

Rate Collection Agency
Annual Report and Accounts
for the year ended 31 March 2007

*Laid before the Northern Ireland Assembly
under section 11(3)(c) of the Government Resources
and Accounts Act (Northern Ireland) 2001 by the
Department of Finance and Personnel*

14 November 2007

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Vision

*“To be at the forefront of revenue collection,
Housing Benefit administration and customer service.”*

Mission

*“To deliver timely, efficient and fair assessment
and collection of rate liability for all our citizens.”*

Strategic Objectives

*“To contribute to the reform of the rating system
to provide a fairer system for raising local revenue.”*

*“To increase the percentage
of the gross Collectable Rate collected.”*

“To manage resources efficiently and reduce the cost of operations.”

“To increase customer (ratepayers and stakeholders) satisfaction levels.”

1 Chief Executive's Introduction

I was very pleased, on 2 April 2007 to have taken over responsibility for the newly formed Land & Property Service (LPS) made up of the former Rate Collection Agency (RCA) and Valuation and Lands Agency (VLA), both of which have achieved so much in the preceding year.

During the year, in addition to dealing with its normal business, the Rate Collection Agency continued to progress a major IT project to replace the existing systems. The new system will ensure that the Agency is able to conduct its core business of rate revenue collection and deliver the remaining changes arising from the introduction of Rating Reforms from April 2007.

The achievements of staff are all the more commendable in that it was delivered in spite of system difficulties and during a period of fundamental change as the first phase of the creation of the new Agency was being implemented.

Unfortunately, in the latter part of the year difficulties with implementing the new computer system led to delays in starting debt recovery work and this has contributed to a significant increase in arrears. In the year ahead LPS will focus on reducing this arrears figure and improving our collection performance to the 'best in class' levels achieved over previous years.

Business Performance

RCA has a challenging set of Ministerial targets that measure the outcomes important to our stakeholders and customers. This year was dominated by targets related to the Reform and Modernisation of Rating, the Implementation of a new IT system, Collection and Customer Service.

Business performance during the year suffered as a result of setbacks and delays arising out of the implementation of the new core IT system. With Departmental approval, system development activity was focussed on the billing module functionality which achieved the target of ensuring the issue of bills, based on the new capital value based Valuation List during April 2007.

However, focussing on this development impacted on other areas with the result that the Agency was, temporarily unable to pursue formal recovery action for non-payment of rates. As a result the collection rate reduced to 91.7%, approximately £905m of the £986m due of Gross Collectable Rate (excluding late assessments).

This functionality is now operational and the Agency has put in place strategies to prioritise the collection of unpaid rates during 2007-08.

During the year the Agency carried out some restructuring in order to prepare for the full implementation of Rating Reform. New specialist teams were established and trained in the handling of a tranche of new reliefs which became effective on 1 April 2007.

Land & Property Services

The first phase of creation of the new Agency, the unification of the Rate Collection Agency and the Valuation and Lands Agency involved a significant restructuring of senior management, not least of which was the formation of a new Agency Board (including representation from Phase 2 partners, Ordnance Survey NI and Land Registers NI) which met for the first time in September 2006. A Programme Manager was appointed and Programme Project Management Office (PPMO) established. The Corporate Services Divisions of both the Rate Collection Agency and the Valuation and Lands Agency were successfully merged in January 2007 delivering efficiencies that have enabled the redeployment of some staff to other operational areas within the organisation. LRNI and OSNI will merge with LPS from 1 April 2008.

Staff

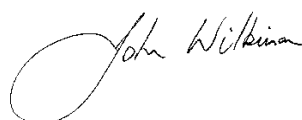
Our staff responded positively to meet a series of planned challenges and unplanned setbacks throughout the year. The delivery of key business objectives depended solely on the skill and professionalism of all our staff who have risen admirably to the challenges of the past few years with enthusiasm and dedication.

We are committed to and continue to invest in the ongoing development of all our staff to equip them with the knowledge and skills needed to meet the vision for Land and Property Services (LPS). This customer-focused vision will entail significant change and the ability of staff to meet these challenges will be critical to success.

Future

The reforms to the rating system in Northern Ireland pose significant challenges in the years ahead. The commitment of our staff and the embracing of new technology to support our work mean that we are well placed to meet these challenges and indeed develop related opportunities to improve service to our customers.

The unification of the Rate Collection Agency and the Valuation and Lands Agency was subsumed within the LPS Programme. The work done in Phase 1 of the LPS Programme will ensure progress toward the incorporation, in 2008, of Ordnance Survey of Northern Ireland (OSNI) and the Land Registers of Northern Ireland (LRNI). Participating in this larger, multi-faceted organisation will bring many new and exciting opportunities for staff, customers and the citizen.



John Wilkinson
Chief Executive

24 October 2007

2 Who We Are and What We Do

The Rate Collection Agency is an Executive Agency within the Department of Finance & Personnel. It became an Agency on 1 April 1991.

Its main functions are:

The collection and recovery of rates on behalf of Central Government and the Province's 26 District Councils in accordance with the Rates (Northern Ireland) Order 1977; and

The management of the Housing Benefit Scheme, for those ratepayers who are owner-occupiers and the Disabled Person's Allowance (DPA) Scheme.

It operates from Headquarters at Oxford House, Belfast, and from five Regional Offices around Northern Ireland, dealing with collection and recovery matters.

The Housing Benefit Central Unit is situated at Londonderry House in Belfast and deals with applications for Housing Benefit and Disabled Person's Allowance.

The Agency employs around 324 full-time and part-time staff.

3 Director's Report

History and Statutory Background

The Rate Collection Agency (RCA) was originally established as a Next Steps Agency within the Department of the Environment for Northern Ireland in April 1991 under the Government's Next Steps Initiative. With the advent of devolution on 2 December 1999 the Agency transferred to the Department of Finance and Personnel.

The Agency's accounts have been prepared in accordance with a direction given by the Department of Finance and Personnel in accordance with Section 11(2) of the Government Resources and Accounts Act (Northern Ireland) 2001.

The Accounts reflect the cost of rate collection and the administration of Housing Benefit for owner-occupiers. They do not incorporate rate revenue, associated refunds, Housing Benefit payments and other losses on collection including allowances granted to owners who collect rates on behalf of the RCA, or occupiers who pay their rates promptly. These are accounted for separately in a Rate Levy and Collection Statement. The main features of that Statement will be included in the Financial Auditing and Reporting: General Report by the Comptroller and Auditor General for Northern Ireland.

The Secretary of State announced in March 2006 as part of the Review of Public Administration the creation of a single Land and Property Services Agency (LPSA) comprising the Rate Collection Agency, the Valuation and Lands Agency, the Land Registers and Ordnance Survey. The programme of work to unify RCA and VLA was redirected towards the creation of the LPSA (later named Land & Property Services).

Principal Activities

The Agency's main activities are:

1. The collection of rates levied on properties in Northern Ireland in accordance with the Rates (Northern Ireland) Order 1977; and
2. The administration of the Housing Benefit Scheme for owner-occupiers.

Funding

The RCA is funded entirely by Government. Rates collected are transferred directly to the Northern Ireland Consolidated Fund and are not offset against the Agency's running costs.

Results for the year

A full review of the Agency's activities is given on pages 12 to 23 of the Annual Report. The Cost of Operations for the year, as shown on page 30, was £12,835k.

Fixed Assets

Details of the movement of fixed assets are set out in Note 5 to the Accounts. The Agency does not own any land or buildings. The Agency believes there is no material difference between the market and book value of its fixed assets as at 31 March 2007.

Replacement of the Agency's computer system was expected to take place in 2003 but a more likely timescale is now thought to be 2007. Because replacement is now later than expected depreciation has been decelerated to write-off the system in September 2007.

Future Developments

The Department continues to oversee the implementation of the Rating Reform and Modernisation Programme. To contribute to the overall programme the Agency is undertaking three projects:

- the replacement of the IT System;
- the implementation of Rating Reforms; and
- the improved delivery of and accessibility to rating services.

Important events occurring after the year end

There have been no significant events since the end of the financial year, which would affect these financial statements.

Charitable Donations

The Agency made no charitable donations during the year.

Senior Management Team "Board"

A Board of Directors headed by a Chief Executive and supported by 5 Directors manages the Agency. Members of the RCA Directorate during the year were:

Arthur Scott	Chief Executive (to 24/9/2006)
Arthur Scott	Director of RCA / VLA Corporate Services (from 25/9/2006)
Nigel Woods	Chief Executive of RCA / VLA (from 25/9/2006)
Anne Johnston	Director of Rating Reform and Modernisation
Bill Hagan	Acting Programme Manager for RCA / VLA Unification project (to 6/10/2006)
Joe Mullan	Director of Operations
Stuart Stevenson	Director of Finance (to 31/8/2006)
Tracey Browne	Acting Director of RCA Corporate Services (to 24/9/2006)

The RCA Directorate held its last meeting on 21 August 2007. The LPSA Shadow Board assumed responsibility for the management of the Agency from September 2006.

Members of the Shadow Board were:

Nigel Woods	Chief Executive
Alan Bronte	Rating Service
David Rainey	Valuation Service
Arthur Scott	Corporate Services
Patricia Montgomery	Land Registers
Iain Greenway	Ordnance Survey

The remuneration of the RCA Board members is disclosed in the remuneration report. The Chief Executive is a permanent and established Senior Civil Servant, whose terms and conditions of employment, including termination, are set out in the Civil Service Management Code.

As Civil Servants, the remuneration of the Chief Executive and all other Agency staff is determined by the normal Civil Service Pay arrangements. The Agency's staff are members of the Principal Civil Service Pension Scheme (NI), which is a multi-employer scheme. The accounts reflect the contributions payable to the scheme for the year.

For further information please refer to notes 1.7, 2 and the remuneration report.

Employee policy and involvement

We recognise that our most valuable asset is our people. We are therefore committed to, and operate within, the Department of Finance and Personnel policies on equal opportunity and responsibility for employment and career development of all staff irrespective of gender, ethnic background or disability.

The RCA continues to encourage staff ownership of its business. During the year staff were regularly provided with information regarding the strategic, operational, financial and economic factors affecting the Agency. Formal Team Briefing was held monthly and there was a wide publication of the Agency's Corporate and Business Plans and local Team Plans.

Consultation took place with Trade Union representatives through a formal Whitley structure.

Health and Safety

The Agency is committed to adhering to all existing legislation on Health and Safety at Work to ensure that staff and customers enjoy the benefits of a safe environment.

Payment to Suppliers

The RCA is committed to the prompt payment of bills for goods and services received in accordance with the Better Payment Practice Code and British Standard BS 7890 – 'Achieving Good Payment Performance in Commercial Transactions'.

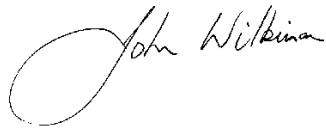
Unless otherwise stated in the contract, payment is due within 30 days of the receipt of the goods or services, or presentation of a valid invoice or similar demand, whichever is later.

During 2006-07, 92.26% of bills were paid within this standard.

Audit

These accounts have been audited by the Comptroller and Auditor General, whose Certificate appears on pages 28 and 29.

So far as the Accounting Officer is aware, there is no relevant audit information of which the entity's Auditors are unaware. The Accounting Officer has taken all the steps that he ought to take to make himself aware of any relevant audit information and to establish that the entity's Auditors are aware of that information.

A handwritten signature in black ink that reads "John Wilkinson". The signature is written in a cursive style with a large, looping initial "J".

John Wilkinson
Chief Executive

24 October 2007

4 Highlights 2006-07

Among the Agency's key achievements during 2006-07 were:

- The staged implementation of a new IT system from September 2006 to address business continuity issues, support rating reform and provide the means to improve future service levels.
- Implementation of the necessary business processes and contingency arrangements in support of the programme of rating reforms which were due to come into effect from 1 April 2007, despite very challenging timescales.
- Implementation of a public outreach programme to raise awareness about new and existing rating reliefs including a short advertising campaign around the theme of 'Who Gets Help and How'.
- Continuing to grow the number of customers choosing to pay by Direct Debit to 282,000, an increase of 11,000 over the past year.
- Despite a period of unprecedented change and significant challenges we continued to achieve high levels of customer satisfaction.
- Completing projects to support the merger of RCA and VLA Corporate Services and deliver the communication, administrative and governance arrangements in preparation for LPS.

5 Performance against Key Ministerial Targets

Key Ministerial Targets	Targets, Outturns and Achievements		
	2004-05	2005-06	2006-07
1. To collect x% of a forecast £1,112M gross collectable rate (excluding late assessments) by 31 March 2007.	Target 98% Outturn 97.08% Substantially Achieved	Target 98% Outturn 96.19% Substantially Achieved	Target 98% Outturn 91.7% Not Achieved
2. To achieve by 31 March 2007 a satisfied rating for overall service provision from at least x% of customers, x% of which are very satisfied.	Target 95%, 20% of which should be very satisfied Outturn 97.71% of which 27.33% were very satisfied. Achieved	Target 96%, 20% of which should be very satisfied Outturn 97% of which 27.5% were very satisfied Achieved	Target 96%, 20% of which should be very satisfied Outturn 95.2% of which 11.6% were very satisfied Not Achieved
3. Rating Reform and Modernisation Programme.	2004-05	2005-06	2006-07
3.1 Develop and implement appropriate business processes and ICT systems by 31 March 2007 to issue domestic rate bills calculated on the basis of discrete capital valuations from April 2007.	N/A	N/A	Achieved
3.2 Develop and implement appropriate business processes for rate reliefs and transitional arrangements by 31 March 2007.	N/A	N/A	Achieved
3.3 To achieve all key milestones for the IT replacement project.	N/A	Achieved	Partially Achieved
3.4 To complete all key Programme milestones by 31 March 2007 to ensure the successful unification of VLA and RCA from 1 April 2007.	N/A	Date deferred from 31 March 2006	Achieved
4. To consider and agree by 30 June 2006 with the relevant Departments and Agencies the outcome of a scoping study as the first major milestone towards the development of a single Land and Property Agency by April 2008.	N/A	N/A	Achieved

6 Business Report

A brief summary of performance against each of the Ministerial targets follows.

Output

Collection Target - Not Achieved

Rate accounts issued to 587,779 ratepayers during the year in respect of 735,811 properties*. The Agency collected approximately £905m of £986m due or 91.7% of the Gross Collectable Rate (excluding late assessments)**. Disappointingly, our overall collection performance is significantly less than that for the previous year. The shortfall is directly attributable to difficulties with the introduction of our new computer system. It was not possible to pursue recovery action through the courts for cases of non-payment and complete the work necessary for the issue of domestic rate bills based on capital values from 1 April 2007. Work to review our rate arrears strategy is complete and we will be taking robust recovery action starting in early July 2007.

Quality of Service

Customer Satisfaction Target - Not Achieved

Guided by the Northern Ireland Statistics and Research Agency, we used the same methods employed in the previous year to measure customer satisfaction levels. This comprised a telephone survey and an analysis of comments obtained by various other means during the year. The level of overall satisfaction is slightly lower than last year and narrowly missed the Ministerial target of 96% by 0.8%. The level of those who reported being very satisfied has reduced significantly to 11.6%, missing the target of 20%. The main factors for this were the introduction of rating reform, installation of a new IT system which prevented Housing Benefit applications and refunds being processed and several instances of direct debit payments being requested on the wrong date. Despite the lower than usual results the Agency continues to achieve high levels of service delivery.

Rating Reform and Modernisation Programme

Develop and implement appropriate business processes and ICT systems by 31 March 2007 to issue domestic rate bills calculated on the basis of discrete capital valuations from April 2007 - Achieved

Over 506,000 rate bills were issued on 12 April 2007, with those to domestic ratepayers calculated on the basis of discrete capital values.

* This includes NIHE properties totalling 100,000.

** Figures quoted are those at 31 December 2006. "Late assessments" are new properties or changes to the net annual value of existing properties notified to the Agency after 1 January each year which affect the total amount of rates due. In such cases, it is acknowledged that there is insufficient time for the Agency to process and complete the collection and recovery activities required, which may include legal proceedings, within the remaining three months of the financial accounting year.

Rating Reform and Modernisation Programme (continued)

Develop and implement appropriate business processes for rate reliefs and transitional arrangements by 31 March 2007 - Achieved

Business processes were in place to support the implementation of all of the reforms which were due to take effect from 1 April 2007. Procedures manuals were available, staff were in place and trained and a communications plan developed and implemented. Where functionality in the IT system was not in place in support of some of the reforms manual processes were agreed.

Achieve all key milestones for the IT Replacement Project - Partially Achieved

During 2006-07 Phases 1 (Core Rate Collection) and 2 (Management Information) of the new IT system were implemented. Phase 3 (Housing Benefit) was deferred as part of the targets contingency to ensure new reforms were delivered from 1 April 2007. Phase 4 (Rating Reforms) was implemented in part. The introduction of a new, unexpected, relief for those in education, training and leaving care, delays in the finalisation of some elements of rating reform policy, increased complexity of some of the reforms and uncertainty due to political developments to progress devolution led to the prioritisation of the milestones for Phase 4. Phase 4 was subdivided into five tranches (A to E) to reflect agreed priorities in the assessment and billing processes. Where IT functionality was not in place contingency plans were agreed and implemented.

Complete all key Programme milestones by 31 March 2007 to ensure the successful unification of RCA and VLA by 1 April 2007 - Achieved

RCA / VLA unification was subsumed within the LPS Programme. The successful merger of RCA and VLA Corporate Services co-located the teams from Oxford House and Queen's Court to Lincoln Buildings in January 2007 and has delivered joined-up, streamlined and more efficient processes and released staff to support other areas of the business.

Land & Property Services

Consider and agree by 30 June 2006 with the relevant Departments and Agencies the outcome of a scoping study as the first major milestone towards the development of a single Land & Property Agency by April 2008 - Achieved

Proposed recommendations to the LPS Steering Group made on 28 June 2006 were accepted leading to the preparation of an implementation action plan.

7 Key Targets for 2007-08

From 1 April 2007 the Rate Collection Agency and Valuation and Lands Agency merged under Phase 1 of the Land & Property Service (LPS) Programme.

The Key LPS Targets agreed by the Minister for 2007-08 are:

Land & Property Services Programme

By 31 March 2008 to have implemented all the relevant key milestones of the Land & Property Services Programme.

Valuation Accuracy

Domestic List - To achieve a standard in all domestic rating valuations such that 90% of those values on appeal are within +/- 10% of the assessment by the District Valuer.

Non Domestic List - To achieve a standard in all non domestic rating valuations such that 85% of those values on review are within +/- 10% of the original assessment.

Currency of the Valuation List

From 1 April 2007 all new properties to be valued on average within two months of receiving a valuation request.

Rating Service Customer Satisfaction

By 31 March 2008 to achieve an overall rating for service provision of "satisfied" or above from at least 96% of respondents, 25% of whom are very satisfied.

Revenue Collection

To collect 98% (or the 2006-07 outturn if higher) of a forecast £1,070m of the collectable rates (excluding late assessments) by 31 March 2008.

8 Remuneration Report

Remuneration Policy

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

Unless otherwise stated below, the officials covered by this report hold appointments, which are open-ended until they reach the normal retiring age of 60. Policy relating to notice periods and termination payments is contained in the Northern Ireland Civil Service (NICS) Staff Handbook.

Further information about the work of the Civil Service Commissioners can be found at www.nicscommissioners.org.

Salary Entitlements (audited)

The salary entitlements of the most senior managers of the Agency were as follows:

Name and Title	2006-07		2005-06	
	Salary (as defined below)	Benefits in kind (to nearest £100)	Salary (as defined below)	Benefits in kind (to nearest £100)
	£'000	£'00	£'000	£'00
Arthur Scott Chief Executive (to 24/9/06) (Director of RCA / VLA Corporate Services from 25/9/06)	65 - 70	Nil	55 - 60	Nil
Nigel Woods Chief Executive of RCA / VLA (from 25/9/06)	45 - 47.5 (full year equivalent 90 - 95)	Nil	Nil	Nil
Anne Johnston Director of Rating Reform and Modernisation	45 - 50	Nil	40 - 45	Nil
Bill Hagan Acting Programme Manager for RCA / VLA Unification project (to 6/10/06)	25 - 27.5 (full year equivalent 50 - 55)	Nil	40 - 45	Nil
Joe Mullan Director of Operations	40 - 45	Nil	40 - 45	Nil
Tracey Browne Acting Director of RCA Corporate Services (to 24/9/06)	12.5 - 15 (full year equivalent 25 - 30)	Nil	Nil	Nil
Stuart Stevenson Director of Finance (to 31/8/06)	10 - 12.5 (full year equivalent 25 - 30)	Nil	25 - 30	Nil

Salary

'Salary' includes gross salary; performance pay or bonuses, any allowances, such as London Weighting Allowances, to the extent that it is subject to UK taxation. This report is based on payments made by the Department and thus recorded in these accounts.

Benefits in Kind

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

Civil Service Pension (audited)

The pension entitlements of the most senior managers of the Agency were as follows:

Name and Title	Real increase in pension and related lump sum at age 60	Accrued pension at age 60 at 31 March 2007 and related lump sum	CETV at 31 March 2006	CETV at 31 March 2007	Real increase in CETV after inflation adjustment	Employer contribution to partnership pension account
	£'000	£'000	£'000	£'000	£'000	Nearest £'00
Arthur Scott Chief Executive (to 24/9/06) (Director of RCA / VLA Corporate Services from 25/9/06)	0 - 2.5 lump sum 0 - 2.5	20 - 25 lump sum 70 - 75	332	420	7	Nil
Nigel Woods Chief Executive of RCA / VLA (from 25/9/06)	0 - 2.5 lump sum 2.5 - 5.0	45 - 50 lump sum 135 - 140	788	1080	9	Nil
Anne Johnston Director of Rating Reform and Modernisation	0 - 2.5 lump sum 0 - 2.5	15 - 20 lump sum 55 - 60	300	397	13	Nil
Bill Hagan Acting Programme Manager for RCA / VLA Unification project (to 6/10/06)	0 - 2.5 lump sum 0 - 2.5	15 - 20 lump sum 50 - 55	227	274	Nil	Nil
Joe Mullan Director of Operations	0 - 2.5 lump sum 0 - 2.5	15 - 20 lump sum 45 - 50	205	258	6	Nil
Tracey Browne Acting Director of RCA Corporate Services (to 24/9/06)	0 - 2.5 lump sum 2.5 - 5	5 - 10 lump sum 20 - 25	84	103	12	Nil
Stuart Stevenson Director of Finance (to 31/8/06)	0 - 2.5 lump sum 0 - 2.5	0 - 5 lump sum 5 - 10	31	36	Nil	Nil

Pension benefits are provided through the Civil Service pension arrangements. From 1 October 2002, civil servants may be in one of three statutory based 'final salary' defined benefit schemes (classic, premium, and classic plus). The schemes are unfunded with the cost of benefits met by monies voted by parliament each year. Pensions payable under classic, premium, and classic plus are increased annually in

line with changes in the Retail Price Index. New entrants after 1 October 2002 may choose between membership of premium or joining a good quality 'money purchase' stakeholder arrangement with a significant employer contribution (partnership pension account).

Employee contributions are set at the rate of 1.5% of pensionable earnings for classic and 3.5% for premium and classic plus. Benefits in classic accrue at the rate of 1/80th of pensionable salary for each year of service. In addition, a lump sum equivalent to three years' pension is payable on retirement. For premium, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike classic, there is no automatic lump sum (but members may give up (commute) some of their pension to provide a lump sum). Classic plus is essentially a variation of premium, but with benefits in respect of service before 1 October 2002 calculated broadly in the same way as the classic.

The partnership pension account is a stakeholder pension arrangement. The employer makes a basic contribution of between 3% and 12.5% (depending on the age of the member) into a stakeholder pension product chosen by the employee from a selection of approved products. The employee does not have to contribute but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.8% of pensionable salary to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement).

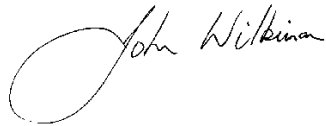
Further details about the Civil Service pension arrangements can be found at the website www.civilservicepensions-ni.gov.uk

Cash Equivalent Transfer Values

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised values of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies. The CETV figures, and from 2003-04 the other pension details, include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the Civil Service pension arrangements and for which the CS Vote has received a transfer payment commensurate with the additional pension liabilities being assumed. They also include an additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries.

Real increase in CETV

This reflects the increase in CETV effectively funded by the employer. It takes account of the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

A handwritten signature in black ink that reads "John Wilkinson". The signature is written in a cursive style with a large, looping initial "J".

John Wilkinson
Chief Executive

24 October 2007

Annex A

Unaudited Summary of 2006-07 Rate Collection

District Council	Total Rates Due £'000	Collected £'000	Collected % of Total Rates Due
Antrim	31,012	28,734	92.7
Ards	34,947	32,168	92.1
Armagh	25,614	23,187	90.5
Ballymena	33,796	31,713	93.8
Ballymoney	11,175	10,382	92.9
Banbridge	20,074	18,669	93.0
Belfast	247,339	219,323	88.7
Carrickfergus	19,543	18,135	92.8
Castlereagh	33,521	31,200	93.1
Coleraine	35,478	32,816	92.5
Cookstown	14,277	13,021	91.2
Craigavon	47,601	43,390	91.2
Derry	64,771	58,263	90.0
Down	30,678	28,130	91.7
Dungannon	21,402	19,249	89.9
Fermanagh	25,741	23,454	91.1
Larne	17,818	16,791	94.2
Limavady	14,093	12,988	92.2
Lisburn	58,553	53,991	92.2
Magherafelt	14,923	13,933	93.4
Moyle	7,983	7,564	94.8
Newry	45,096	40,081	88.9
Newtownabbey	46,875	43,252	92.3
North Down	44,908	41,967	93.5
Omagh	24,371	22,278	91.4
Strabane	14,743	13,055	88.6
Northern Ireland	986,332	897,734	91.7
		* 7,150	
Ministerial Target			98.0

Note: Figures are affected by rounding
 * Unallocated Money in Bank at 31 March 2007

Annex B

Unaudited Summary Statement of Rate Levy and Collection

	2006-07		2005-06	
	£m	£m	£m	£m
Arrears at 1 April		48.5		35.1
Assessments during year		939.4		864.6
Credits carried forward to next period		9.5		4.1
		997.4		903.8

Less: Discharged During Year

Credits b/f from last year	4.1		3.1	
Net Receipts (ie receipts less refunds)	836.0		782.7	
Vacancies	21.6		26.3	
Rebates / DPA	28.7		24	
Residential Home Relief	6.2		6.0	
Vacant Rating Relief	2.5		3.2	
Allowances	5.0		4.9	
Discounts	3.7		3.4	
Written-off as Irrecoverable	1.3		1.5	
Transitional Relief	0.0		0.2	
		909.1		855.3
Arrears at 31 March		88.3		48.5

Note 1: The variation in the amounts written off in the table below and the amount in the summary statement is accounted for by monies received by way of dividends in respect of previous years' write-offs.

	Bankruptcies £'000	Liquidations £'000	Other Recoverables £'000	Total £'000
2006-07	799*	320	430	1,549
2005-06	735#	469	626	1,830

* Includes Interim Voluntary Arrangement of £216,417

Includes Interim Voluntary Arrangement of £226,392

Annex C

Performance Definitions

Exceeded:

Outturn exceeded target by at least 10%

Achieved:

Target fully achieved (ie outturn at least 100%)

Substantially Achieved:

Outturn at least 98% of target

Partially Achieved:

Objective has a number of targets only some of which were achieved

Not Achieved:

Outturn less than 98% of target

Agency Accounts for the year ended 31 March 2007

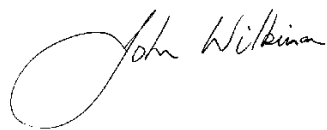
Statement of Accounting Officer's Responsibilities

Under section 11(2) of the Government Resources and Accounts Act (NI) 2001, the Department of Finance and Personnel has directed the Rate Collection Agency to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction. The accounts are prepared on an accruals basis and must give a true and fair view of the Agency's state of affairs and of its income and expenditure, recognised gains and losses, 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 Department of Finance and Personnel, 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 accounts on the going concern basis.

The Department of Finance and Personnel has designated the Chief Executive as the Accounting Officer of the Rate Collection Agency. The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding the Rate Collection Agency's assets, are set out in the Accounting Officers' Memorandum issued by the Department of Finance and Personnel and published in Government Accounting Northern Ireland.



John Wilkinson
Chief Executive

24 October 2007

Statement on the System of Internal Control

Scope of Responsibility

As Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of departmental policies, aims and objectives, set by the Departments Ministers, whilst safeguarding the public funds and departmental assets for which I am personally responsible, in accordance with the responsibilities assigned to me in Government Accounting Northern Ireland (GANI).

The purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of departmental policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in the Agency for the year ended 31 March 2007 and up to the date of approval of the Annual Report and Accounts, and accords with Treasury guidance.

Capacity to handle Risk

Risk management is led by the Agency's Audit and Risk Committee (ARC), which comprises the Agency's Management Board and representatives from DFP Internal Audit and the Northern Ireland Audit Office. I chair this Committee and ownership of significant Agency risks is allocated to appropriate members of the Agency's Board. The Committee meets formally several times a year.

All members of the Committee have received training in the identification, assessment and control of risk. A number of key projects are ongoing and are controlled by managers trained in Prince2 and project risk management. Project risks are reviewed on a monthly cycle and reported to the Agency's Management Board.

At operational level Risk Control Frameworks have been developed in conjunction with the Department's Internal Audit Unit and are implemented to encompass all areas of operations. These frameworks are reviewed on a regular basis and are subject to annual formal review.

The Risk and Control Framework

We have carried out appropriate procedures to ensure that we have identified the Agency's objectives and risks and determined a control strategy for each of the significant risks. As a result, risk ownership has been allocated to the appropriate staff and the Department has set out its attitude to risk to the achievement of the departmental objectives.

The Management Board has ensured that procedures are in place for verifying that aspects of risk management and internal control are regularly reviewed and reported on. The Audit and Risk Committee formally reviews risks and controls on a regular basis. Risk management has been incorporated fully into the corporate planning and decision-making processes of the Agency.

The Management Board receives periodic reports concerning internal control. The appropriate steps have been taken to manage risks in significant areas of responsibility and to monitor progress reports on key projects.

Key projects ongoing within the Agency are managed within a Programme environment, each project is owned by the appropriate member of the Agency Board and managed within a Prince2 project structure, by a project manager trained in Prince2 and risk analysis. The Gateway review process has been implemented for priority projects. These projects, and associated risks, are subject to monthly review by the Agency's Management Board.

The Department has an Internal Audit Unit, which operates to standards defined in the Government Internal Audit Manual. The Agency's Audit and Risk Committee agrees with the Head of this Unit a strategy for review of Risk and Control Frameworks for the incoming period, receives the Internal Audit reports on these reviews and manages the implementation of any recommendations contained therein. At end-of-year I receive Head of Internal Audit's independent opinion on the adequacy and effectiveness of the Agency's system of internal control with recommendations for improvement.

Review of Effectiveness

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 the executive managers within the Agency who have responsibility for the development and maintenance of the internal control framework, and comments made by the external auditors in their management letter and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Board and the Audit and Risk Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

The Agency's Audit and Risk Committee meets on a regular basis to review the Risk and Control frameworks and is advised by the relevant risk managers, by Gateway Review reports (for priority projects) and the Head of Internal Audit.

Significant Internal Control Problems

The head of Internal Audit issued two reports for the period, covering Collection and Recovery and Cash Office procedures and has advised the following:-

Collection and Recovery

A "limited" level of assurance for Collection and Recovery is appropriate.

Ongoing difficulties with the implementation of the new IT system and the need to prioritise development work to ensure the issuing of this year's rate bills (endorsed at Departmental level) resulted in the unavailability of the recovery module. The Agency was unable to carry out recovery action and as a result collection fell to 91.7% against the target of 98%. This equates to approximately £88 million outstanding arrears. The recovery module is now operational and the Agency is prioritising recovery action.

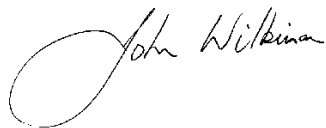
Cash Office

A review of Cash Office procedures by Internal Audit revealed significant weaknesses:

- Cashiers are currently able to perform their own contra entries, i.e. remove a cash receipt entry from the system in the event of an error. Furthermore, the end of day reconciliation does not highlight any contra entries which have taken place, thus, in the event of an error/attempted fraud, it is only when the customer receives an outstanding bill reminder letter that RCA may be alerted;
- An inadequate password control system has been established as regular changes are not 'forced' and we are aware of previous instances when passwords have been divulged to/shared with colleagues; and
- Close Circuit Television (CCTV) footage was, at the time of the audit, held for one week only, insufficient time to enable review should an investigation into a disputed payment be required.

Suspected Fraud

At the end of the year an incident of suspected fraud occurred in one of the Agency's cash offices. This matter is currently under investigation in conjunction with Internal Audit. The Agency will ensure that recommendations resulting from that investigation are fully implemented.



John Wilkinson
Chief Executive

24 October 2007

Rate Collection Agency

The Certificate and Report of Comptroller and Auditor General to the House of Commons and the Northern Ireland Assembly

I certify that I have audited the financial statements of Rate Collection Agency for the year ended 31 March 2007 under the Government Resources and Accounts Act (Northern Ireland) 2001 which comprise the Operating Cost Statement, the Balance Sheet, the Cashflow Statement and Statement of Recognised Gains and Losses and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

Respective responsibilities of the Agency, the Chief Executive and Auditor

The Agency and Chief Executive as Accounting Officer are responsible for preparing the Annual Report, which includes the Remuneration Report, and the financial statements in accordance with the Government Resources and Accounts Act (Northern Ireland) 2001 and Department of Finance and Personnel directions made thereunder and for ensuring the regularity of financial transactions. These responsibilities are set out in the Statement of Agency's and Chief Executive's Responsibilities.

My responsibility is to audit the financial statements and the part of the Remuneration Report to be audited in accordance with relevant legal and regulatory requirements, and with International Standards on Auditing (UK and Ireland).

I report to you my opinion as to whether the financial statements give a true and fair view and whether the financial statements and the part of the Remuneration Report to be audited have been properly prepared in accordance with the Department of Finance and Personnel directions issued under the Government Resources and Accounts Act (Northern Ireland) 2001. I report to you whether, in my opinion, certain information given in the Annual Report, which comprises Chief Executive's Introduction, Who We Are and What We Do, Director's Report, Highlights 2006-07, Performance against Key Ministerial Targets, Business Report, Key Targets and the unaudited part of the Remuneration Report is consistent with the financial statements. I also report whether in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

In addition, I report to you if the Agency has not kept proper accounting records, if I have not received all the information and explanations I require for my audit, or if information specified by the Department of Finance and Personnel regarding remuneration and other transactions is not disclosed.

I review whether the statement on Internal Control reflects the Rate Collection Agency's compliance with the Department of Finance and Personnel's guidance on the Statement on Internal Control, and I report if it does not. I am not required to consider whether this statement covers all risks and controls, or form an opinion on the effectiveness of the Rate Collection Agency's corporate governance procedures or its risk and control procedures.

I review the other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. I consider the implications for my report if I become aware of any apparent misstatements or material inconsistencies with the financial statements. My responsibilities do not extend to any other information.

Basis of Audit Opinion

I conducted my audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. My audit includes examination, on a test basis, of evidence relevant to the amounts, disclosures and regularity of financial transactions included

in the financial statements and the part of the Remuneration Report to be audited. It also includes an assessment of the significant estimates and judgements made by the Agency and Chief Executive in the preparation of the financial statements, and of whether the accounting policies are most appropriate to the Agency's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements and the part of the Remuneration Report to be audited are free from material misstatement, whether caused by fraud or error, and that in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

In forming my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements and the part of the Remuneration Report to be audited.

Opinions

Audit Opinion

In my opinion;

- the financial statements give a true and fair view, in accordance with the Government Resources and Accounts Act (Northern Ireland) 2001 and directions made thereunder by the Department of Finance and Personnel, of the state of the Agency's affairs as at 31 March 2007, and of the net operating cost, recognised gains and losses and cashflows for the year then ended;
- the financial statements and the part of the Remuneration Report to be audited have been properly prepared in accordance with the Department of Finance and Personnel directions issued under the Government Resources and Accounts Act (Northern Ireland) 2001; and
- the information given within the Annual Report, with Chief Executive's Introduction, Who We Are and What We Do, Director's Report, Highlights 2006-07 Performance, against Key Ministerial Targets, Business Report, Key Targets and the unaudited part of the Remuneration Report is consistent with the financial statements.

Audit Opinion on Regularity

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

Report

I have no observations to make on these financial statements.



*JM Dowdall CB
Comptroller and Auditor General
Northern Ireland Audit Office
106 University Street, Belfast*

25 October 2007

Operating Cost Statement

for the year ended 31 March 2007

	Notes	2007 £'000	2006 £'000
Expenditure			
Staff costs	2.2	7,084	6,391
Depreciation and other amounts written off tangible fixed assets	3	226	292
Other operating costs	4	5,497	3,706
Income			
Miscellaneous income payable to Consolidated Fund		(1)	(6)
Net cost of continuing operating activities		12,806	10,383
Loss on disposal of tangible fixed assets		1	2
Notional cost of capital	1.6	28	29
Net cost of operations		12,835	10,414

The amounts set out above arise wholly from continuing operations and are administrative in nature.

Statement of Recognised Gains and Losses

for the year ended 31 March 2007

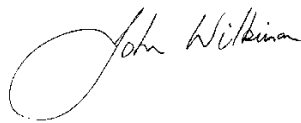
	Notes	2007 £'000	2006 £'000
Unrealised surplus on revaluation of fixed assets	8	14	3

The notes on pages 33 to 41 are part of these Accounts.

Balance Sheet

for the year ended 31 March 2007

		2007	2006
	Notes	£'000	£'000
Fixed Assets			
Tangible Fixed Assets	5	1,752	581
Current Assets			
Debtors	6	657	1,000
Creditors: Amounts Falling Due within One Year	7	(1,729)	(691)
Net Current (Liabilities)/Assets		(1,072)	309
Total Assets less Current Liabilities		680	890
Finance By:			
Capital and Reserves			
General Fund	8	657	874
Revaluation Reserves	8	23	16
		680	890



John Wilkinson
Chief Executive

24 October 2007

The notes on pages 33 to 41 are part of these Accounts.

Cash Flow Statement

for the year ended 31 March 2007

		2007	2006
	Notes	£'000	£'000
Net cash outflow from continuing operating activities	9	10,045	8,548
Capital expenditure			
Purchase of tangible fixed assets	5	801	405
Disposal of tangible fixed assets	5	-	-
Payments of amounts due to Consolidated Fund		2	10
Net cash outflow before financing		10,848	8,963
Financing			
Net cash inflow from financing - Consolidated Fund	8	(10,848)	(8,963)
Increase / Decrease in cash in the year		-	-

The notes on pages 33 to 41 are part of these Accounts.

Notes to the Accounts

for the year ended 31 March 2007

Note 1 Statement of Accounting Policies

The financial statements have been prepared in accordance with an Accounts Direction given by the Department of Finance and Personnel (DFP) in accordance with Section 11(2) of the Government Resources and Accounts Act (Northern Ireland) 2001. This direction requires the Agency to comply with the extant edition of the Government Financial Reporting Manual (FReM) issued by HM Treasury.

Where the FReM permits a choice of accounting policy, the accounting policy which has been judged to be most appropriate to the particular circumstances of the Agency for the purpose of giving a true and fair view has been selected. The Agency's accounting policies have been applied consistently in dealing with items considered material in relation to the accounts.

1.1 Accounting Convention and Basis of Preparing Financial Statements

The financial statements have been prepared under the historical cost convention, modified to account for the revaluation of fixed assets at their value to the business by reference to their current costs.

1.2 Tangible Fixed Assets

The Agency's fixed assets comprise computer equipment, software and other office equipment which are revalued annually using appropriate indices compiled by the Office for National Statistics. The minimum level for capitalisation of a tangible fixed asset is £1,000.

1.3 Depreciation

Depreciation is provided on a straight line basis in order to write-off the valuation, less any residual value, over the estimated useful lives. The estimated useful lives, which are reviewed regularly, are:

Computer Equipment	3-10 years
Software	8-12 years
Office Equipment	5-10 years

The Rate Collection Agency does not own the land and buildings it occupies, but incurs an accommodation charge which is included in its operating costs.

1.4 Recoverable Legal Expenses

Recoverable legal expenses are accounted for on an accruals basis and an accrual is made for non-recovery of legal debts.

1.5 Stock

Stocks consist only of low value consumable items and are therefore expensed in the year of purchase.

1.6 Capital Charge

A charge, reflecting the cost of capital utilised by the Agency, is included in operating costs. The charge is calculated at the Government's standard rate of 3.5% in real terms on all assets less liabilities.

1.7 Pensions

Present and past employees are covered by the Principal Civil Service Pension Scheme which is non-contributory and unfunded. Although the Scheme is a defined benefit scheme, liability for payment of future benefits is a charge to the PCSPS. Departments, Agencies and other bodies covered by the PCSPS meet the cost of pension cover provided for the staff they employ by payment of charges calculated on an accruing basis. There is a separate scheme statement for the PCSPS as a whole.

1.8 NIHE Administration Expenses

As a consequence of the programme of Rating Reform a new rate relief scheme was introduced in Northern Ireland from 1 April 2007. Regulation 6(1)(b) of the Rate Relief (General) Regulations (Northern Ireland) 2007 provides that rate relief shall be administered by the Northern Ireland Housing Executive (NIHE) on behalf of RCA insofar as it relates to persons who are tenants of the Executive, private tenants or tenants of registered housing associations.

The cost incurred by the NIHE in 2006-07 related in the main to the set up costs including the advance recruitment and training of 40 staff.

Note 2 Staff Numbers and Costs

2.1 Staff Numbers

	2007			2006
	Nos	Nos	Nos	Nos
	Total	Permanently Employed Staff	Others	
The average number of whole-time equivalent persons employed (including senior management) during the year was as follows:	324	291	33	308

The aggregate payroll costs of these persons were as follows:

2.2 Staff Costs

	2007			2006
	£'000	£'000	£'000	£'000
	Total	Permanently Employed Staff	Others	
Salaries and Wages	5,885	5,471	414	5,256
Social Security costs	346	346	-	330
Other pension costs	853	853	-	805
Total	7,084	6,670	414	6,391

The PCSPS(NI) is an unfunded defined benefit scheme which produces its own resource accounts, but the Rate Collection Agency is unable to identify its share of the underlying assets and liabilities. The most up-to-date actuarial valuation was carried out as at 31 March 2003 and details of this valuation are available in the PCSPS(NI) resource accounts.

For 2006-07 employers' contributions of £852,993.09 were payable to the PCSPS(NI) (2005-06 £805,400.12) at one of four rates in the range 16.5% to 23.5% of pensionable pay, based on salary bands. The contribution rates reflect benefits as they are accrued, not when the costs are actually incurred, and reflect past experience of the scheme.

Employer contributions are to be reviewed every four years following a full scheme valuation by the Government Actuary. The contribution rates reflect benefits as they are accrued, not when the costs are actually incurred, and reflect past experience of the scheme.

Employees joining after 1 October 2002 could opt to open a partnership pension account, a stakeholder pension with an employer contribution. No employers' contributions were paid to one or more of a panel of four appointed stakeholder pension providers. Employer contributions are age-related and range from 3% to 12.5% of pensionable pay. Employers also match employee contributions up to 3% of pensionable pay. In addition no employer contributions were payable to the PCSPS(NI) to cover the cost of the future provision of lump sum benefits on death in service and ill-health retirement of these employees.

Note 3 Depreciation and other amounts written off tangible fixed assets

	2007	2006
	£'000	£'000
Depreciation charge for the year	214	285
Impairments written off	12	7
	<u>226</u>	<u>292</u>

Note 4 Other Operating Costs

	2007	2006
	£'000	£'000
These comprise:		
General Administration Expenses	2,285	1,674
NIHE Administration Expenses	1,269	-
Bad debts	81	340
Non-recoverable legal expenses	167	134
Notional Costs	1,695	1,558
Total	<u>5,497</u>	<u>3,706</u>

Note: The Notional Costs relate to chargeable services for which no actual payment is made. They are included in the accounts to reflect the full economic cost of the Agency's activities.

	2007	2006
	£'000	£'000
Amounts included are:		
Services provided by parent Department and its Agencies	1,686	1,548
Services provided by other Agencies and Departments:		
Audit Fee	9	9
Other Services	-	1
Total	<u>1,695</u>	<u>1,558</u>

Note 5 Tangible Fixed Assets

	Assets under Construction	Office Equipment	Computer Equipment	Software	Total
	£'000	£'000	£'000	£'000	£'000
Cost or Valuation					
At 1 April 2006	202	61	806	5,449	6,518
Adjustment	-	-	-	-	-
Additions	621	1	67	673	1,362
Transfers	(217)	-	22	217	22
Disposals	-	(2)	(17)	-	(19)
Impairment	-	(1)	(28)	-	(29)
Revaluation	-	-	-	31	31
At 31 March 2007	606	59	850	6,370	7,885
Depreciation					
At 1 April 2006	-	51	602	5,284	5,937
Adjustment	-	-	-	-	-
Charge for year	-	4	109	101	214
Transfers	-	-	-	-	-
Disposals	-	(2)	(16)	-	(18)
Impairment	-	(1)	(16)	-	(17)
Revaluation	-	-	-	17	17
At 31 March 2007	-	52	679	5,402	6,133
Net Book Value					
At 31 March 2007	606	7	171	968	1,752
At 1 April 2006	202	10	204	165	581

	2007	2006
	£'000	£'000
Fixed asset acquisitions as per note	1,384	439
(Increase) decrease in capital accruals	(583)	(34)
Cash outflow from acquisition of fixed assets	801	405
Net book value of assets disposed	1	2
(Loss) profit on disposal	(1)	(2)
Cash inflow from disposal of fixed assets	-	-

Note 6 Debtors

	2007	2006
	£'000	£'000
Amounts falling due within one year:		
Legal Debtors	646	1,125
Bad debt provision	(261)	(337)
	<u>385</u>	<u>788</u>
Due from other Government Departments	-	-
Other Debtors	261	76
Pre-payments	11	136
Total	<u>657</u>	<u>1,000</u>

Note 6(b) Intra-Government Balances

	2007	2006
	£'000	£'000
Amounts falling due within one year:		
Balances with other central government bodies	-	-
Balances with NHS Trusts	-	-
Balances with public corporations and trading funds	-	-
Subtotal: intra-government balances	<u>-</u>	<u>-</u>
Balances with bodies external to government	657	1,000
Total Debtors at 31 March 2007	<u>657</u>	<u>1,000</u>

Note 7 Creditors: due within one year

	2007	2006
	£'000	£'000
Trade Creditors	-	-
Accruals	1,729	690
Consolidated Fund extra receipts received and receivable and other amounts due to be paid to the Consolidated Fund	-	1
Total	1,729	691

Note 7(b) Intra-Government Balances

	2007	2006
	£'000	£'000
Amounts falling due within one year:		
Balances with other central government bodies	42	391
Balances with District Councils	-	-
Balances with NHS Trusts	-	-
Balances with public corporations and trading funds	-	-
Subtotal: intra-government balances	42	391
Balances with bodies external to government	1,687	300
Total Debtors at 31 March 2007	1,729	691

Note 8 Reconciliation of movement in Reserves and Government Funds

	General Funds	Revaluation Reserve	2007 Total	2006 Total
	£'000	£'000	£'000	£'000
At 1 April 2006	874	16	890	757
Movement on reserve:				
Financing from Consolidated Fund	10,848	-	10,848	8,963
Cost of operations	(12,835)	-	(12,835)	(10,414)
Income payable to Consolidated Fund	(1)	-	(1)	(6)
Notional costs	1,764	-	1,764	1,587
Revaluation of fixed assets	-	14	14	3
Transfer of realised elements	7	(7)	-	-
At 31 March 2007	657	23	680	890

Note 9 Reconciliation of cost of operating activities to net cash outflow from continuing operating activities

	2007	2006
	£'000	£'000
Cost of continuing operating activities	12,806	10,383
Depreciation and other amounts written off tangible fixed assets	(226)	(292)
Bad debts	(81)	(340)
Notional and other non-cash costs	(1,695)	(1,558)
Increase / (Decrease) in Debtors	(460)	13
(Increase) / Decrease in Creditors	(456)	(40)
Use of provision for bad debts	157	382
Net Cash Outflow from Continuing Operating Activities	10,045	8,548

Note 10 Contingent Liabilities

There were no contingent liabilities at 31 March 2007 (2006: £Nil)

Note 11 Capital Commitments

	2007	2006
	£'000	£'000
Contracted capital commitments at the end of the financial year for which no provision has been made	743	1,238

Note 12 Related Party Transactions

The Rate Collection Agency was an Executive Agency of the Department of the Environment for Northern Ireland until devolution on 2 December 1999 when it transferred to the Department of Finance and Personnel.

The Department of Finance and Personnel is regarded as a related party. During the year the Rate Collection Agency has had various material transactions with the Department and with other entities for which the Department is regarded as the parent department, viz:

Central Procurement Directorate
Land Registers of Northern Ireland
Delivery and Innovation Division

In addition, the Rate Collection Agency has had various material transactions with other Government Departments and other Central Government Bodies. Most of these transactions have been with the Northern Ireland Court Service and the Crown Solicitor's Office.

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

Note 13 Principal Activities

The total expenditure of the Rate Collection Agency is directed towards its two principal activities: the collection and recovery of rates and the administration of the Housing Benefit Scheme for owner-occupiers. Net costs are attributed as follows:

	2007	2006
	£'000	£'000
Rate Collection	11,251	9,005
Housing Benefit	1,584	1,409
Cost of operations	12,835	10,414

Note 14 Financing

	2007	2006
	£'000	£'000
Expenditure	11,380	9,705
Receipts	(532)	(742)
Net cash requirement funded by Assembly Vote	10,848	8,963

This was used to finance:

Net cash outflow from continuing operating activities	10,045	8,548
Purchase of tangible fixed assets	801	405
Disposal of tangible fixed assets	-	-
Payment of amount due to consolidated fund	2	10
	10,848	8,963



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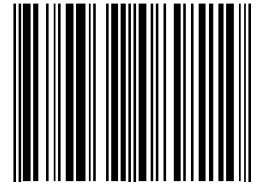
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