Strategic Investment Board Ltd's response.

There is a risk that the organisation may be adversely affected by construction cost inflation, energy costs, the residual impacts of Coronavirus Disease 2019 (Covid-19), an economic recession, Brexit, the war in Ukraine or other external factors.

There is a risk that Strategic Investment Board Ltd may not be able to recruit staff with the skills, knowledge and experience required to address the requirements of its partner organisations. The success of the programmes and projects supported by Strategic Investment Board Ltd would be endangered by the precipitate departure of key staff. This risk has been aggravated by the absence of a fit-for-purpose pay policy. Strategic Investment Board Ltd has proposed the establishment of an independent review of pay policy to address this risk. At the time of writing TEO has endorsed this proposal but the review has not begun.

Reductions in Strategic Investment Board Ltd's core funding continue to limit its ability to provide services to partners that are free at the point of use. Strategic Investment Board Ltd will, therefore, continue to seek co-funding from partners where this is required to help achieve their objectives. It will continue to seek to recoup the full costs of providing project management support to partner organisations.

Strategic Investment Board Ltd staff can only operate effectively as part of appropriately staffed and resourced teams established by those partners. There is a risk that budget cuts may disrupt such teams and adversely impact on delivery.

The ability of Strategic Investment Board Ltd to discharge its statutory and other functions requires the development and maintenance of effective working relationships with its partners. There is a risk that such stakeholder relationships may break down, adversely impacting on the

organisation's efficacy. The organisation has identified the need to devote additional effort to increase stakeholder engagement. A new communications strategy has been developed and is being implemented to address this risk.

There is a risk that Strategic Investment Board Ltd may not be compliant with the General Data Protection Regulations (GDPR). This risk may arise from a failure to document and implement appropriate policies and procedures that protect its information or from failures by 3rd parties who process data on Strategic Investment Board Ltd's behalf.

There is a risk that Strategic Investment Board Ltd's policies and procedures may not be sufficient to protect it from fraud.

There is a risk that ongoing delays to the implementation of a new Structure and Senior Leadership Team will adversely impact on Strategic Investment Board Ltd's performance. The organisation continues to work with TEO and DoF to identify an appropriate way forward.

Strategic Investment Board Ltd's ability to deliver construction projects and other physical infrastructure will be determined by the availability of capital and the priorities of the Executive. These are likely to be affected by the rate of construction cost inflation.

The demand for Strategic Investment Board Ltd's strategic advice and its ability to pursue social infrastructure programmes may be affected by the availability of partner funding.

Strategic Investment Board Ltd's work on digital infrastructure is likely to be affected by a shortage of suitably qualified and experienced candidates for roles within its digital teams.

There is a risk that policy changes in respect of the provision of investment advice to the Executive and other bodies may adversely impact on the ability of Strategic Investment Board Ltd to fulfil its current legislative remit.

There is a risk that Strategic Investment Board Ltd may suffer reputational damage arising from delays to the major capital projects it supports.

There is a risk that the effectiveness of Strategic Investment Board Ltd's Board may be limited by delays in the appointment of a Chair and new NEDs. TEO is aware of this risk and intends to launch a competition to appoint a new Chair shortly. It is TEO's intention then to appoint new NEDs.

There is a risk that the performance of the organisation may be adversely affected by the retirement of the current Chief Executive Officer (CEO).

At the time of writing, the organisation is moving to new office accommodation. There is a risk that the performance of the organisation may be adversely affected if this change is not effectively managed.

The Board and senior leaders will continue to monitor these risks and any new risks that may arise and will take the action necessary to mitigate them.

### **3.1.4 Performance, Risk and Uncertainty**

There is some uncertainty in Strategic Investment Board Ltd's operating environment and this is likely to continue for the foreseeable future. Such uncertainty may, when considered in the context of the specific risks faced by the organisation, impact on its overall performance. The linkages between risk, uncertainty and key performance indicators are set out below.

The most significant uncertainties the organisation faces are:

- The outcome of the ongoing quinquennial review of the organisation by its sponsor Department (TEO). It is possible that this may lead to changes in the role and responsibilities of the organisation;
- The rate of inflation, particularly construction cost inflation;
- The overall public capital and resource budgets for the region;
- The deployment of that budget and consequentially the types of programme and project the government will fund;
- The size of Strategic Investment Board Ltd's grant-in-aid;
- The appetite of partner organisations to commission and pay for work from Strategic Investment Board Ltd;
- The demand for, and availability of, specialist skills and expertise by and within the NICS and other partner organisations; and
- The possible creation of and future role of an Infrastructure Commission.

These factors have the potential to affect the level of demand for the organisation's services and its capacity to respond to such demand.

The business model of Strategic Investment Board Ltd is to employ staff with skills, knowledge and experience not usually found within the public sector and deploy them in roles where they will make a significant positive contribution to the achievement of the business objectives of partner organisations.

The organisation's business model enables it to adapt to changes in demand for services. Its contractual arrangements with staff mean it can respond to increases in demand by growing and to decreases in demand through contraction.

Those services most at risk are those funded directly from grant-in-aid and for which the organisation does not recoup its costs from partner organisations. These include common good services such as the Social Value Unit, the provision of legal support to complex procurements and recruitment to hard-to-fill posts. Should the grant-in-aid provided to the organisation be inadequate, the delivery of such services would be prioritised by the Board and costs cut accordingly.

The overall risk to the achievement of the targets measured by Strategic Investment Board Ltd's key performance indicators that arises from the specific risks documented above, together with the uncertainties identified in the operating environment, are substantial but manageable.

### **3.1.5 The Going Concern Basis**

The Financial Statements have been prepared on the assumption that Strategic Investment Board Ltd is a going concern and will continue in operation for the foreseeable future. Strategic Investment Board Ltd is funded by its sponsor Department, TEO. In the absence of a budget endorsed by the Executive, TEO has provided an indicative budget for 2024-25. The availability of cash is central to programme delivery and Strategic Investment Board Ltd has been working closely with its sponsor Department, TEO, regarding future cash flow forecasts. Strategic Investment Board Ltd assesses that demand for services and strategic advice is either growing or remains stable across the majority of its activities. Strategic Investment Board Ltd is able to meet its current liabilities and will seek to achieve cost-savings where possible and if required.

### **3.1.6 Performance Summary**

In 2023-24 Strategic Investment Board Ltd:

- Managed the development of the ISNI and the Medium-Term Infrastructure Investment Plan;
- Completed the draft Green Growth Strategy, led work on the development of the draft Climate Action Plan 2023-2027 and published a consultation paper on Northern Ireland's 2030 and 2040 Emissions Reduction Targets and First Three Carbon Budgets;
- Completed the draft Circular Economy Strategy;
- Completed the report of the Culture, Arts and Heritage Strategy Taskforce;
- Led the development of the Fuel Poverty Strategy;
- Completed a summary report on the root causes of delay and cost overruns in major capital projects;
- Managed £630m of programmes and projects on behalf of Councils;
- provided support that has helped Departments, Councils and other bodies to deliver their major programmes and projects;
- met the targets set for the management of FTC loans;
- continued the implementation of an energy management strategy;
- supported the development of initiatives to promote the generation and use of hydrogen to support decarbonisation;
- continued to promote and expand the use of the 'Buy Social' approach to delivering employment opportunities for hard-to-reach groups; and
- continued to develop as an organisation so that it can meet the requirements of its stakeholders: local representatives, the Departments, its shareholder (TEO), the private and third sectors, its staff and the public.



## 3.2 Performance Analysis

### 3.2.1 How Performance is Measured

The diverse nature of Strategic Investment Board Ltd’s business is reflected in its use of a range of performance measures and indicators. These include:

- performance against specific objectives set out in the annual business plan;
- performance against cost, schedule and quality targets set out in specific programme and project plans;
- targets for the raising of additional capital and other asset management activities; and
- performance against internal administrative targets.

Strategic Investment Board Ltd normally obtains written feedback on the performance of its staff from its partners at least annually. A performance report is completed at the conclusion of each assignment undertaken by the SSU and Council Support Unit (CSU).

### 3.2.2 Analysis and Explanation

At the 31<sup>st</sup> March 2024, of the 74 objectives set in the business plan, 55 were achieved and 19 were not achieved. The reasons for the non-achievement of 19 targets are set out in the table below.

<i>Project</i>	<i>Objective</i>	<i>Reason(s) for non-completion</i>
Climate Action Plan (CAP)	To have a Climate Action Plan agreed at official level by the end of 2023.	A draft CAP had been drafted by the end of January 2023 but due to changes made by Departments, this was not completed until January 2024.
Tackling Paramilitarism and Criminal Activity	To design, propose and secure Executive approval for Phase 3 of the Programme.	Proposals for Phase 3 have yet to be considered by the Executive.
Investment Funding	To gain business case approval for investment of £15m in the NW Regeneration Investment Finance Fund.	The business case is due to be considered by DfC's casework committee in July 2024.
Investment Funding	To gain business case approval for up to £150m investment in the Net Zero Accelerator Fund.	The business case awaits DfC decisions on governance arrangements.

<i>Project</i>	<i>Objective</i>	<i>Reason(s) for non-completion</i>
Regeneration	Commence delivery of the preferred OBC option for the NW Regeneration Investment Fund.	The OBC is complete, but implementation of the preferred option may be slowed in the absence of Ministerial endorsement.
High Street Task Force	Support the establishment of Programme Governance and Resourcing arrangements for the High Street Task Force.	Continued funding and resource uncertainty has delayed the establishment of programme structures.
Regeneration	Develop clear vision, objectives and investment plans for DfC projects in Belfast, North West and the Regions and agree implementation plans with DfC.	Work on this has slowed in the absence of DfC budget cover.
Urban Villages (UV)	To have delivered on-site UV activities and completed capital projects in line with the 2023/24 Capital Plan.	Progress has slowed owing to the increased costs of projects approved in 2021.
Strule Shared Education Campus	To award the Main Works Contract.	Delays to the confirmation of funding means that Contract Award will now take place in July 2024.
Mobuoy Remediation Project	Initiate IST procurement and publish Contract Notice.	Increasingly challenging affordability issues have delayed progress.
Ebrington	Achieve occupation of Grade 'A' Office Building One.	The building was ready for completion, but the developer has yet to secure a tenant.
City Deals	Secure approval for the OBCs for the Derry~Londonderry City Deal projects.	The OBCs await approval.

<i>Project</i>	<i>Objective</i>	<i>Reason(s) for non-completion</i>
Studio Ulster	Complete Competitive Dialogue procurement exercise for the appointment of an operator for Studio Ulster.	Final Contractual Clarifications in process of being resolved with the Preferred Bidder. An appointment was made in April 2024.
MAZE/Long Kesh Development Corporation	To gain TEO approval to seek Ministerial approval for an access road; community zone and storage.	Awaiting TEO approval.
Project Gigabit	To develop the OBC for Project Gigabit and launch an Invitation to Tender.	The Target Intervention Area / OBC is to be revised following £100m investment by Openreach.
Research	To begin an analysis of the public and private sector's capacity and capability to deliver the Investment Strategy.	This work was delayed by Strategic Investment Board Ltd budget cuts.
Communications	To relaunch the Strategic Investment Board Ltd Brand with appropriate messaging for both internal and external stakeholders.	This work has been delayed until 2024-25 following budget cuts.
Pay Policy	To complete the independent review of Strategic Investment Board Ltd pay policy and implement all agreed recommendations.	No agreement has yet been reached with TEO or DoF to enable this review to proceed.
Senior Leadership Team	To gain endorsement for and implement a fit-for-purpose Senior Leadership Team (SLT) and organisational structure.	No agreement has yet been reached with TEO or DoF to enable this review to proceed.

With respect to Strategic Investment Board Ltd's other targets:

- all SSU and CSU targets were met;
- all Buy Social targets were achieved; and
- all financial targets were achieved.

The SSU carried out 1,994 days of support (2,308 in 2022-23) on 113 (133 in 2022-23) assignments.

Strategic Investment Board Ltd recouped 68% (70% in 2022-23) of its salary costs from its partner organisations. The income received from each partner is shown in the Financial Statements below (Section 6, Sources and Application of Funds).

### **3.2.3 Long-term Expenditure Trends**

Strategic Investment Board Ltd is funded by its sponsor Department, TEO. TEO intends to continue to fund the organisation for the foreseeable future and, in the absence of a budget agreed by the Executive, is expected to provide an indicative budget for 2024-25. The organisation has the staff resources required to achieve its current business objectives. However Strategic Investment Board Ltd recognises the financial pressures and uncertainties which will exist in future years, particularly those arising from increased energy and labour costs, the impact of the wars in Ukraine and Gaza, and other inflationary pressures. Strategic Investment Board Ltd will endeavour to meet these challenges through continued use of co-funding and changes in operational processes and procedures that deliver increased efficiencies.

### **3.2.4 Social Impact**

Strategic Investment Board Ltd offers a Payroll Giving Scheme that allows staff to make tax-efficient donations to charities of their choice.

### **3.2.5 Sustainability Report & Environmental Matters**

Strategic Investment Board Ltd continues to promote and embed sustainability throughout its business activities and the management of the organisation, in line with its Sustainability Policy which sets out the organisation's five sustainability goals. The goals (as set out below) focus on the sustainability risks and opportunities which are specific to the organisation, identifying where it can make the most impact.

The Sustainability Forum continues to be responsible for implementing the Sustainability Policy and encouraging positive behaviours. It has convened four times during 2023-2024 to learn from sustainability leaders across the public and third sectors and continues to operate through its Action Plan which sets out the short-term sustainability priorities for the organisation in line with the five goals. Progress updates are provided by workstream leads as part of the forum meetings and recorded within the Action Plan.

In addition to the progress achieved against the organisation's sustainability goals (as set out below), Strategic Investment Board Ltd promotes economic, social and environmental sustainability in all its projects. Over the past year it has, for example: worked with NI Water to support development of Clean Hydrogen as a renewable energy alternative to reduce our carbon intensity and contribute to the UK's target and legislation for net zero carbon by 2050;

continued to deliver guidance and training to support the implementation of Procurement Policy Note 01/21 regarding the scoring of social value; and published the Adaptive Reuse of Existing Assets (AREA) report which showcases how transforming abandoned sites, derelict infrastructure, and disused buildings can protect our built heritage, reduce carbon emissions and build stronger, more connected communities.

Examples of the sustainability initiatives implemented by the Strategic Investment Board Ltd are set out below under each of the organisation's five sustainability goals.

**Strategic Investment Board Ltd Sustainability Goal 1: Maximise the social, environmental and economic impact of our investment.**

*Relevant UN Sustainable Development Goals: SDG 8 - Decent Work and Economic Growth; SDG 9 – Industry, Innovation, and Infrastructure; and SDG 12 - Responsible Consumption and Production*

- Further development of sustainable procurement guidance and draft sustainability questionnaire prepared for current suppliers.
- Continued use of social enterprises, charities and micro enterprises within the Strategic Investment Board's supply chain. Examples in FY 2023 – 24 have included: catering services provided by NOW Group (social enterprise), Refuge Chocolate (social enterprise) and Bodega Bagels (micro enterprise committed to closed loop business practices); design services contract provided by Shesaid (a female owned micro business) and; employee health checks provided by NICHS (charity organisation)
- Social value requirements continue to be included within collaborative contracts for NICS contracts which extend to the Strategic Investment Board Ltd (e.g. facilities management).

**Strategic Investment Board Ltd Sustainability Goal 2: Promote more responsible production and consumption patterns as we transition to a circular sharing economy.**

*Relevant UN Sustainable Development Goals: SDG 11 – Sustainable Cities and Communities; and 12 – Responsible Consumption and Production*

- Sustainability continues to be incorporated into all staff inductions to raise awareness and promote responsible behaviours across the organisation.
- The Sustainability section of the organisation's employee app continues to be used to promote staff awareness and engagement on sustainability initiatives.
- Knowledge sharing sessions took place with guest sustainability experts from NOW Group, Deloitte, Ulster University, Triterra, Storybox NI and Flourish NI.
- The Strategic Investment Board Ltd continues to operate policies and practices to encourage efficiency in the use of resources. These include the 100% use of recycled paper, the use of multifunction printing/ copying/ scanning devices which are set to duplex printing by default and the use of efficient heaters to provide hot water for refreshments.
- The organisation hosted a clothes swap to promote sustainable fashion practices and donated surplus clothing to its charity partner, which has raised £328 to date.
- A tote bag library was established at reception to encourage responsible consumption practices.

- Surplus furniture and office equipment due to the office move was donated to Doagh Primary School for reuse and to extend its useful life, rather than being sent to landfill. The school's Principal reported: "thank you so very sincerely for our new office furniture and equipment. They are already being put to good use. We have upgraded our foyer and the sofa has pride of place in our 'quiet room'. The flip charts, chairs and tables have been allocated to classroom and our staffroom. The staff think that Christmas has come early!"

**SIB Sustainability Goal 3: Strive to have a positive environmental impact through our business practices and activities.**

*Relevant UN Sustainable Development Goals: SDG 7 – Affordable and Clean Energy, SDG 11 – Sustainable Cities and Communities, SDG 12 – Responsible Consumption and Production and SDG 13 – Climate Action*

- Sustainability considerations were embedded into the arrangements for the organisation's staff conferences including no single use plastic, seasonal menu choices and promoting sustainable travel methods to reduce carbon emissions. The co-chair of the Sustainability Forum also provided an update as part of the conference agenda to raise awareness and encourage employee participation.
- Employees undertook carbon literacy training delivered by Keeping NI Beautiful.
- The organisation continues to operate a hybrid working policy to support reduction of carbon footprint.
- Sustainability was a core criterion in selecting new office accommodation resulting in the lease of office space with an Energy Performance Certificate rating of 'A' and within walking distance to numerous public transport routes to encourage sustainable travel choices.

**Strategic Investment Board Ltd's Sustainability Goal 4: Promote and support sustainable community involvement.**

*Relevant UN Sustainable Development Goals: SDG 1 – No Poverty; SDG 3 – Good Health and Wellbeing; SDG 5 – Gender Equality; SDG 10 – Reduced Inequalities; SDG 17- Partnerships for the Goals*

- The Strategic Investment Board Ltd continues to support Action Cancer NI as its charity partner which will help to contribute to the sustainability of the voluntary, community and social enterprise sector through fundraising activities and donations of items to their charity shops. £1,840 was raised for Action Cancer NI in FY 2023-24.
- Donation of washbag items to Belfast Homeless Services as part of their Christmas appeal.
- The Strategic Investment Board Ltd continues to promote charitable giving through salary sacrifice.
- The Strategic Investment Board Ltd continues to promote its Employee Volunteering Policy which encourages all employees to apply for 3 days of paid time off for volunteering, during each financial year. Awareness of volunteering has been promoted through employee survey and development of volunteering section on employee app.
- Supported the SistersNI programme by mentoring a sixth form student from Victoria College for eight months to help build confidence and broaden career perspectives. SistersNI is creating an ecosystem where schools, businesses and leaders are helping

female students unlock a world of potential and develop the leadership skills needed to succeed in tomorrow's workplace.

- Provided a three-month, work placement opportunity for a final year, undergraduate student studying Politics at Queen's University Belfast to gain direct experience of policy-making and political decision-making in Northern Ireland.

### **Strategic Investment Board Ltd's Sustainability Goal 5: Actively support our people's wellbeing.**

*Relevant UN Sustainability Goals: SDG 3 – Good Health and Wellbeing; SDG 11 – Sustainable Cities and Communities; and SDG 12 – Responsible Consumption and Production*

- Strategic Investment Board Ltd continues to focus on building community and connections across the organisation through various activities including, for example: a book club; a running group; coffee mornings, and Communities of Interest groups.
- Knowledge sharing sessions on sustainability topics through both the Sustainability Forum and the Strategic Investment Board Ltd's staff conferences.
- Webinars on health and wellbeing related topics including advice for parents and carers, menopause and nutrition, mental health awareness and pension clinic.
- Employee health checks through partnership with Northern Ireland Chest Heart and Stroke.
- Appointment of Benenden Health which provides employees with the opportunity to access private health plans consisting of a range of health and wellbeing related services.
- Further promotion of good working practices to support mental and physical wellbeing and build this into the company culture e.g. hybrid working, staff engagement and promotion of wider support mechanisms available to staff through induction and internal communication materials.

#### **3.2.6 Anti-Corruption and Anti-Bribery Matters**

There were no allegations of corruption or bribery raised during 2023-24 (2022-23: 0). Any new Anti-Corruption or Anti-Bribery regulations or Best Practice Guidance issued from TEO, DoF or Northern Ireland Audit Office (NIAO) are considered and embedded accordingly.

#### **3.2.7 Equality**

Strategic Investment Board Ltd pays due regard to the need to promote equality of opportunity and good relations. Where consultation processes have been conducted, for example on ISNI, they included organisations representing groups in the nine Section 75 categories and views on the equality implications of the issues under consultation are invited and taken into account. Monitoring procedures include arrangements for assessing the equality impacts of policies and the implementation of best practice in procurement incorporate those elements identified as capable of better promoting equality of opportunity.

#### **3.2.8 Organisational Structure**

Strategic Investment Board Ltd has a flat organisational structure that enables employees to operate with considerable levels of personal autonomy. Staff, with the exception of individuals embedded within the structures of host organisations, are organised into small teams.

During 2023-24, the Board of Strategic Investment Board Ltd awaited TEO agreement to the implementation of a new organisational structure.

Staff are organised in four lines-of-business. These are:

<i>Line of Business</i>	<i>Description</i>
Strategic Advice	Provides specialist technical, legal, research, and procurement support to partner organisations.
Physical Infrastructure	Manages regionally and sub-regionally significant construction and other physical infrastructure projects.
Digital Infrastructure	Contains the Data Analytics, Research and Exploitation Unit, and manages digital projects
Social Infrastructure	Work on programmes and projects that focus on the achievement of a positive social return on investment.

In addition, there is a corporate services function:

Corporate Services	Manages Strategic Investment Board Ltd support services; Finance, Human Resources, Legal, Information and Compliance, Communications and secretarial support.
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### 3.2.9 Organisational Development

Strategic Investment Board Ltd has continued to invest in the development of the organisation and its staff. The average number of days each employee devoted to training was 2.4 days (3.5 days 2022-2023) Staff have gained qualifications in project and agile change management, sustainable procurement and in a range of other specialisms. The organisation has developed and delivered a 'Health and Wellbeing' Programme and implemented a comprehensive internal communications plan. These sought to ensure that staff maintained a healthy work-life balance and enabled them to deal with stress. The positive impact of these initiatives was monitored through staff surveys.



Duncan McCausland  
Chair of Audit



Brett Hannam  
Chief Executive

Date: 24<sup>th</sup> June 2024



## Accountability Report for the Year Ended 31st March 2024

### 3.3 Corporate Governance Report

#### 3.3.1 Directors' Report

##### 3.3.1.1 Future Developments

Strategic Investment Board Ltd normally derives its strategic priorities from the outcomes defined in the Programme for Government (PfG) Outcomes Framework and from the requirements set out in the First and deputy First Ministers' Letter of Expectations. All Strategic Investment Board Ltd's work contributes to the achievement of these outcomes.

In the absence of an Executive, Strategic Investment Board Ltd took cognisance on ongoing work in TEO to define Missions for the NICS.

Strategic Investment Board Ltd will adapt its strategies and plans in line with the emerging priorities of government and the Departments with which it partners.

Strategic Investment Board Ltd will focus the organisation's activities in those areas where it will have the greatest positive impact, specifically helping government:

- a) determine what investments to make, when, where and for what purpose;
- b) ensure all investments are sustainable;
- c) identify, assess and implement innovative approaches to investment funding;
- d) develop better systems for delivering major capital projects;
- e) work effectively in partnership with the private and third sectors;
- f) make the best possible use of research, technology and data;
- g) collaborate effectively across Departmental and other boundaries in the delivery of investment projects.

Strategic Investment Board Ltd will continue to meet the demand for specialist technical support for the delivery of major projects while promoting knowledge transfer and capacity building in the public sector. Strategic Investment Board Ltd will pass over its responsibilities when other parts of government are able to take them on.

Further information can be found in Strategic Investment Board Ltd's Business Plan 2024-25, which, when completed and approved by Ministers, will be published on its web site at [www.sibni.org](http://www.sibni.org)

##### 3.3.1.2 Share Capital

The company is limited by guarantee and has no share capital.

##### 3.3.1.3 Fixed Assets

Details of the movement of fixed assets have been summarised in note 9 to the accounts. The company does not believe that there is any material difference between the market and carrying value of its fixed assets as at 31 March 2024.

### 3.3.1.4 **Financial Transactions Capital Loans**

In 2023-24 Strategic Investment Board Ltd processed no new FTC loans. (In 2022-23 Strategic Investment Board Ltd processed one new FTC loan of £50,000,000 to GFS Corporate Directorate II Limited, the vehicle holding the NI Investment Fund.) In 2023-24 Strategic Investment Board Ltd received FTC loan repayments of £1,275,000 (2022-23: £1,275,000).

### 3.3.1.5 **Data Protection and Freedom of Information**

Strategic Investment Board Ltd is required to report on personal data related incidents. Within its government framework, Strategic Investment Board Ltd has an explicit control system to meet its responsibility under Data Protection and Freedom of Information. The control system has been established to ensure the appropriate handling of personal data and information used for operational and reporting purposes by development of appropriate strategies and policies. In the 2023-24 year Strategic Investment Board Ltd received two Freedom of Information (FOI) requests (2022-23: five). Strategic Investment Board Ltd will continue to monitor and assess its information risks in order to identify and address any weakness and ensure continuous improvement of its systems.

There were no reportable losses of secure devices in 2023-24 (2022-23: One). There were no incidents of personal data loss recorded within the period under review (2022-23: Nil).

### 3.3.1.6 **Reporting of Complaints**

Strategic Investment Board Ltd is required to disclose its approach to complaints handling. Strategic Investment Board Ltd has a complaints policy for dealing with complaints from the public or other third parties (the procedure for internal complaints is detailed separately in the Strategic Investment Board Ltd Staff Handbook). The complaints policy is published on the Strategic Investment Board Ltd website. All complaints are referred to the Chief Executive as soon as they are received. Strategic Investment Board Ltd's pledge on response times are:

- Strategic Investment Board Ltd will acknowledge receipt of a complaint within 2 working days.
- Normally Strategic Investment Board Ltd will issue a full response within 10 working days.
- If there is a delay in responding we must keep the complainant informed of our progress.

In 2023-24 Strategic Investment Board Ltd received no complaints (2022-23: no complaints).

### 3.3.1.7 **Payments to Suppliers**

Strategic Investment Board Ltd is committed to the prompt payment of bills for goods and services received, in accordance with the British Standard for Achieving Good Payment Performance in Commercial Transactions (BS 7890), and with the Late Payment of Commercial Debts (Interest) Act 1998 as amended. Strategic Investment Board Ltd follows 'Dear Accounting Officer' (DAO) letter 12/08 "Supporting Businesses Prompt Payment of Invoices" which introduced a prompt payment target of ten days, with effect from December 2008. In the year ended 31 March 2024, Strategic Investment Board Ltd paid 100% of its suppliers within 10 days (2022-23: 99%). In the year ended 31 March 2024, 100% of suppliers were paid within 30 days (2022-23: 100%).

### 3.3.1.8 **Statement of Directors' Responsibilities**

United Kingdom company law requires the directors to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the company as at the end of the financial year and of the surplus or deficit of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the company will continue in business.

The directors confirm that they have received assurance that the financial statements have been prepared in line with the requirements above.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Accounting Officer for TEO has designated the Chief Executive as the Accounting Officer for Strategic Investment Board Ltd. His relevant responsibilities as Accounting Officer, including his responsibility for the propriety and regularity of public finances and for the keeping of proper records, are set out in the Accounting Officer Memorandum, in compliance with Chapter 3 of Managing Public Money Northern Ireland and Financial Reporting Manual (FRM).

### 3.3.1.9 **Charitable Donations and Gifts**

The company made no charitable donations or gifts during 2023-24 (2022-23: Nil).

### 3.3.1.10 **Corporate Governance**

The company's Statement of Corporate Governance is set out on page 24.

### 3.3.1.11 **Statement of Disclosure of Information to Auditors**

The directors confirm that, for all directors in office at the date of this report:

- so far as each director is aware, there is no relevant audit information of which the company's auditors are unaware. For this purpose, "relevant audit information" comprises the information needed by the company's auditors in connection with preparing their report; and
- each director has taken all the steps (such as making enquiries of other directors and any other steps required by the director's duty to exercise due care, skill and diligence) that he or she ought to have taken in his duty as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

### 3.3.1.12 **Auditors**

Under the Companies (Public Sector Audit) Order (Northern Ireland) 2013, the Comptroller and Auditor General for Northern Ireland has statutory responsibility for the audit of the Strategic Investment Board Ltd under the Audit and Accountability (NI) Order 2003.

### 3.3.1.13 **National Fraud Initiative**

The Comptroller and Auditor General for Northern Ireland has statutory powers to conduct data matching exercises for the purpose of assisting in the prevention and detection of fraud. The NIAO commissioned a National Fraud Initiative (NFI) Data Matching Exercise in 2022. Strategic Investment Board Ltd provided all necessary reports for their review.



Duncan McCausland  
Chair of Audit



Brett Hannam  
Chief Executive

Date: 24<sup>th</sup> June 2024

### 3.3.2 Statement of Accounting Officer's Responsibilities

Under the terms of the Strategic Investment and Regeneration of Sites (Northern Ireland) Order 2003, TEO (with approval from the Department of Finance) has directed Strategic Investment Board Ltd 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 Strategic Investment Board Ltd 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 the DoF, 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 financial statements; and
- prepare the financial statements on a going concern basis.

The Accounting Officer of TEO has appointed the Chief Executive as the Accounting Officer of Strategic Investment Board Ltd. 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 Strategic Investment Board Ltd's assets, are set out in *Managing Public Money Northern Ireland* published by DoF.

As Accounting Officer, I can confirm that there is no relevant audit information of which the auditors are unaware. I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that the auditors are aware of that information.

As Accounting Officer, I can confirm that the annual review and financial statements as a whole are fair, balanced and understandable and that I take personal responsibility for the annual review and financial statements and the judgments required for determining that they are fair, balanced and understandable.

### 3.3.3 Governance Statement

The Strategic Investment Board Ltd is a company limited by guarantee, owned by TEO and functioning as one of that Department's ALBs. Strategic Investment Board Ltd is financed from TEO's departmental expenditure limit. The Board of Strategic Investment Board Ltd is accountable to the First Minister and the deputy First Minister. In the absence of the First Minister and the deputy First Minister the organisation reports to the Permanent Secretary, TEO.

This statement is given in respect of Strategic Investment Board Ltd's Resource Account for 2023-24. The Governance Statement comprises two broad elements. Firstly, it describes Strategic Investment Board Ltd's governance framework; identifying responsibilities and explaining the functions of its constituent elements. Secondly, it reports my assessment as Accounting Officer of the effectiveness of the framework during the reporting period. The report identifies any significant governance issues and concludes with a review of Strategic Investment Board Ltd's conformance with the Code of Good Practice.

### 3.3.4 The Purpose of the Governance Framework

The purpose of the Governance Statement is to report publicly on the extent to which Strategic Investment Board Ltd complies with its Code of Good Practice, including how it has monitored and evaluated the effectiveness of its governance arrangements in the year. The process of preparing the governance statement itself adds value to the effectiveness of the corporate governance and internal control framework.

### 3.3.5 The Governance Framework

The governance framework comprises the systems and processes, and culture and values, by which Strategic Investment Board Ltd is directed and controlled. The system of internal control is a significant part of this framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve Strategic Investment Board Ltd's aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness.

The governance framework described below has been in place in Strategic Investment Board Ltd for the year ended 31 March 2024. It comprises:

- the Accounting Officer;
- the Board;
- the Audit Committee;
- the Remuneration and Personnel Committee;
- the Internal Audit function; and
- the External Audit function.

These organisational structures, together with an overview of their responsibilities and performance in year, are set out in the relevant sections below.

The framework also includes additional elements that contribute to the effective governance of the organisation. These comprise:

- The Investment Committee;
- The Management Statement and Financial Memorandum;
- TEO Oversight Arrangements;
- The Strategic and Business Plans;
- The Performance Management Framework;
- Operational Partnership Agreements;
- Financial Policies and Procedures;
- The Risk Management Framework;
- The Fraud Prevention Strategy and Response Plan;
- ‘Raising Concerns’ Arrangements;
- The identification and reporting of significant Governance issues;
- FTC Loan Agreements; and
- Conformance with the Board Code of Good Practice.

These elements, together with an assessment of their effectiveness in year, are described in the relevant sections below.

### **3.3.6 The Accounting Officer**

As Accounting Officer, I have responsibility for maintaining a sound system of internal governance that supports the achievement of Strategic Investment Board Ltd’s aims and objectives. I also have responsibility for the propriety and regularity of the public finances allocated to Strategic Investment Board Ltd and for safeguarding public funds and assets in accordance with the responsibilities assigned to me in the Corporate Governance Code and Managing Public Money Northern Ireland.

In my role as Accounting Officer, I function with the support of the Strategic Investment Board Ltd’s Board (‘the Board’). This includes highlighting to the Board specific business risks and, where appropriate, the measures that can be employed to manage these risks.

As Accounting Officer I am aware of the responsibilities within my role and remain fit to carry out the Accounting Officer role.

### **3.3.7 The Board**

The Board is chaired by a Non-Executive Director. It supports the delivery of effective Corporate Governance and operates within best practice guidelines set out in ‘Corporate Governance Code of Good Practice (NI) 2013’. The Board takes an objective long-term view of the business of the organisation, leading its strategic planning process and assisting me in meeting my corporate governance responsibilities.

The Terms of Reference of the Board make clear its responsibility to establish and oversee the organisation’s Corporate Governance arrangements.

Notwithstanding this, all tiers of management have commensurate responsibilities for ensuring that good governance practices are followed within the organisation.

Under the general guidance and direction of TEO Ministers, the key aspects of the Board's role include:

- setting the strategic direction for the organisation, including its vision, values and strategic objectives; overseeing the implementation of corporate and business plans, monitoring performance against objectives and supervising its budget;
- leading and overseeing the process of change and encouraging innovation, to enhance the organisation's capability;
- overseeing the strategic management of staff, finance, information and physical resources, including setting training and health and safety priorities;
- establishing and overseeing the implementation of Strategic Investment Board Ltd's corporate governance arrangements, including risk management; and
- overseeing and monitoring the organisation's progress against all of its equality of opportunity and good relations obligations.

The Board is required to act in accordance with the responsibilities assigned to it in the *Corporate Governance Code of Good Practice (NI)* and *Managing Public Money Northern Ireland*.

The Board operates as a collegiate forum. In the ongoing absence of a substantive Chairperson, the Board elects a Chair before each Board meeting. The Board operates in an advisory and consultative capacity, offering guidance when sought. Day-to-day operational matters are my responsibility and that of senior staff. The Board does not direct me on how such business should be run, unless in exceptional circumstances, of which none occurred during this reporting period.

Each Non-Executive Director participates in the high-level corporate decision-making process as a member of the Board, contributes to the operation of corporate governance arrangements within the organisation and supports me in my roles of Chief Executive and Accounting Officer.

As Chief Executive, I am responsible for organising the agenda for monthly Board meetings and ensuring the Chair and Board members are provided with timely information to support full discussion at each meeting.

I provide monthly written reports to the Board. The Board also receives a quarterly financial and budget monitoring report and a pack of relevant media reporting.

I provide reports on the status of supported projects; delivery of business plan objectives; expenditure against plan; resource inputs by project; requests made under the Freedom of Information Act; press reporting of Strategic Investment Board Ltd; usage of the Strategic Investment Board Ltd websites; Assembly Questions relevant to Strategic Investment Board Ltd (when the Assembly is sitting); absence management; recruitment; communications; legal work and requests for Strategic Investment Board Ltd support. Strategic Advisers and Project Managers provide the Board with reports on the progress of their work.

The Board maintains a Register of Interests that is published on the Strategic Investment Board Ltd website. This lists, for each Director, all commercial and other relevant interests. A similar register is maintained by all Strategic Investment Board Ltd staff. The published versions of the



registers are updated every six months, but Directors and staff are required to report any significant changes as they occur.

Each Board and committee meeting begins with those present declaring any conflicts of interest that may arise from agenda items. The Terms of Reference for the Board set out how such conflicts should be managed should they arise. These terms require a Director with a conflict of interest to withdraw from any discussion of the relevant matter and to abstain from any associated vote. The Terms of Reference for the Board are themselves confirmed at the start of each meeting.

In 2023-24 Board members declared possible conflicts of interest relating to particular projects and their involvement in organisations with which Strategic Investment Board Ltd works. These were recorded in the minutes of the meetings. On no occasion was a Director required, on account of such interests, to withdraw from any meeting.

In 2023-24, the Board comprised the following members:

Mr. Duncan McCausland	Non-Executive Director	(since September 2013)
Ms. Kathryn Thomson	Non-Executive Director	(since September 2015)
Ms. Marie-Thérèse McGivern	Non-Executive Director	(since September 2013)
Mr. Daniel McSorley	Non-Executive Director	(since November 2015)
Mr. Brett Hannam	Chief Executive	(since June 2012)

In the absence of a Chair, and in line with the Board's terms of reference, Board members elected a Chair for each meeting at the start of business.

The Board held 11 meetings in 2023-24. Attendance was as follows:

	Maximum Attendance	Actual Attendance
Mr. Duncan McCausland	11	11
Ms. Kathryn Thomson	11	11
Ms. Marie-Thérèse McGivern	11	11
Mr. Daniel McSorley	11	11
Mr. Brett Hannam	11	11

In 2023-24 the Strategic Investment Board Ltd Board considered the following standing agenda items:

- Minutes of the Previous Meeting;
- Conflicts of Interest;
- Chairman's and Directors' business;
- The Chief Executive's report, which included reports on significant developments in projects supported by Strategic Investment Board Ltd, finance and other relevant matters; and
- Media Report.

The Board took reports on finance, projects, corporate performance, resource utilisation, HR matters, issues relating to TEO and other relevant matters.

The Board heard individual reports on, and then discussed, the following:

- The Investment Strategy;
- The Casement Park project;
- The Strule project;
- SIB's Brand, Culture and Values;
- Green Growth and the Climate Action Plan;
- The draft Budget 2023-24;
- The Moubuoy Remediation project;
- SIB Support to Public Sector Decarbonisation;
- Artificial Intelligence in the Public Sector;
- The Net Zero Accelerator;
- arc 21;
- The Social Value Unit;
- The SBRI programme;
- Emerging findings of the SIB Report into the Root Causes of Delay and Cost Overruns in Major Capital Projects;
- The Board's Terms of Reference; and
- Board Effectiveness.

In addition, the Board considered the following matters:

- The Report and Accounts for 2022-23;
- The Risk Appetite Statement and Risk Registers;

- The results of staff surveys;
- Internal and External Communications; and
- The draft Business Plan.

### **3.4 Board Committees**

The Board operates the following committees:

- The Audit Committee, which provides assurance to the Board, (and indirectly the shareholder – TEO), that the company’s financial and other control systems are operating effectively; and
- The Remuneration and Personnel Committee, which approves senior appointments, salaries and allowances; scrutinises recruitment and advises on personnel matters.

All appointments to committees are confirmed in writing by the Chairman. Members are provided with the terms of reference of the committee, details of the committee’s membership; an account of the members’ responsibilities and a copy of the ‘Nolan Principles’.

#### **3.4.1 The Audit Committee**

The Audit Committee’s terms of reference set out its purpose as being to support me as Accounting Officer in monitoring risk, control and governance systems (including financial reporting). Additionally, the Committee will advise the Board and the Accounting Officer on the adequacy of audit arrangements (internal and external) and on the implications of assurances provided in respect of risk and control. The Audit Committee does not have executive powers.

The Audit Committee and its Chair are appointed by the Board from amongst its Non-Executive Members and a quorum which comprises of no less than two Non-Executive Members. The Audit Committee Chair is a Non-Executive Member of the Board other than the Strategic Investment Board Ltd’s Chairperson.

In addition to its members, the following normally attend meetings of the Committee:

- The Accounting Officer;
- The Internal Auditor;
- The External Auditor;
- A representative of TEO;
- The Finance Manager (Secretary to the Committee); and
- The Compliance Manager.

The committee last reviewed its own effectiveness in September 2023, and, in summary, Members concluded that the Audit Committee was effective in its support to the Board and the Accounting Officer in the discharge of their duties.

The Committee Chairman reports after each meeting to the Board on any significant issues that have arisen. The Committee Chair, on behalf of the committee, reports in writing once a year

to the Accounting Officer and the Board on the findings and conclusions of the committee for the past year.

The membership of the Strategic Investment Board Ltd Audit Committee in 2023-24 comprised:

Mr. Duncan McCausland	(Chair from December 2016)
Ms. Marie-Thérèse McGivern	
Mr. Daniel McSorley	

The Audit Committee met 5 times in 2023-24. All members attended all meetings. The committee took two reports from its internal auditors. The results were as follows:

- Payroll Satisfactory
- Staff Recruitment & Retention Satisfactory

In 2023-24 the internal auditor commenced an audit of Management Information Systems. As part of this audit, field work was completed within the Finance and SSU teams. It was agreed between internal audit and Strategic Investment Board Ltd's management that the completion and close out of this audit would be better delivered in year two of the three-year plan.

All recommendations from the internal audit reports were accepted and all recommendations from prior years were addressed or in the process of being implemented. The internal auditor's overall assurance rating for 2023-24 was Satisfactory.

The committee reviewed risk and the risk registers at its meetings. It made recommendations regarding new and amended risks.

The Committee reviewed NIAO reports including the External Audit Strategy, the Report to those Charged with Governance and other publications.

The committee met the internal and external auditors in the absence of the Executive. No matters were raised with the Executive as a result of this meeting.

The committee submitted a formal written report on its work to the Strategic Investment Board Ltd Board in May 2023. The Chair reported orally to the Strategic Investment Board Ltd Board after each of the committee's meetings.

The committee noted DAO letters issued during the reporting period. It also considered a number of other relevant reports and papers.

### **3.4.2 Sources of Independent Assurance**

Independent Assurance is received from the following sources:

- Internal Audit; and
- The NIAO.

Strategic Investment Board Ltd's internal audit services are provided by SCC Chartered Accountants, a representative of which attended all Strategic Investment Board Ltd Audit Committee meetings.

I am independently advised by the Head of Internal Audit who operates in accordance with Public Sector Internal Audit Standards (PSIAS).

Strategic Investment Board Ltd is also subject to independent scrutiny from the NIAO. A representative from the NIAO attends all Strategic Investment Board Ltd Audit Committee meetings.

### **3.4.3 Other Board Committees**

The Remuneration and Personnel Committee met four times during the reporting period. All members attended all meetings. The CEO, HR Manager and Finance Manager were also in attendance. Some elements of meetings were held in closed session, attended only by the members and CEO. In addition, members considered, by written procedure, proposals for senior appointments, out of committee. All such appointments were formally ratified at the following meeting. The Committee recommended a cost of living pay increase of 1% for 2022-23 that was retrospectively approved by TEO and implemented by Strategic Investment Board Ltd in April 2024.

#### **3.4.3.1 Board Effectiveness**

The Board assessed its own effectiveness in September 2023. The ensuing discussion was led by the Chair of the Audit Committee. The Board concluded that it was working effectively and looked forward to the future appointment of a new Chair and Non-Executive Directors to continue the ongoing development of Strategic Investment Board Ltd.

#### **3.4.3.2 The Investment Committee**

The Investment Committee is an internal executive management committee. Its purpose is to appraise expenditure proposals, ensuring that the principles of regularity, propriety, probity, and value-for-money are achieved and that the proposed investment of resources is consistent with Strategic Investment Board Ltd's overall aims and objectives.

The committee consists of the Chief Executive, the Legal Director, Compliance Manager and Finance Director. A Grade 7 from TEO and the HR Manager attend as observers. The Investment Committee met 4 times during the reporting period. It approved 77 business cases with a total value of £8,832,000.

#### **3.4.3.3 The Management Statement and Financial Memorandum (MSFM)**

The MSFM is a key control document. The management statement sets out the broad framework within which the Strategic Investment Board Ltd will operate, in particular it defines:

- the Strategic Investment Board Ltd's overall aim, objectives and targets in support of TEO's wider strategic aims;
- the rules and guidelines relevant to the exercise of the Strategic Investment Board Ltd's functions, duties and powers;
- the conditions under which any public funds are paid to the Strategic Investment Board Ltd; and
- how the Strategic Investment Board Ltd is to be held to account for its performance.

The associated Financial Memorandum sets out in greater detail certain aspects of the financial provisions which the Strategic Investment Board Ltd is required to observe, including delegated financial authorities.

The MSFM is expected to be replaced by a Partnership Agreement with TEO in 2024-25. The text has been agreed by the Board of Strategic Investment Board Ltd but awaits the approval of TEO.

#### **3.4.4 The Executive Office (TEO) Oversight Arrangements**

Within TEO, the Strategic Investment and Regeneration Branch (SIRB) is the sponsoring branch for Strategic Investment Board Ltd. SIRB, in consultation as necessary with TEO's Accounting Officer, is the primary source of advice to Ministers and the Permanent Secretary on the discharge of their responsibilities in respect of Strategic Investment Board Ltd, and the primary point of contact for Strategic Investment Board Ltd in dealing with the Department. Strategic Investment Board Ltd carries out its duties under a senior officer who has as one of her primary responsibilities the duty of overseeing the activities of Strategic Investment Board Ltd.

During the reporting period, I have submitted Quarterly Assurance Statements to TEO as requested by the Department. These have been considered by the Strategic Investment Board Ltd Audit Committee.

I have attended, with senior staff, Quarterly Accountability Meetings with the TEO Accounting Officer or his representative and senior staff from the Department.

#### **3.4.5 The Strategic and Business Plan**

The purpose of the Strategic Plan is to document the medium-term objectives of the Strategic Investment Board Ltd and describe the corporate strategy it will follow to achieve them. The annual Business Plan develops the Strategic Plan by defining in detail Strategic Investment Board Ltd's targets for the year ahead, the resources it will use and the activities it will undertake. The Strategic and Business Plans are published at [www.sibni.org](http://www.sibni.org)

#### **3.4.6 The Performance Management Framework**

Strategic Investment Board Ltd operates within a performance management framework that is consistent with the government's FABRIC<sup>1</sup> approach. The Strategic Investment Board Ltd Performance Management Framework ensures the framework is:

- *Focused on the core aims and objectives of the organisation;*
- *Appropriate in that it delivers to stakeholders the information they need;*
- *Balanced* because it covers all the organisation's significant areas of work; considers both financial and non-financial data and provides indicators of future as well as past performance;
- *Robust*, as it can survive changes in personnel and structure of the organisation;
- *Integrated*, in that the results of the system are monitored and used as part of the business planning and management process; there is consistent performance information at all levels of the organisation and performance measures for individuals and teams are consistent with measures for the organisation; and

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<sup>1</sup> *Choosing the Right FABRIC - A Framework for Performance Information*, HM Treasury et al, March 2001.

- *Cost Effective*, because the resources put into collecting performance information proportionate to the benefit of the organisation.

I have monitored Strategic Investment Board Ltd's performance against the targets set out in its business plan and have reported quarterly on these to the Board and to TEO. I have satisfied myself as to the quality of data reported to the Board through personal inspection, by reports provided to me from electronic data sources and by assurances provided by senior staff. I have sought feedback from customers on the performance of Strategic Investment Board Ltd staff and have incorporated such feedback into performance appraisals. I have provided customers with the opportunity to comment on the services provided by Strategic Investment Board Ltd and have taken such feedback into account in my business planning and my management of day-to-day operations.

### **3.4.7 Operational Partnership Agreements (OPAs)**

OPAs are important control mechanisms that define the relationship between Strategic Investment Board Ltd and its individual customers. The precise terms of the OPA vary between customers but will always contain a clear definition of the work Strategic Investment Board Ltd will carry out for the customer.

### **3.4.8 Financial Management**

Responsibility for ensuring that an effective system of internal financial control is maintained and operated rests with me as Accounting Officer. The systems of internal financial control provide reasonable and not absolute assurance that assets are safeguarded, that transactions are authorised and properly recorded, and that material errors or irregularities are either prevented or would be detected within a timely period.

Internal financial control is based on a framework of management information, financial regulations and administrative procedures, which include the segregation of duties, management supervision and a system of delegation and accountability.

### **3.4.9 Risk Management**

Strategic Investment Board Ltd's 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.

Relevant internal control considerations, including any issues of risk, are considered with regard to the achievement of Strategic Investment Board Ltd's aims and objectives, and where necessary, are brought to the attention of TEO.

The system of internal control is based on an on-going process designed to:

- determine and document the organisation's risk appetite;
- identify and prioritise the risks to the achievement of Strategic Investment Board Ltd's aims and objectives;
- evaluate the likelihood of those risks being realised and the impact should they be realised; and

- manage such risks efficiently, effectively and economically.

I drafted the 2023-24 Corporate Risk Register, and this was subject to revision through regular scrutiny by the Audit Committee and Board. Board members had the opportunity to identify and consider any emerging external risks / threats that could affect the Strategic Investment Board Ltd's capacity to deliver its Business Plan commitments.

The key risks to Strategic Investment Board Ltd that were managed during the reporting period were:

Risk	Residual Impact 31 March 2024	Residual Likelihood 31 March 2024
1 Strategic Investment Board Ltd may not be able to recruit or retain the staff needed to achieve its business objectives.	HIGH	HIGH
2 Key stakeholder relationships may break down.	HIGH	MEDIUM
3 The lack of an effective organisational structure and senior leadership group may constrain the organisation's performance.	HIGH	HIGH
4 Strategic Investment Board Ltd may be unable to achieve all its planned business objectives with the funding available to it or its partners.	HIGH	HIGH
5 The organisation's performance may be adversely affected by Construction Cost Inflation, energy costs, the residual impacts of Covid-19, an economic recession, Brexit, the war in Ukraine or other external factors.	HIGH	HIGH
6 Policy changes may adversely impact the organisation's ability to fulfil its remit.	MEDIUM	MEDIUM
7 The organisation may suffer reputational damage through delays to key projects.	MEDIUM	HIGH
8 The organisation's financial and other controls may not be sufficient to prevent or identify fraud.	HIGH	LOW
9 The organisation's information may not be protected and managed adequately and in conformance with GDPR.	MEDIUM	LOW
10 The effectiveness of the organisation's Board may be limited by delays in the appointments of a chair and new non-executive directors.	MEDIUM	MEDIUM
11 The move to new offices may adversely affect the organisation's performance.	MEDIUM	LOW
12 The retirement of the CEO may adversely affect the organisation's performance.	LOW	LOW



Strategic Investment Board Ltd has identified the following vulnerabilities ‘on the horizon’ that may occasion additional risk in the coming reporting period:

<b>Vulnerability</b>	<b>Significance</b>
Cuts to the NI Block Grant may mean programmes and projects the organisation supports may be delayed or cancelled.	Demand for Strategic Investment Board Ltd support for projects may fall.
The poor economic outlook arising from inflation and the war in Ukraine/Middle East may lead to projects being cancelled or delayed.	Demand for Strategic Investment Board Ltd support for projects may fall.
Construction cost inflation may rise significantly.	Physical infrastructure projects supported by Strategic Investment Board Ltd may become unaffordable or subject to additional delay.

During this reporting period, management provided the Audit Committee with reports setting out the sources of risk assurance. In my opinion there have been no material changes that required this report to be re-considered.

No ‘Ministerial Directions’ have been issued to Strategic Investment Board Ltd.

There have been no major lapses of protective or information security.

### **3.4.10 Fraud and Counter-Fraud**

Strategic Investment Board Ltd’s Policy and Procedures on Fraud, (Including the Strategic Investment Board Ltd Raising Concerns [Whistle-blowing] Policy and Guidance on Conflicts of Interest) sets out the responsibilities of staff with regard to fraud prevention, what staff should do if they suspect fraud and the action that will be taken by management in such circumstances (the Strategic Investment Board Ltd Fraud Response Plan).

There were no fraud attempts to report in 2023-24 (2022-23: no instances of attempted fraud).

### **3.4.11 Raising Concerns (Whistleblowing)**

The Strategic Investment Board Ltd’s Raising Concerns (Whistleblowing) Policy provides staff with a procedure for reporting concerns about unlawful conduct, fraud, dangers to the public or the environment, or other malpractice. The aim of this policy is to reassure them that they can feel confident in exposing wrongdoing without any risk to themselves.

There were no concerns raised against Strategic Investment Board Ltd in 2023-24 (2022-23: nil).

### **3.4.12 Significant Governance Issues**

No governance matters arising in prior years are still considered to represent internal governance issues for 2023-24. There were no significant issues arising during 2023-24 in respect of Corporate Governance.

### **3.4.13 Financial Transactions Capital loans**

Strategic Investment Board Ltd is the channel through which FTC loans are made from the DfE to the universities and from the DoF to the NI Investment Fund. Strategic Investment Board Ltd

performs this function because the Departments do not currently have the vires to make such loans.

#### **3.4.14 Conformance with Code of Good Practice**

Strategic Investment Board Ltd, like other public bodies, has a duty to conduct affairs in a responsible and transparent way, and to take into account the standards in public life set out by the Nolan Committee and *“Corporate Governance Code of Good Practice NI”*.

Throughout the year ended 31 March 2024, Strategic Investment Board Ltd has complied with all relevant Code provisions.

#### **3.4.15 Certification**

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the Internal Auditors and senior staff within the organisation, who have responsibility for the development and maintenance of the internal control framework. I also consider the comments made by the NIAO in its Report to those Charged with Governance and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Strategic Investment Board Ltd Board and by the Audit Committee.

Strategic Investment Board Ltd has a rigorous system of accountability on which I rely, as Accounting Officer, to form an opinion on the probity and use of public funds, as detailed in *Managing Public Money NI*. Having considered the operation of its governance framework, I am content that Strategic Investment Board Ltd has operated a sound system of internal control during the period 2023-24.



Brett Hannam  
Chief Executive

Date: 24<sup>th</sup> June 2024

### 3.4.16 Remuneration and Staff Report

The Remuneration and Personnel Committee consists of Non-Executive Board Members of the company. In the absence of the Committee Chair, the longest serving non-executive member of the committee present shall chair the proceedings. The Chief Executive and Finance Director attend as observers and the HR Manager provides a secretariat function.

The committee considers and, if satisfied, approves all appointments to posts with a salary greater than £76,981 per annum. The Chief Executive was delegated the authority to approve appointments below this threshold, commencing August 2022.

The Committee also considers other matters relating to pay and performance. Pay awards are made within the parameters set by the DoF.

The notice period for Strategic Investment Board Ltd staff ranges from one to three months.

### 3.4.17 Directors' Emoluments (Audited)

	2023-24				2022-23			
	Salary	Benefits in kind	Pension benefits	Total	Salary	Benefits in kind	Pension benefits	Total
	£'000	(to nearest £100)	(to nearest £1,000)	£'000	£'000	(to nearest £100)	(to nearest £1,000)	£'000
<b>Hannam B</b> <i>Chief Executive</i>	150 - 155	-	15	165-170	150 - 155	-	15	165-170
<b>McCausland D</b> <i>Non-Executive Director</i>	10 - 15	-	-	10 - 15	10 - 15	-	-	10 - 15
<b>McGivern MT</b> <i>Non-Executive Director</i>	10 - 15	-	-	10 - 15	10 - 15	-	-	10 - 15
<b>Thomson K</b> <i>Non-Executive Director</i>	10 - 15	-	-	10 - 15	10 - 15	-	-	10 - 15
<b>McSorley D</b> <i>Non-Executive Director</i>	10 - 15	-	-	10 - 15	10 - 15	-	-	10 - 15

Directors' emoluments consisted of basic salary only. There were no bonus payments, benefits in kind or non-cash benefits provided to any director during the year or in the previous year. Mr. Hannam was appointed as Chief Executive on 1<sup>st</sup> June 2012. In 2023-24 Mr. Hannam's base salary was £154,115 (2022-23 £152,589). Mr. Hannam received back pay for a 1% cost of living pay increase for 2022-23 of £1,526 (2021-22: £1,511) in April 2024. Mr. Hannam also received a non-consolidated payment of £700 in respect of the 2022-23 pay remit.

Total remuneration including pension payments are disclosed in the remuneration table. Strategic Investment Board Ltd Directors do not receive pension benefits. The Chief Executive however is a member of a defined contribution pension scheme operated by Strategic Investment Board Ltd for all staff. The employer makes a contribution of 10% of basic salary to the company's pension scheme. The employee does not have to contribute to this scheme. In 2023-24, contributions on behalf of the Chief Executive were £15,259. Contributions relating to the 2022-23 pay remit back pay were made in April 2024, this amounted to £305. Strategic Investment Board Ltd also contributed to a centrally-provided risk benefit scheme (that provides cover for death in service and retirement due to ill health). A total contribution of £10,885.83 was made on behalf of the Chief Executive.

Expenses reimbursed to Non-Executive Directors in 2023-24 totalled £800 (2022-23: £657).

### 3.4.18 Compensation for Loss of Office and Early Retirement

Non-Executive Directors have fixed-term public appointments not exceeding three years. These appointments are renewable. Individual appointments are made, and remuneration levels set, by TEO Ministers. There has been no compensation for loss of office or early retirement for Directors in 2023-24 (2022-23: Nil). The arrangements for early termination of staff members would be made in accordance with the employment contract of the relevant individual. Strategic Investment Board Ltd's liabilities in the event of termination do not, at present, exceed those set out in statute. During the year no early termination payments were paid to staff members.

### 3.4.19 Fair Pay Disclosure (Audited)

	2023-24	2022-23
Band of highest paid Director's total remuneration* (£000)	£150k - £155k	£150k - £155k
Median total remuneration*	£77,989	£77,345
Ratio	1.98	1.97
The percentage changes from the previous financial year in respect of the highest paid director	1.0%	1.0%
For employees of the entity taken as a whole, the percentage changes from the previous financial year in the average (mean): Salary and allowances (and performance pay and bonus pay)	1.0%	1.0%
The ratio between the highest paid director's remuneration and the pay and benefits of the employee on the 25th percentile of pay and benefits of the entity's employees	2.80	2.82
The ratio between the highest paid director's remuneration and the pay and benefits of the employee on the 75th percentile of pay and benefits of the entity's employees	1.65	1.65

\* Remuneration includes salary only. It does not include employer pension contributions.

Reporting bodies are required to disclose the relationship between the 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 Strategic Investment Board Ltd in the financial year 2023-24 was £150,000 - £155,000 (2022-23: £150,000 - £155,000). This was 1.98 times (2022-23: 1.97) the median remuneration of the workforce, which was £77,989 (2022-23: £77,345). In 2023-24 one employee received remuneration in excess of the highest-paid director.

Remuneration, full time equivalent (FTE), ranged from the band of £20,000 - £25,000 to £160,000 - £165,000 (2022-23: £20,000 - £25,000 to £160,000 - £165,000). Total remuneration includes salary and benefits-in-kind but does not include severance pay. There were no severance payments made in 2023-24 (2022-23: Nil). Total remuneration does not include

employer pension contributions. There were no bonus payments or off-payroll engagements in 2023-24 (2022-23: Nil).

### 3.4.20 Payments to Past Directors

There have been no payments made to past directors in year (2022-23: Nil).

### 3.4.21 Staff Report: Staff Numbers (Audited)

The average number of employees (full time equivalents), excluding Non-Executive Directors, in the company is made up as follows:

	<b>2023-24</b>	<b>2022-23</b>
Staff	28	29
Staff recharged to other departments	76	78
Seconded staff*	1	3
<b>Total</b>	<b>105</b>	<b>110</b>
Permanent	45	41
Temporary contracts	60	69

\*Staff seconded to Strategic Investment Board Ltd from the Civil Service or private sector organisations.

### 3.4.22 Staff Report: Analysis of Staff Costs (Audited)

The costs incurred in respect of these employees were:	<b>2023-24</b>	<b>2022-23</b>
	<b>£</b>	<b>£</b>
Wages and salaries (increased by employee benefits)	2,566,335	2,210,910
Wages and salaries recharged to other departments	5,896,058	6,573,332
Social security costs	1,043,486	1,117,834
Health Insurance	399,744	561,188
Other pension costs	840,943	864,906
<b>Total staff cost</b>	<b>10,746,566</b>	<b>11,328,170</b>
Seconded staff *	88,363	192,732
<b>Total employment cost</b>	<b>10,834,929</b>	<b>11,520,902</b>

\*Staff seconded to Strategic Investment Board Ltd from the Civil Service or private sector organisations.

Fees paid to third party organisations for services of seconded staff include management charges, employment costs, social security costs, pension costs and VAT. There are no equal pay claims and therefore no provision is required for equal pay claims in Strategic Investment Board Ltd accounts.

### 3.4.23 Staff Report: Staff Composition (Gender Analysis)

	2023-24			2022-23		
	Male	Female	Total	Male	Female	Total
Board Members	2	2	4	2	2	4
Staff	77	71	148	84	69	153
	79	73	152	86	71	157

The above table is based on total numbers employed during the reporting period, whereas the table stating the average number employed does not include Non-Executive Board Members and is based on FTE.

### 3.4.24 Staff Report: Sickness Absence Data

	Working Days lost 2023-24	Working Days lost 2022-23	Variance
Including long-term absence	878	642	236
Excluding long term absence	148	202	-54

  

	Average days lost per FTE member of staff 2023-24	Average days lost per FTE member of staff 2022-23	Variance
Including long-term absence	8.4	5.8	2.6
Excluding long term absence	1.4	1.8	-0.4

  

	Absence rate 2023-24 %	Absence rate 2022-23 %	Variance %
Including long-term absence	3.2	2.2	1.0
Excluding long term absence	0.5	0.7	-0.2

### 3.4.25 Staff Report: Staff Turnover Percentage

Strategic Investment Board Ltd's staff turnover percentage in the financial year 2023-24 was 9% (2022-23: 7%).

### 3.4.26 Staff Report: Staff Engagement

As Strategic Investment Board Ltd employees adopted and adjusted to the new hybrid working model, which was introduced following the pandemic and has since become embedded in the culture at Strategic Investment Board Ltd, the approach to staff engagement has seen a focus on cultivating opportunities for meaningful connection with colleagues, as well as continuing to promote health and wellbeing.

Since 2020, the Communications and Human Resource teams worked closely together to develop and deliver a quarterly programme of activities to increase staff engagement, which consisted of formal and informal opportunities for collaboration and connection.

The Communities of Interest events, established by the Communications team in 2021, have since become focal points in the staff engagement schedule, providing valued opportunities for colleagues to come together for knowledge sharing and thought leadership purposes. Other activities have included professional and personal training and development opportunities, health and wellbeing initiatives, social events and charity fundraising.

The weekly Chief Executive Newsletter has also continued to provide a welcome staff engagement platform, evolving to include more summaries of events SIB staff have been involved in, and updates on projects and programmes, as well as utilising more imagery and links to multimedia content.

Development of the Strategic Investment Board Ltd app continued in 2023, with it primarily being used as a platform for staff to access and revisit presentations, content and updates from events and training activities. Preparatory work to develop the app further as a staff engagement platform - for more meaningful two-way communication - was initiated in 2023, with the objective to progress this in 2024.

#### **3.4.27 Staff Report: Remuneration**

Remuneration of all staff is set out in their contracts and may be subject to annual review under NICS pay remit guidelines. Such review requires the approval of the TEO Accounting Officer. In 2022-23, the Remuneration and Personnel Committee recommended a cost of living pay increase of 1% alongside a 1% non-consolidated payment. Strategic Investment Board Ltd received approval to retrospectively implement the increase in April 2024.

#### **3.4.28 Staff Report: Staff Policies**

Strategic Investment Board Ltd is committed to the development of its staff and to policies that enable them to contribute to the performance and long-term effectiveness of the organisation.

In particular, the company:

- follows the NICS policy that all eligible persons shall have equal opportunity for employment on the basis of their ability, qualification and aptitude for the work. Strategic Investment Board Ltd has an equal opportunities policy and is committed to a policy of equality of opportunity in its employment practices and aims to ensure that all employees and job applicants are treated fairly. Selection for employment, promotion and training is on the basis of aptitude and ability and excludes any consideration of an employee's or applicant's religious belief, political opinion, racial group, age, marital status, sexual orientation, gender, disability or dependents. All applicants for employment will have the opportunity to state any special adjustments required to attend interview or take up appointment. All applications for employment are considered on the basis of merit;
- gives equality of opportunity when considering applications from disabled persons, in compliance with all existing legislation with regard to disabled employees. Strategic Investment Board Ltd aims to ensure that people with a disability suffer no detriment in recruitment and advancement, and that its policies and practices comply with the

requirements of the Disability Discrimination Act 1995 and amendments made under the Act. The consideration and implementation of reasonable adjustments help to ensure that staff with disabilities can fully utilise their skills and abilities;

- recognises the benefit of keeping employees informed of the progress of the business and of involving them in the company's performance; and
- regularly provides employees, through meetings and notices, with information regarding the financial and economic factors affecting the performance of the company and on other matters of concern to them.

Strategic Investment Board Ltd's policies are contained in Strategic Investment Board Ltd's staff handbook which is accessible to all members of staff.

### **3.4.29 Staff Report: Health and Safety**

Strategic Investment Board Ltd is committed to applying all existing health and safety at work legislation and regulations to ensure that staff and visitors enjoy the benefits of a safe environment.

### **3.4.30 Staff Report: Consultancy**

As outlined in the financial statements Strategic Investment Board Ltd incurred no consultancy expenditure in 2023-24 (2022-23: £nil).

### **3.4.31 Staff Report: Off Payroll Engagements**

There were no off-payroll engagements during the year (2022-23: Nil).

### **3.4.32 Staff Report: Exit Packages**

No exit packages were made during the year (2022-23: Nil).

## **3.5 Accountability and Audit Report**

The accountability and audit report brings together the key assembly accountability documents within the annual report and accounts.

### **3.5.1 Regularity of Expenditure (Audited)**

In the 2023-24 financial year, Strategic Investment Board Ltd spent 100% (2022-23: 100%) of its budget allocation from TEO.

The average cash held in the bank throughout the year was £964,058 (2022-23: £1,584,786).

### **3.5.2 Fees and Charges (Audited)**

As referred to in Notes 2 and 6 of the financial statements; in the 2023-24 financial year, Strategic Investment Board Ltd has generated fees and charges of £6,384,050 (2022-23: £7,019,442). Fees and charges have been generated as a result of recovering the full cost of undertaking fee paid work.

### **3.5.3 Contingent Liabilities (Audited)**

There were no contingent liabilities at 31 March 2024, (2022-23: Nil).



### 3.5.4 Losses and Special Payments (Audited)

There were no losses or special payments in 2023-24 (2022-23: £4,453.34).



Duncan McCausland  
Chair of Audit



Brett Hannam  
Chief Executive

Date: 24<sup>th</sup> June 2024

### **3.5.5 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 Strategic Investment Board Limited for the year ended 31 March 2024 under the Companies (Public Sector Audit) Order (Northern Ireland) 2013. The financial statements comprise: the Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity; and the related notes, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and the Government Financial Report Manual (FReM) as applied in accordance with the provisions of the Companies Act 2006.

I have also audited the information in the Accountability Report that is described in that report as having been audited.

In my opinion the financial statements:

- give a true and fair view of the state of Strategic Investment Board Limited's affairs as at 31 March 2024 and of Strategic Investment Board Limited's net result for the year then ended; and
- have been properly prepared in accordance with the Government Financial Reporting Manual and Department of Finance directions issued thereunder; and
- have been prepared in accordance with the Companies Act 2006.

#### **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 my certificate.

My staff and I are independent of Strategic Investment Board Limited 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 Strategic Investment Board Limited's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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 Strategic Investment Board Limited'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 Strategic Investment Board Limited 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 Accounting Officer with respect to going concern are described in the relevant sections of this certificate.

### **Other Information**

The other information comprises the information included in the Annual Report other than the financial statements, the parts of the Accountability Report described in that report as having been audited, Appendix 1 and my audit certificate and report. The Accounting Officer is responsible for the other information included in the annual report. My opinion on the financial statements does not cover the other information and except to the extent otherwise explicitly stated in my certificate 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:

- the parts of the Accountability Report to be audited have been properly prepared in accordance with Government Financial Reporting Manual; and
- the information given in the Performance Report and Accountability Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and

- the Performance Report and Accountability Report have been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of Strategic Investment Board Limited and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance Report and Accountability Report.

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 parts of the Accountability Report to be audited are not in agreement with the accounting records; or
- certain disclosures of remuneration specified by the Government Financial Reporting Manual are not made; 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 Accounting Officer for the financial statements**

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Accounting Officer is responsible for:

- preparing the Annual Report, which includes the Remuneration and Staff Report, in accordance with the Companies Act 2006;
- the preparation of the financial statements in accordance with the Companies Act 2006 and for being satisfied that they give a true and fair view;
- ensuring such internal controls are in place as deemed necessary to enable the preparation of financial statements to be free from material misstatement, whether due to fraud or error; and
- assessing Strategic Investment Board Limited'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 Accounting Officer anticipates that the services provided by Strategic Investment Board Limited 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 Companies (Public Sector Audit) Order (Northern Ireland) 2013.

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.

My procedures included:

- obtaining an understanding of the legal and regulatory framework applicable to Strategic Investment Board Limited through discussion with management and application of extensive public sector accountability knowledge. The key laws and regulations I considered included the Companies Act (2006) and taxation legislation;
- making enquires of management and those charged with governance on Strategic Investment Board Limited's compliance with laws and regulations;
- making enquiries of internal audit, management and those charged with governance as to Strategic Investment Board Limited's 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 Strategic Investment Board Limited'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 identified potential for fraud in the posting of unusual journals;
- 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;
- documenting and evaluating the design and implementation of internal controls in place to mitigate risk of material misstatement due to fraud and non-compliance with laws and regulations;
- 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 board and committee minutes, and agreeing financial statement disclosures to underlying supporting documentation and approvals as appropriate, testing of journal entries, discussing regularity with management and reading internal audit reports;

- 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
  - 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](http://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**

**1 July 2024**

## 4 Financial Statements for the Year Ended 31<sup>st</sup> March 2024

### 4.1 Statement of Comprehensive Net Expenditure for the Year Ended 31st March 2024

	Note	£	£
<b>Operating Income - Grant in aid</b>	<b>2</b>	6,005,464	6,366,414
<b>- Income from activities</b>	<b>2</b>	<u>6,384,050</u>	<u>7,019,442</u>
		<u>12,389,514</u>	<u>13,385,856</u>
<b>Operating Expenditure</b>			
Staff costs (including employee benefits)	<b>4</b>	10,834,929	11,520,902
Enabling expenditure	<b>6</b>	797,023	1,094,583
Other operating charges	<b>5</b>	741,010	752,288
Depreciation - Property, Plant & Equipment	<b>9a</b>	6,824	7,269
Amortisation - Intangible Assets	<b>9b</b>	<u>9,728</u>	<u>10,814</u>
<b>Total Expenditure</b>		<u>12,389,514</u>	<u>13,385,856</u>

Notes 1 to 18, on pages 58-74, form part of these financial statements.

## 4.2 Statement of Financial Position as at 31<sup>st</sup> March 2024

	Note	2024 £	2023 £
<b>Non-current assets</b>			
Property, Plant and Equipment	9a	91,129	97,953
Intangible Assets	9b	6,285	15,112
<b>Total non-current assets</b>		<u>97,414</u>	<u>113,065</u>
<b>Current assets</b>			
Trade and other receivables	10	1,441,866	1,440,684
Cash and cash equivalents	11	1,499,698	1,277,173
<b>Total current assets</b>		<u>2,941,564</u>	<u>2,717,857</u>
<b>Total Assets</b>		<u>3,038,978</u>	<u>2,830,922</u>
<b>Current liabilities</b>			
Trade and other payables	12	<u>(3,038,978)</u>	<u>(2,830,922)</u>
<b>Total assets less net current liabilities</b>		-	-
<b>Non-current liabilities</b>			
		-	-
<b>Assets less liabilities</b>		<u>-</u>	<u>-</u>
<b>Reserves</b>			
General reserve (Income and Expenditure account)	18	-	-
<b>Total</b>		<u>-</u>	<u>-</u>

Notes 1 to 18, on pages 58-74, form part of these financial statements.

In the view of the Board an exemption from the audit requirements of Part 16 of the Companies Act 2006 is available under section 482 of that Act, since the company meets the DoF's definition of a non-profit-making company and is subject to a public sector audit under the Companies (Public Sector Audit) (Northern Ireland) Order 2013, being an order issued under Article 5(3) of the Audit and Accountability (Northern Ireland) Order 2003. The Board therefore claims this exemption.

The accounts are subject to audit by the Comptroller and Auditor General for Northern Ireland by virtue of an order under Article 5(3) of the Audit and Accountability (Northern Ireland) Order 2003 (S.I. 2003/418N.I.5).



## Statement of Financial Position continued

The members have not required Strategic Investment Board Ltd (Company Registration No. NI 45710) to obtain an audit of its accounts for the year ended 31st March 2024, in accordance with section 476 of the Companies' Act 2006. However, Strategic Investment Board Ltd is subject to audit by the Comptroller and Auditor General for Northern Ireland under the Companies (Public Sector Audit) Order (Northern Ireland) 2013.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and preparation of accounts.

The Financial Statements on pages 54-57 were approved on 24<sup>th</sup> June 2024 by the Strategic Investment Board Ltd Board of Directors.

Signed on behalf of the Board of Directors by:



Duncan McAusland  
Chair of Audit



Brett Hannam  
Chief Executive

Date: 24<sup>th</sup> June 2024

### 4.3 Statement of Cash Flows for the Year Ended 31st March 2024

		2023-24	2022-23
	Note	£	£
<b>Cash flows from operating activities</b>			
Result for the year		-	-
Depreciation - Property, Plant and Equipment	9a	6,824	7,269
Depreciation - Intangible Assets	9b	9,728	10,814
Increase/(Decrease) in trade and other payables*	12	208,055	(683,404)
(Increase)/ Decrease in trade and other receivables	10	(1,182)	1,461,237
<b>Net cash flow from operating activities</b>		<u>223,425</u>	<u>795,917</u>
<b>Cash flows from investing activities</b>			
Purchase of Property, Plant and Equipment		-	(86,367)
Purchase of Intangible Assets	9b	(900)	-
Financial Transaction Capital (FTC) loans	5.8	-	(50,000,000)
Repayment of FTC loan receipt to the Executive Office	5.8	(1,275,000)	(1,275,000)
<b>Net cash flow from investing activities</b>		<u>(1,275,900)</u>	<u>(51,361,367)</u>
<b>Cash flows from financing activities</b>			
Funding received in respect of FTC loans	5.8	-	50,000,000
Receipt of FTC loan repayment	5.8	1,275,000	1,275,000
<b>Net cash flow from financing activities</b>		<u>1,275,000</u>	<u>51,275,000</u>
<b>Increase/(Decrease) in cash and cash equivalents</b>		222,525	709,550
<b>Cash and cash equivalents at the beginning of the period</b>		<u>1,277,173</u>	<u>567,623</u>
<b>Cash and cash equivalents at end of the period</b>		<u>1,499,698</u>	<u>1,277,173</u>

\*Rounded to nearest £1

Notes 1 to 18, on pages 58-74, form part of these financial statements.

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## **4.4 Notes to the Accounts**

### **1. Accounting Policies**

#### **General**

These financial statements have been prepared in accordance with the accounting and disclosure requirements of the Companies Act 2006, without limiting the information given. In addition the accounts comply with the accounting and disclosure requirements contained in the Government FReM 2023-24 which applies International Financial Reporting Standards (IFRSs) as adapted or interpreted for the public sector context with the exception of the treatment of Grant-in-Aid.

FReM requires Non-Departmental Public Bodies to regard Grant in Aid received as contributions from controlling parties giving rise to a financial interest in the residual interest of the body, and hence accounted for as financing, i.e. by crediting them to the income and expenditure reserve. The disclosure requirements in relation to this are set out in Appendix 1.

The particular accounting policies adopted are described below.

#### **Accounting Convention**

The financial statements have been prepared on the historical cost basis, except for the revaluation of certain financial instruments. Historical cost is generally based on the fair value of the consideration given in exchange for the assets.

#### **Income**

Income represents grants receivable to enable Strategic Investment Board Ltd to discharge its duties, powers and function under the Strategic Investment and Regeneration of Sites (Northern Ireland) 2003 Order.

#### **Other operating income**

Other operating income relates to the recovery of project related costs from other Government entities.

#### **Fixed assets and depreciation**

- a) The cost of fixed assets comprises purchase price and any installation charges. The current capitalisation threshold is £1,000.
- b) Depreciation is calculated to write off the cost of assets, less estimated residual value over their useful lives. The method adopted and rate used is -33.33% straight line.

#### **Intangible Assets**

Expenditure on intangible assets which includes information technology, software licences, websites and the associated costs of implementation is capitalised where the cost is £1,000 or more. Intangible assets are measured initially at cost. These assets are amortised on a straight-line basis over the shorter of the term of the licence and the useful economic life.

#### **Cash and Cash Equivalents**

Cash and cash equivalents comprise cash and demand deposits with commercial banks. As at each reporting date, the carrying value of Cash and cash equivalents approximates their fair value due to their short-term nature.

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## Financial Instruments

Financial assets and financial liabilities are recognised in the Statement of Financial Position (SoFP) when Strategic Investment Board Ltd becomes a party to the contractual provisions of the instrument. They are measured initially at fair value and transaction costs that are directly attributable to the acquisition.

### Financial Transactions Capital Loans

Strategic Investment Board Ltd is the channel through which FTC loans are made from the DfE to the universities and from the DoF to the NI Investment Fund. Strategic Investment Board Ltd performs this function because the Departments do not currently have the vires to make such loans. The Executive has agreed that Strategic Investment Board Ltd will act as a conduit to make loans and collect repayments over the loan period. On receipt of a loan repayment Strategic Investment Board Ltd arranges for the money to be passed as quickly as possible to TEO. Strategic Investment Board Ltd bears no credit risk in the event of non-payment of FTC loans and is only obliged to repay receipts when received from the borrower.

DoF issued an instruction regarding the accounting treatment to be applied to FTC for government accounting purposes. This requires Strategic Investment Board Ltd to recognise a financial asset for loans made but not recognise any liability for the repayment as this is to be accounted for as funding from the Consolidated Fund and not as a loan. The disclosure requirements in relation to this are set out in Appendix 1.

### Financial Assets

Strategic Investment Board Ltd has financial assets in the form of trade receivables, cash and cash equivalents and accrued income. Financial assets are initially measured at fair value and are subsequently measured at amortised cost using the effective interest method less any impairment.

The financial assets held by Strategic Investment Board Ltd are classified trade receivables and other receivables: financial assets arising from the rendering of services in the ordinary course of the company's business, or financial assets which, not having commercial substance, are not equity investments or derivatives, have fixed and determinable payments and are not traded in an active market.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance.

### Impairment of Financial Assets

Strategic Investment Board Ltd always recognises lifetime expected credit loss for trade debtors and contract assets. The expected credit losses on these financial assets are estimated using a provision matrix based on the Strategic Investment Board Ltd's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

Lifetime expected credit losses represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month

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expected credit losses represents the portion of lifetime expected credit losses that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Impairment gains or losses are recognised in Statement of Comprehensive Net Expenditure (SoCNE), with a corresponding adjustment to their carrying amount through a loss allowance account. The carrying amount of the financial asset in the SoFP is not adjusted.

### **Derecognition of Financial Assets**

Financial assets are derecognised when the contractual rights to receive cash flows have expired or have been transferred and Strategic Investment Board Ltd has transferred substantially all the risks and rewards of ownership. On derecognition of a financial instrument measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised on SoCNE.

### **Financial Liabilities**

Strategic Investment Board Ltd has financial liabilities in the form of trade payables, accruals and employee benefits. These are subsequently measured at amortised cost using the effective interest rate method.

### **Derecognition of Financial Liabilities**

Strategic Investment Board Ltd derecognises financial liabilities when, and only when, its obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised on SoCNE.

### **Employee Benefits and Pensions**

Under the requirements of IAS 19: 'Employee Benefits,' staff costs must be recorded as an expense as soon as the organisation is obliged to pay them. This includes the cost of any untaken leave at the year end. This cost has been calculated using the untaken leave per staff member and applying this to their annual salary to calculate the leave balance as at 31st March 2024.

The company makes pension contributions at a rate of 10% to approved schemes. The cost of contributions for providing pensions for employees is charged to the statement of comprehensive net expenditure account as they are earned, in accordance with IAS 19 'Employee Benefits'. Seconded staff members remain members of their respective pension schemes.

### **Value Added Tax**

Strategic Investment Board Ltd is VAT registered in relation to its vatable activity. VAT is accounted for in accordance with Statement of Standard Accounting Practice (SSAP) 5, in that amounts are shown net of VAT except where irrecoverable VAT is charged to the income and expenditure and included under the heading relevant to the type of expenditure. The FReM retains the SSAP 5 guidance in relation to VAT.

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## **Taxation**

Current tax, including UK Corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using tax rates and laws that have been enacted or substantively enacted by the financial statement date, this is in accordance with IAS 12 'Income taxes'.

## **Operating Segments**

Strategic Investment Board Ltd has identified only one operating segment under IFRS 8 and has prepared the accounts accordingly.

## **Provisions**

Provisions are recognised when the Strategic Investment Board Ltd has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount of the obligation can be estimated reliably.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as a finance cost.

## **Contingencies**

Contingent liabilities, arising as a result of past events, are recognised when (i) it is probable that there will be an outflow of resources or that the amount cannot be reliably measured at the reporting date or (ii) when the existence will be confirmed by the occurrence or non-occurrence of uncertain future events not wholly within the Strategic Investment Board Ltd's control. Contingent liabilities are disclosed in the financial statements unless the probability of an outflow of resources is remote.

## **Changes in Accounting Policy and Disclosure**

Strategic Investment Board Ltd is aware of the International Accounting Standards Board (IASB) Disclosure Initiative to improve presentation and disclosure in financial reporting. The IASB has completed the first stage with the publication of Disclosure Initiative (Amendments to IAS 1) which introduces five, narrow-focus improvements to the disclosure requirements in IAS 1 Presentation of Financial Statements relating to materiality, order of the notes, subtotals, accounting policies and disaggregation. Further projects under the initiative will consider amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors and IFRS 17 Insurance Contracts.

IFRS 16 Leases replaced IAS 17 Leases. In line with the requirements of the FReM, IFRS 16 is implemented, as interpreted and adapted for the public sector, with effect from 1 April 2022. The implementation of IFRS 16 requires no accounting policy changes within Strategic Investment Board Ltd in 2023-24. In 2024-25 there will be a change in accounting policy when Strategic Investment Board Ltd enters a new accommodation lease.

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

Strategic Investment Board Ltd has reviewed the revised accounting standards and new (or amendments to) interpretations contained within the Government FReM 2023-24.

The IASB issued new and amended standards (IFRS 10, IFRS 11, IFRS 12) that affect the consolidation and reporting of subsidiaries, associates and joint ventures. These standards are effective with European Union (EU) adoption from 1 January 2014. Accounting boundary IFRS' are currently adapted in the FReM so that the Westminster Departmental accounting boundary is based on the UK Office for National Statistics (ONS) control criteria, as designated by Treasury. A similar review in Northern Ireland, which will bring Northern Ireland Departments under the same adaptation, has been carried out and the resulting recommendations were agreed by the Executive in December 2016. Effective from 2022-23, the accounting boundary for Departments has changed, impacting on Departments around the disclosure requirement under IFRS 12. Strategic Investment Board Ltd applies IFRS in full.

IFRS 17 Insurance Contracts has replaced IFRS 4 Insurance Contracts and is effective for accounting periods beginning on or after 1 January 2023. In line with the requirements of the FReM, IFRS 17 has been implemented, as interpreted and adapted for the public sector, with effect from 1 April 2023.

Strategic Investment Board Ltd has reviewed new accounting standards that have been issued but are not yet effective, nor adopted early for these accounts. Strategic Investment Board Ltd consider that these are unlikely to have a significant impact on the period of initial application.

### **Critical accounting judgments and estimation uncertainty**

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Strategic Investment Board Ltd has assessed that there are no critical accounting judgements, estimation uncertainty or significant assumptions.

## 2. Income

	<b>2023-24</b>	<b>2022-23</b>
	<b>£</b>	<b>£</b>
This comprises:		
Grant in Aid receivable (TEO)	6,005,464	6,366,414
Total revenue grants receivable	<u>6,005,464</u>	<u>6,366,414</u>

Strategic Investment Board Ltd recovers a proportion of the costs incurred in respect of work performed on behalf of other Government Departments. The actual cost recovery was calculated as follows:

	<b>2023-24</b>	<b>2022-23</b>
	<b>£</b>	<b>£</b>
Trading Income	6,384,050	7,019,442
Expenditure	<u>(6,384,050)</u>	<u>(7,019,442)</u>
	<u>-</u>	<u>-</u>

## 3. Net Deficit from Operations

	<b>2023-24</b>	<b>2022-23</b>
	<b>£</b>	<b>£</b>
The net deficit from operations is stated after charging:		
Property rent & costs	193,048	184,281
Depreciation - Property, Plant & Equipment	6,824	7,269
Amortisation - Intangible Assets	9,728	10,814
Auditors' remuneration - Internal audit services	3,519	8,295
Auditors' remuneration - External audit services*	<u>20,100</u>	<u>17,419</u>
	<u>233,220</u>	<u>228,079</u>

\*External audit remuneration in 2022-23 includes a fee of £1,319 for the National Fraud Initiative carried out in 2022.



#### 4. Employees and Staff costs

The average number of employees (full time equivalents), excluding Non-Executive Directors, in the company is made up as follows:

	2023-24	2022-23
Staff	28	29
Staff recharged to other departments	76	78
Seconded staff*	1	3
<b>Total</b>	<b>105</b>	<b>110</b>
Permanent	45	41
Temporary contracts	60	69

\* Staff seconded to Strategic Investment Board Ltd from the Civil Service or private sector organisations.

Staff per salary scales are detailed in the table below:

		2023-24	2022-23
	Pay Scale	No of Staff	No of Staff
Administrators	£15k - £30k	5	6
Assistant Advisors/ Administration Managers	£30k - £60k	27	29
Strategic & Project Managers	£60k - £125k	65	66
Senior Management	£125k - £165k	8	9
		<b>105</b>	<b>110</b>

#### Employees (Cost)

The costs incurred in respect of these employees were:	2023-24	2022-23
	£	£
Wages and salaries (increased by employee benefits)	2,566,335	2,210,910
Wages and salaries recharged to other departments	5,896,058	6,573,332
Social security costs	1,043,486	1,117,834
Health Insurance	399,744	561,188
Other pension costs	840,943	864,906
<b>Total staff cost</b>	<b>10,746,566</b>	<b>11,328,170</b>
Seconded staff *	88,363	192,732
<b>Total employment cost</b>	<b>10,834,929</b>	<b>11,520,902</b>

\* Staff seconded to Strategic Investment Board Ltd from the Civil Service or private sector organisations.

Fees paid to third party organisations for services of seconded staff include management charges, employment costs, social security costs, pension costs and VAT.

## 5. Other Operating Charges

		<b>2023-24</b>	<b>2022-23</b>
		<b>£</b>	<b>£</b>
Office accommodation		193,048	184,281
Telephones and postage		46,673	47,272
Computer consumables		19,555	17,728
Stationery		3,957	2,891
Recruitment costs	(i)	10,432	17,161
Travel, accommodation and subsistence	(ii)	56,134	51,232
IT costs		210,085	202,287
Training & Conferences	(iii)	57,798	62,081
Hospitality		2,783	979
Misc operational costs		33,293	29,480
Communication		33,316	48,211
Fees		28,696	43,589
Director costs	(v)	<u>45,240</u>	<u>45,097</u>
		<u>741,010</u>	<u>752,289</u>

- i. Strategic Investment Board Ltd incurred one-off expenses in 2022-23 relating to specific job roles.
- ii. The increase in travel, accommodation and subsistence expenditure is reflective of staff returning to in-person meetings. Prior to Covid-19, the cost of travel in 2019-20 was £101,463.
- iii. 252 days were spent on training and development activities, an average of 2.4 per full time equivalent employee (2022-23: 348 days, 3.5 per full time equivalent employee).
- iv. Strategic Investment Board Ltd's Non-Executive Director Chair position has been vacant since 23<sup>rd</sup> March 2022.

## 6. Sources and Application of Funds

SOURCE OF FUNDS	Note	2023-24 £	2022-23 £
The Executive Office Grant in Aid including ring-fenced funding	<b>2</b>	6,005,464	6,366,414
		<u>6,005,464</u>	<u>6,366,414</u>
Department for the Economy		855,547	1,026,145
Department for Communities		759,510	550,030
Ulster University		653,007	642,983
Department of Agriculture, Environment and Rural Affairs		433,723	489,303
Derry City & Strabane District Council		328,990	408,182
The Executive Office		321,061	273,850
Department of Health/ Public Health Agency		293,045	713,482
Digital Health & Care NI		279,453	-
Dept of Education		208,619	278,675
Department of Finance		199,892	519,211
Department of Justice		197,028	173,264
Causeway Coast & Glens Borough Council		176,951	177,230
NI Fire & Rescue Service		162,362	106,365
Mid Ulster District Council		129,447	57,467
Northern Regional College		108,178	103,731
Ards & North Down Borough Council		107,898	92,216
Department for Infrastructure		106,512	90,319
Southern Regional College		100,048	99,943
Mid & East Antrim Borough Council		98,954	49,509
Agri Food & Biosciences		80,500	30,320
Belfast Metropolitan College		72,220	-
NI Environment Agency		66,595	74,435
Belfast City Council		65,889	219,971
Translink		65,802	61,921
Tourism NI		65,550	25,471
Special European Union Programmes Body		63,261	43,091
NI Housing Executive		60,911	-
Maze Long Kesh Development Corporation		58,403	84,785
National Museums NI		50,464	144,505
NI Courts & Tribunal Service		36,230	17,663
Newry Mourne & Down District Council		30,239	41,914
Crown Solicitors Office		28,635	23,174
Canada Life		26,193	47,524
NI Screen		22,984	-
Armagh Observatory Planetarium		16,335	111,197
Business Services Organisation		11,000	-
Land & Property Services		10,582	22,665
Council Curriculum Examinations & Assessment		6,040	4,415
Armagh Banbridge & Craigavon Borough Council		5,877	24,268
Southern Health & Social Care Trust		5,000	34,375

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Fermanagh & Omagh District Council	4,795	19,890
Antrim & Newtownabbey Borough Council	4,669	9,564
Intertrade Ireland	3,825	-
Invest NI	-	31,533
Lisburn & Castlereagh City Council	-	20,528
South West College	-	13,223
Sport Northern Ireland	-	10,013
NI Audit Office	-	8,050
Libraries NI	-	7,726
Department for Employment & Learning	-	7,625
Charity Commission NI	-	7,237
Loughs Agency	-	5,731
Equality Commission NI	-	5,000
Other	1,830	4,408
Probation Board for NI	-	3,840
NI Ambulance Service	-	1,476
<b>Fees and charges</b>	<u>6,384,050</u>	<u>7,019,443</u>
	<u>12,389,514</u>	<u>13,385,857</u>

		<b>2023-24</b>	<b>2022-23</b>
<b>APPLICATION OF FUNDS</b>	<b>Note</b>	<b>£</b>	<b>£</b>
Staff Costs	<b>4</b>	10,834,928	11,520,902
Other Operating Charges	<b>5</b>	741,010	752,288
<i>Enabling Expenditure by project</i>			
Regeneration		297,170	159,000
UU FTC management fees		295,100	396,500
Asset Management Unit		135,256	367,598
CSTO Recruitment		39,349	-
Small Business Research Initiative		37,816	23,026
Social Value		17,721	26,279
Investment Strategy Northern Ireland		13,974	176,208
Council Support Unit		6,358	(5,334)
Digital Analytics		-	23,760
Green Growth		-	27,900
Strategic Support Unit *		<u>(45,721)</u>	<u>(100,354)</u>
<b>Total Enabling Expenditure</b>		<u>797,023</u>	<u>1,094,583</u>
<b>Total Expenditure (excl Depreciation)</b>		<u>12,372,961</u>	<u>13,367,773</u>
Depreciation & Amortisation		16,552	18,083

\*SSU costs are reallocated specifically to the programmes & projects listed above

## Enabling Expenditure

This expenditure on enabling costs is principally undertaken in respect of Strategic Investment Board Ltd supported projects and includes VAT and in some cases subcontractor costs.

The table below lists all suppliers more than £100,000 unless separately disclosed for comparative purposes:

	No. of Projects	2023-24 £	No. of Projects	2022-23 £
Ulster University (transferred to DfE)	1	295,100	1	396,500
Regeneration Projects	1	167,794	1	150,000
<b>Total suppliers over £100k</b>		<u>462,894</u>		<u>546,500</u>
<b>Suppliers under £100k</b>		<u>334,129</u>		<u>548,083</u>

The expenditure in relation to Government bodies listed above comprises recharges from those bodies in relation to projects supported by Strategic Investment Board Ltd.

Of the project spend detailed in note six above, there was no consultancy expenditure in 2023-24 (2022-23: nil).

## 7. Related Party Transactions

TEO is regarded as a related party. During the year Strategic Investment Board Ltd received grant in aid for normal activities and for the FTC loan arrangement. TEO is also a shareholder in MLKDC to whom Strategic Investment Board Ltd provided staff during the year.

### Transactions Involving Directors and Related Parties to Strategic Investment Board Ltd

Due to the nature of Strategic Investment Board Ltd's operations and the composition of its Board, it is inevitable that there will be relationships or transactions with companies and organisations in which Board members may have a beneficial or non beneficial interest or with which they have a relationship. A beneficial interest is when the Board member is either, directly or through a family connection, a material shareholder or receives remuneration (including expenses) from the entity.

The following table lists the related party relationships involving Strategic Investment Board Ltd, and any Board Members interests during and after the financial year end.

Board Member	Related Party to Strategic Investment Board Ltd	Nature of Relationship with Strategic Investment Board Ltd	Board Member's Interest	Financial Reward from Related Party (if any)
D McCausland	MLKDC	Strategic Investment Board Ltd provides support to MLKDC	Member is a Non-Executive Director of MLKDC. (TEO public appointment) <i>Public appointment ended September 2023</i>	Remuneration
D McCausland	G4S (NI)	G4S (NI) has a contract for the supply of security services to NICS	Member is an employed associate of G4S (NI)	Remuneration
D McCausland	PwC	Strategic Investment Board Ltd has awarded contracts to PwC	Member is an employed associate of PwC (but no work undertaken in year)	Remuneration
D McCausland	KPMG	Strategic Investment Board Ltd has awarded contracts to KPMG	Member is an employed associate of KPMG (but no work undertaken in year)	Remuneration
D McCausland	Health and Social Care Leadership Centre	Strategic Investment Board Ltd provides staff assistance and other project assistance to Health and Social Care.	Associate Consultant	Remuneration
M T McGivern	Titanic Foundation	Strategic Investment Board Ltd has provided support and advice to Titanic Foundation	Member is Chair of Titanic Foundation	None
M T McGivern	Bombardier Foundation	Strategic Investment Board Ltd provides advice to arc21 with which Bombardier has commercial links	Member is also a member of Bombardier Foundation	None

<b>Board Member</b>	<b>Related Party to Strategic Investment Board Ltd</b>	<b>Nature of Relationship with Strategic Investment Board Ltd</b>	<b>Board Member's Interest</b>	<b>Financial Reward from Related Party (if any)</b>
<b>M T McGivern</b>	Northern Ireland Water	Strategic Investment Board Ltd provides advice to Northern Ireland Water	Board Member of Northern Ireland Water	Remuneration
<b>M T McGivern</b>	InvestNI	Strategic Investment Board Ltd provides advice to InvestNI from time to time	Board Member of InvestNI	Remuneration
<b>M T McGivern</b>	Belfast City Regional Deal	Strategic Investment Board Ltd has multiple interactions with all the Northern Ireland city deals	Chair of Employability and Skills Board and Member Programme Board	None
<b>D McSorley</b>	Ulster University	Strategic Investment Board Ltd works with Ulster University and provides FTC loans	Board member for International Centre for Local and Regional Development (ICLRD), which is a partnership of Maynooth University, Ulster University and the University of Maryland, USA.	None
<b>K Thomson</b>	Tourism Ireland	Some Strategic Investment Board Ltd projects work in partnership with Tourism Ireland/ DfE	Director of Tourism Ireland Ltd	Remuneration (the fee is paid as a charitable donation to NMNI).
<b>K Thomson</b>	National Museums NI (NMNI)	NMNI is funded by the Department for Communities for which Strategic Investment Board Ltd may do work  Strategic Investment Board Ltd has used NMNI facilities  Strategic Investment Board Ltd provides paid services to National Museums NI	Chief Executive of NMNI. Appointed March 2016	Remuneration
<b>K Thomson</b>	Eirgrid/ System Operator for Northern Ireland (SONI)	Strategic Investment Board Ltd manages an energy management programme	A family member works for Eirgrid/ System Operator for Northern Ireland (SONI)	None

Strategic Investment Board Ltd maintains a register of the interests for the members of the Board of Directors that is published on the Strategic Investment Board Ltd website, [www.sibni.org](http://www.sibni.org) and is also available upon request to the Company Secretary.

## 8. Taxation

HM Revenue & Customs has determined that Strategic Investment Board Ltd is a taxable entity but not all of the income will be taxable. In the year ended 31 March 2023, no provision for tax has been made as there has been no assessable income arising (31 March 2022: Nil).

## 9. a) Property, Plant and Equipment

	2023-24	2022-23
	Furniture & Fittings	Furniture & Fittings
	£	£
<b>Cost:</b>		
At 1 April	117,485	31,118
Additions in year	-	86,367
At 31 March	<u>117,485</u>	<u>117,485</u>
<b>Accumulated Depreciation</b>		
At 1 April	19,532	12,263
Charge in year	6,824	7,269
At 31 March	<u>26,356</u>	<u>19,532</u>
<b>Net book value</b>		
At 31 March	<u>91,129</u>	<u>97,953</u>



## 9. b) Intangible Assets

	IT £	Software £	Websites £	Total £
<b>Cost:</b>				
At 1 April 2022	9,998	3,310	113,985	127,293
Additions in year	-	-	-	-
At March 2023	9,998	3,310	113,985	127,293
Additions in year	-	-	900	900
At 31 March 2024	9,998	3,310	114,885	128,193
<b>Amortisation:</b>				
At April 2022	9,998	3,310	88,058	101,366
Charge in year	-	-	10,814	10,814
At 31 March 2023	9,998	3,310	98,872	112,180
Charge in year	-	-	9,728	9,728
At 31 March 2024	9,998	3,310	108,600	121,908
<b>Carrying Amount</b>				
At 31 March 2024	-	-	6,285	6,285
At 31 March 2023	-	-	15,113	15,113
At 31 March 2022	-	-	25,927	25,927

## 10. Trade and Other Receivables

	2023-24 £	2022-23 £
Trade Receivables	935,454	996,352
Prepayments and Accrued Income	506,412	444,332
	<u>1,441,866</u>	<u>1,440,684</u>

## 11. Cash and Cash Equivalents

	2023-24 £	2022-23 £
Balance as at 1 April:	1,277,173	567,623
Net Changes in cash and cash equivalent balances	222,525	709,550
Balance as at 31 March	<u>1,499,698</u>	<u>1,277,173</u>

The above comprise balances at commercial banks and cash in hand.

## 12. Trade and Other Payables

	<b>2023-24</b>	<b>2022-23</b>
	<b>£</b>	<b>£</b>
Included in liabilities falling due within one year are:		
Trade Payables	97,752	30,103
Accruals	1,615,565	1,136,460
Employee benefits (Note 13)	63,586	364,573
Deferred Income (Grant in Aid)	942,186	941,650
Value Added Tax	319,889	358,136
	<u>3,038,978</u>	<u>2,830,922</u>

## 13. Employee Benefits

Strategic Investment Board Ltd has recognised the cost of providing employee benefits in the period in which the benefit was earned by the employee, rather than when it is paid or payable. Short term benefits are recorded as an expense in the period in which the employee renders the service. For Strategic Investment Board Ltd, this expense relates solely to the cost of any untaken annual leave at the year end. This policy has been adopted in accordance with IAS 19 'Employee benefits' (2023-24: £63,586; 2022-23: £364,573).

## 14. Contingencies and Commitments

Strategic Investment Board Ltd is committed to supporting various projects which are on-going at year end. Strategic Investment Board Ltd is dependent on funding from Departments to meet its commitments. There were no capital commitments, commitments under leases or other financial commitments at the year-end.

There were no contingent liabilities at 31 March 2024 (2022-23: Nil).

## 15. Guarantee

The members of the company undertake to contribute to the assets of the company in the event of the same being wound up while such party is a member, or within one year after such party ceases to be a member, for payment of the debts and liabilities of the company contracted before such party ceases to be a member, and of the costs, charges and expenses of winding up, and for the adjustment of the rights of its contributories among themselves, such amount as may be required not exceeding one pound.

## 16. Deferred Income

	2023-24	2022-23
	£	£
At 1 April	(941,650)	(1,800,064)
Released to Statement of Comprehensive Net Expenditure	941,650	1,800,064
Deferred Income	<u>(942,186)</u>	<u>(941,650)</u>
<b>At 31 March</b>	<u>(942,186)</u>	<u>(941,650)</u>

## 17. Financial Instruments

IFRS 7 'Financial Instruments: Disclosures' requires disclosure that enables evaluation of the significance of financial instruments for Strategic Investment Board Ltd's financial position and performance, the nature and extent of risks arising from financial instruments which Strategic Investment Board Ltd is exposed to during the period and at the reporting date, and how Strategic Investment Board Ltd manages those risks. As a result of the non-trading nature of its activities and the way in which Strategic Investment Board Ltd is financed, Strategic Investment Board Ltd is not exposed to the degree of financial risk faced by business entities. The carrying value of trade and other receivables, bank, trade and other payables (including accruals) as disclosed in the notes to the accounts, approximates to fair value because of their short maturities. No other disclosures are relevant to Strategic Investment Board Ltd's activities.

## 18. Reserves

As at 31<sup>st</sup> March 2024 Reserves amounted to Nil (2022-23: Nil).

## 19. Events after the Reporting Period

Strategic Investment Board Ltd entered a lease on 3<sup>rd</sup> June 2024 with 360 Leisure Limited for office space on the Fourth Floor, The Kelvin, 17-25 College Square East, Belfast, BT1 6DH. The annual rent will be £140,000 per annum, exclusive of VAT, for a contractual term of five years.

## Date Authorised for Issue

The Accounting Officer authorised the issue of these financial statements on 1<sup>st</sup> July 2024.

## 5 Appendix 1: Additional Disclosures to Comply with FReM and DoF Instruction

The Government's FReM requires non-Departmental public bodies to regard Grant in Aid received as contributions from controlling parties giving rise to a financial interest in the residual interest of the body, and hence accounted for as financing, i.e. by crediting them to the income and expenditure reserve. The Strategic Investment Board Ltd have instead accounted for Grant In Aid as part of income which is matched to expenditure in the same period as permitted under company law.

Strategic Investment Board Ltd is the channel through which FTC loans are made from the DfE to the universities and from the DoF to the NI Investment Fund. Strategic Investment Board Ltd performs this function because the Departments do not currently have the vires to make such loans. DoF have instructed that the Strategic Investment Board Ltd *recognise a financial asset for loans made but not recognise any liability for the repayment as this is to be accounted for as funding from the Consolidated Fund and not as a loan.*

The following Financial Statements are not part of the primary statements of the Strategic Investment Board Ltd but have been prepared to illustrate the financial position if the Strategic Investment Board Ltd were to comply with FReM and DoF's 2016 Instruction, the following would be the effect of this compliance:

### 5.1 Statement of Comprehensive Net Expenditure Prepared under FReM and DoF Instruction

		2023-24	2022-23 Restated	2022-23
	Note	£	£	£
<b>INCOME</b>				
Other operating income	2	6,384,050	7,019,442	7,019,442
		<u>6,384,050</u>	<u>7,019,442</u>	<u>7,019,442</u>
<b>EXPENDITURE</b>				
Staff costs	4	10,834,929	11,520,902	11,520,902
Enabling expenditure	6	797,023	1,094,583	1,094,583
Other operating charges	5	741,010	752,288	752,288
Depreciation - Property, Plant & Equipment	9a	6,824	7,269	7,269
Amortisation - Intangible Assets	9b	9,728	10,814	10,814
Amortisation - FTC Loan	5.8	(7,639,739)	(4,235,100)	(5,462,359)
<b>TOTAL EXPENDITURE</b>		<u>4,749,775</u>	<u>9,150,756</u>	<u>7,923,497</u>
<b>NET DEFICIT FOR THE YEAR</b>		1,634,275	(2,131,314)	(904,054)
<b>AMOUNT TRANSFERRED TO RESERVES</b>		<u>1,634,275</u>	<u>(2,131,314)</u>	<u>(904,054)</u>

## 5.2 Statement of Financial Position as at 31st March 2023 Prepared under FReM and DoF Instruction

		2023-24	2022-23 Restated	2022-23
	Note	£	£	£
<b>Non-current assets</b>				
Property, Plant and Equipment	9a	91,129	97,953	97,953
Intangible Assets	9b	6,284	15,113	15,113
Financial Transaction Capital (FTC) loans	5.8	302,182,951	295,818,212	270,702,646
<b>Total non-current assets*</b>		<u>302,280,365</u>	<u>295,931,278</u>	<u>270,815,711</u>
<b>Current assets</b>				
Trade and other receivables	5.7	1,441,866	1,440,684	1,440,684
Financial Transaction Capital (FTC) loans	5.8	1,275,000	1,275,000	1,275,000
Cash and cash equivalents	11	1,499,698	1,277,173	1,277,173
<b>Total current assets</b>		<u>4,216,564</u>	<u>3,992,856</u>	<u>3,992,856</u>
<b>Total Assets</b>		<u>306,496,929</u>	<u>299,924,134</u>	<u>274,808,567</u>
<b>Current liabilities</b>				
Trade and other payables	5.6	(2,096,792)	(1,889,272)	(1,889,272)
<b>Total assets less net current liabilities</b>		<u>304,400,137</u>	<u>298,034,862</u>	<u>272,919,295</u>
<b>Non-current liabilities</b>		-	-	-
<b>Assets less liabilities</b>		<u>304,400,137</u>	<u>298,034,862</u>	<u>272,919,295</u>
<b>Reserves</b>				
General reserve				
(Income and Expenditure account)	5.5	304,400,137	298,034,862	272,919,295
<b>Total</b>		<u>304,400,137</u>	<u>298,034,862</u>	<u>272,919,295</u>

\*Total non-current assets rounded by £1

### 5.3 Statement of Cashflows Prepared Under FReM and DoF Instruction

		2023-24	2022-23 Restated	2022-23
	Note	£	£	£
<b>Cashflows from Operating Activities</b>				
Net Deficit after interest and tax	5.1	1,634,275	(2,131,314)	(904,054)
Non Cash Transactions (Depreciation - Property, Plant & Equipment)	9a	6,824	7,269	7,269
Non Cash Transactions (Amortisation - Intangible Assets)	9b	9,728	10,814	10,814
Non Cash Transactions (Amortisation Reserve - FTC Loans)	5.8	(7,639,739)	(4,235,099)	(5,462,359)
Increase/(Decrease) in trade and other payables	5.6	207,520	175,010	175,010
(Increase)/ Decrease in trade and other receivables*	5.7	(1,183)	1,461,237	1,461,237
Net Cash used in Operating Activities		<u>(5,782,575)</u>	<u>(4,712,083)</u>	<u>(4,712,083)</u>
<b>Cash flows from Investing Activities</b>				
Purchase of Property, Plant & Equipment	9a	-	(86,367)	(86,367)
Purchase of Intangible Assets	9b	(900)	-	-
FTC loan issued	5.8	-	(50,000,000)	(50,000,000)
Repayment of FTC loan receipt to the Executive Office	5.8	<u>(1,275,000)</u>	<u>(1,275,000)</u>	<u>(1,275,000)</u>
Net Cash used in Investing Activities		<u>(1,275,900)</u>	<u>(51,361,367)</u>	<u>(51,361,367)</u>
<b>Cash flows from Financing Activities</b>				
Grant in Aid from Parent Department	5.4	6,006,000	5,508,000	5,508,000
Grant in Aid re FTC	5.8	-	50,000,000	50,000,000
Receipt of FTC Loan repayment	5.8	<u>1,275,000</u>	<u>1,275,000</u>	<u>1,275,000</u>
Net Cash used in Financing Activities		<u>7,281,000</u>	<u>56,783,000</u>	<u>56,783,000</u>
<b>Increase/(Decrease) in cash and cash equivalents</b>		<u>222,525</u>	<u>709,550</u>	<u>709,550</u>
Cash and cash equivalents at beginning of the period		<u>1,277,173</u>	<u>567,623</u>	<u>567,623</u>
<b>Cash and cash equivalents at end of the period</b>		<u>1,499,698</u>	<u>1,277,173</u>	<u>1,277,173</u>

\*Rounded by £1

In 2023-24 Strategic Investment Board Ltd received FTC loan repayments of £1,275,000 (2022-23: £1,275,000). Strategic Investment Board Ltd immediately transferred the repayment to TEO.

## 5.4 Statement of Changes in Taxpayers' Equity Note Prepared Under FReM and DoF Instruction

	2023-24	2022-23	2022-23
	£	Restated	£
	£	£	£
<b>Analysis of Income and Expenditure Reserves:</b>			
Balance at 1 April	298,034,862	219,590,351	219,590,351
Grant in Aid received in year	6,006,000	55,508,000	55,508,000
FTC Loan Prior period adjustment*	-	26,342,825	-
Net operating cost for the year	1,634,275	(2,131,314)	(904,056)
Receipt of FTC loan repayment	(1,275,000)	(1,275,000)	(1,275,000)
<b>Balance at 31 March</b>	<u>304,400,137</u>	<u>298,034,862</u>	<u>272,919,295</u>

	2023-24	2022-23	2022-23
	£	£	£
<b>Summary of Balances:</b>			
Income & Expenditure reserve	304,400,137	298,034,862	219,590,351
<b>Balance at 31 March</b>	<u>304,400,137</u>	<u>298,034,862</u>	<u>219,590,351</u>

\*FTC Loan Prior Period Adjustment rounded by £1

FReM accounting does not recognise deferred income (note 16). Grant in Aid received over and above expenditure incurred is credited to the Income and Expenditure Reserve. The Income and Expenditure reserve within the Statement of Taxpayers' Equity note is reconciled in the table below:

## 5.5 Movement in Reserves Prepared Under FReM and DoF Instruction

	2023-24	2022-23	2022-23
	£	Restated	£
	£	£	£
Reserves at 1st April	298,034,862	219,590,351	219,590,351
Loans issued in year	5.8 -	50,000,000	50,000,000
Loan amortisation	5.8 7,639,739	4,235,100	5,462,359
Receipt of FTC loan repayment	5.8 (1,275,000)	(1,275,000)	(1,275,000)
FTC Loan Prior period adjustment*	-	26,342,825	-
Movement of Deferred Income in year	16 536	(858,414)	(858,414)
<b>Balance at 31 March</b>	<u>304,400,137</u>	<u>298,034,862</u>	<u>272,919,295</u>

\*FTC Loan Prior Period Adjustment rounded by £1

### Prior Period Adjustment

In 2022-23, as a result of a review of the carrying value of the FTC loans, a prior period adjustment has been made in relation to the carrying value at 31 March 2022. From inception, non-interest bearing FTC loans have been carried at amortised cost using the HM Treasury nominal discount rate published, via an annual Public Expenditure System (PES) paper.

This rate decreased from 3.7% in 'PES (2015) 08 to 1.9% in 'PES (2021) 10'. However, it was identified that the change was not applied on the non-interest bearing FTC loans at 31 March 2022. The move in the rate resulted in a prior period adjustment of £26,342,825 to increase the carrying value of the loans at 31 March 2022.

## 5.6 Trade and Other Payables Prepared Under FReM and DoF Instruction

FReM accounting does not recognise deferred income. Grant in Aid received over and above expenditure incurred is credited to the Income and Expenditure Reserve.

	2023-24	2022-23
	£	£
Included in liabilities falling due within one year are:		
Trade Payables	97,752	30,103
Accruals	1,615,565	1,136,460
Employee Benefits (Note 13)	63,586	364,573
Value Added Tax	319,889	358,136
	<u>2,096,792</u>	<u>1,889,272</u>

## 5.7 Trade and Other Receivables Prepared Under FReM and DoF Instruction

	2023-24	2022-23
	£	£
Trade Receivables	935,454	996,352
Prepayments and Accrued Income	506,412	444,332
	<u>1,441,866</u>	<u>1,440,684</u>

## 5.8 Financial Transactions Capital (FTC) Loans Prepared Under FReM and DoF Instruction

	2023-24	2022-23 Restated	2022-23
	£	£	£
As at 1 April	297,093,213	217,790,287	217,790,287
Loans issued in year	-	50,000,000	50,000,000
Loan amortisation	7,639,739	4,235,100	5,462,359
Prior period adjustment	-	26,342,826	-
Repayment of loan in year	(1,275,000)	(1,275,000)	(1,275,000)
<b>Balance as at 31 March</b>	<u>303,457,952</u>	<u>297,093,213</u>	<u>271,977,646</u>
<b>Expected timing of cashflows</b>			
Not later than one year	(1,275,000)	(1,275,000)	(1,275,000)
Later than one year but not later than five years	(79,746,207)	(24,132,000)	(24,132,000)
Later than five years	(222,436,745)	(271,686,213)	(246,570,646)
	<u>(303,457,952)</u>	<u>(297,093,213)</u>	<u>(271,977,646)</u>



Strategic Investment Board Ltd facilitated the transfer of funds for DoF and DfE via TEO to Queen's University Belfast, Ulster University and GFS Corporate Directorate II Limited (the vehicle holding the NI Investment Fund) for FTC loan agreements.

The loan to Queen's University Belfast is an interest free loan agreement. In 2023-24 Strategic Investment Board Ltd received a loan repayment of £1.275m (2022-23: £1.275m). The outstanding loan amount as of 31<sup>st</sup> March 2024 is £22.510m (2022-23: £23.785m).

In 2023-24 Strategic Investment Board Ltd processed no new FTC loans. (In 2022-23 Strategic Investment Board Ltd processed one new FTC loan of £50,000,000 to GFS Corporate Directorate II Limited, the vehicle holding the NI Investment Fund.) The total value of the loan as of 31<sup>st</sup> March 2024 remains at £150m (2022-23: £150m). The loan is interest bearing at a rate of Sterling Overnight Index Average (SONIA) previously London Interbank Offered Rate (LIBOR) plus 4%.

The total value of the Ulster University FTC loans as of 31<sup>st</sup> March 2024 remains at £158.6m (2022-23: £158.6m). Interest of 0.25% is applied monthly and received at the beginning of the following financial year. This interest is to be used for the management of this specific loan and will be expensed in year by both Strategic Investment Board Ltd and DfE. Strategic Investment Board Ltd will be receiving a gross economic benefit from this loan through the receipt of interest payments. Strategic Investment Board Ltd will receive no net economic benefit as the income will be used to meet service obligations.

During the year, as a result of the review of the calculation of the carrying value of Financial Transactions Capital loans, it was identified that a correction was required to the discounting calculations for 2021-22. The loans are carried at amortised cost. The correction was required to fully reflect the application of the discount rate published by HM Treasury in December 2021. As a result, the carrying value of the loans has been increased by £26,342,825. The primary statements have been updated accordingly.