

ANNUAL RETURNS TO THE CERTIFICATION OFFICER

Industrial Relations (Northern Ireland) Order 1992 (as amended)

FORM AR(NI)27 - ANNUAL RETURN FOR AN EMPLOYERS' ASSOCIATION

Name of Association:	Northern Ireland Local Government Association
Financial Year End:	31 st March 2022
Ref No:	

Head or Main Office:	Bradford Court Upper Galwally Castlereagh BT8 6RB
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Has the address changed during the year to which the return relates?	<input type="checkbox"/> Yes	<input type="checkbox"/>	<input type="checkbox"/> No	<input checked="" type="checkbox"/> J	(Tick as appropriate)
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Secretary: Chief Executive	Alison Allen
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Telephone Number and e-mail address:	02890798972 a.allen@nilga.org
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Contact name for queries regarding the completion of this return:	Diane Anderson
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Telephone Number and e-mail address:	07517178140 d.anderson@nilga.org
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Every employers' association having its head or main office outside Northern Ireland has a statutory obligation to provide the Certification Officer with names and addresses of one or more persons resident in Northern Ireland authorised to accept on its behalf service of process and any notices required to be served on it. The Certification Officer has no authority to waive this provision.

NAME OF AUTHORISED PERSON:

NORTHERN IRELAND ADDRESS:

(a) _____

(b) _____

The address to which enquiries, returns and other documents should be sent is:

Northern Ireland Certification Office for Trade Unions and Employers' Associations
10-16 Gordon Street, Belfast BT1 2LG. Telephone: 028 9023 7773 Fax: 028 9023 2271
E-mail: info@nicertoffice.org.uk

EVERY EMPLOYERS' ASSOCIATION WITH MEMBERS IN NORTHERN IRELAND IS REQUIRED BY LAW TO COMPLETE THIS RETURN. THE REFUSAL OR WILFUL NEGLECT TO PERFORM THIS DUTY IS A CRIMINAL OFFENCE.

GUIDANCE ON COMPLETION

General:

1. Unless the Certification Officer has authorised the association to make its annual return to another date, this return must be made to 31 December and sent to the Certification Officer as soon as possible, and in any event before 1 June.
2. The information must give a true and fair view of the matters to which the return relates. Accounts and balance sheet of an association working through branches should include the transactions, assets and liabilities of all the branches, negative values must be shown in brackets. The left hand columns of pages 4 and 6 may be used for the previous year's figures. Completion of these is voluntary.
3. There should, if not otherwise shown, be stated by way of note every material respect in which items shown in the return are affected; by transactions of an exceptional or non-recurrent nature; or by any change in the basis of accounting.
4. Accounting policies dealing with items judged material or critical in determining the surplus or deficit for the year and in stating the financial position must be made on page 10.
5. Where the space in an account or analysis is insufficient a separate sheet may be attached to the appropriate page. The return must be signed by two officers (Page 12). A person cannot sign in more than one capacity.

Association's Rules:

6. **A COPY OF THE RULES IN FORCE AT THE END OF THE YEAR TO WHICH THIS RETURN RELATES MUST BE SUBMITTED WITH THIS FORM EVEN IF THE RULES HAVE NOT YET BEEN ALTERED SINCE THE PREVIOUS RULE BOOK WAS SUBMITTED. THIS IS A STATUTORY REQUIREMENT WHICH THE CERTIFICATION OFFICER HAS NO AUTHORITY TO WAIVE.**

Revenue Account

7. "Remuneration of Staff" – includes salaries and wages, holiday/redundancy pay, national insurance, ordinary, graduated, and superannuation contributions, and related staff expenses.
8. "Occupancy Costs" – includes rents, rates, insurance, gas, electricity, water, fuel, general repairs and renewals, and other maintenance items.
9. Any material amount (a) set aside for provisions other than for depreciation, renewals or diminution in value of assets; or (b) which had been set aside for such provisions, but no longer required, must be shown separately.
10. Any amount charged to revenue for renewal of fixed assets must be shown separately, whether or not any amount is also charged to provide for depreciation or diminution of those assets. If depreciation or replacement of fixed assets is by a method other than a depreciation charge, or provision for renewals, the method, or if no provision is made, should be stated by way of note if not otherwise shown.
11. Interest, Dividends and any other income, including Capital Gains on the sale of investments should be shown gross, and the relevant tax included in "Taxation" (page 4). The basis of the Taxation charge should be shown as a note to the accounts.

Other Fund Accounts

12. If separate funds are maintained for particular benefits or objects of the association, the accounts (page 5) should be completed for those funds, and the appropriate income and expenditure excluded from the Revenue Account.

Balance Sheet

13. The following, if material, should be shown as a note, if not otherwise indicated:
 - a) Particulars of any monies owing by the association for loans/overdrafts which are secured on the assets of the association;
 - b) The general nature of any contingent liability not provided for and the estimated amount of the contingent liability;
 - c) The aggregate amount or estimated amount of;
 - i) capital expenditure, contracts, so far as not provided for, and
 - ii) capital expenditure authorised by the governing body of the association which has not been contracted for;
 - d) If the amounts at which any fixed assets are shown are arrived at by reference to a valuation;
 - i) the years (so far as they are known to the governing body of the association) in which the assets were severally valued and the several values, and
 - ii) where assets have been valued during the financial year, the names of the persons who valued them – their qualifications for doing so – and the bases of valuation used by them.

Fixed Assets Account

14. Under "Cost or Valuation" enter the cost of acquisition or, the amount of the valuation. If for any asset the figures relating to the period before the end of the financial year covered by the return cannot be readily obtained **the Certification Officer must be notified separately in writing.**

Associations incorporated under the Companies Orders

15. If the period covered is the same, with no significant diminution in the degree of disclosure required by this return an association incorporated under Company law may submit a copy of its accounts prepared under the Companies Orders in lieu of completing pages 4 to 9. As the Companies Orders return information sought in this return the additional information must be provided. **Pages 1, 10 and 11 must always be completed.** A nil return should be shown if appropriate.

Audit

16. An employers' association shall appoint an auditor or auditors to audit the accounts in the annual return. A person is qualified to be the auditor if he is eligible for appointment under Article 28 of the Companies (NI) Order 1990.
17. Two or more persons who are not so qualified may act as auditors of an employers' association if:–
 - a) The receipts and payments in respect of the association's last preceding accounting period did not in the aggregate exceed £5,000,
 - b) The number of its members at the end of that period did not exceed 500,
 - c) The value of its assets at the end of that period did not in the aggregate exceed £5,000, and
 - d) They are not officers or employees of the association.

RETURN OF MEMBERS

	NUMBER OF MEMBERS AT THE END OF THE YEAR				
	Northern Ireland	Great Britain	Irish Republic	Elsewhere Abroad (including Channel Islands)	TOTALS
Male					
Female					
TOTAL	11				11

RETURN OF CHANGE OF OFFICERS

Please complete the following to record any changes of officers during the twelve months covered by this return and attach as an annex to this form a complete list of all officers in post at the end of the year to which this form relates.

Title of Office	Name of Officer ceasing to hold office	Name of Officer Appointed	Date

Financial contribution from Northern Ireland members

£604,625

Number of Northern Ireland members contributing at the end of the year

11

REVENUE ACCOUNT for the year ended 31st MARCH 2022

Previous Year	INCOME			£
589,582	Members: Subscriptions, levies etc.			604,625
	Other Income			
0	Rents received			0
0	Insurance commission			0
0	Consultancy fees			0
0	Sales of goods			0
	Miscellaneous receipts (specify)			
650	- Annual Conference			22,195
32,748	- Project funding			146,456
	Investment Income			
0	Interest and dividends (gross)			0
117	Bank Interest			67
623,097		TOTAL INCOME		773,343
	EXPENDITURE			
	Administrative Expenses			
433,802	Remuneration of staff			550,145
22,366	Occupancy costs			33,297
12,689	Printing, Stationery, Post & Telephones			16,046
8,759	Professional fees			7,375
	Other administrative expenses (specify)			
21,729	- Bank fees, marketing & HR			20,421
	Other charges			
0	Bank interest			
270	Depreciation			266
0	Sums written off (bad debts)			0
	Subscriptions, affiliation fees, donations			2,990
950	Conference & meeting fees & expenses			11,785
24,336	Miscellaneous expenditure (specify)			
57,198	- Project costs			186,273
582,100		TOTAL EXPENDITURE		828,598

Surplus for year before taxation -£ 55,255

Taxation £ 0

Surplus for year after taxation -£ 55,255

Surplus brought forward £ 692,854

Balance of account taken to balance sheet £ 637,599

OTHER FUND ACCOUNTS (To be completed if note 12 applies)		
Name: DLUHC PROJECT	£	£
Income		
Members contributions & levies		
Investment income		
Other income (specify) - Funding		101,000
		0
Total Income		101,000
Expenditure		
Administrative expenses		33,223
Other expenditure (specify) – Other Expenses		0
Total Expenditure		33,223
Income less Expenditure – Surplus or (Deficit) for year		67,777
Add amount of fund at beginning of year		0
Amount of fund at end of year (as Balance Sheet)		67,777

FUND 2	Fund Account	
Name: NISMP project	£	£
Income		
Members contributions & levies		
Investment income		
Other income (specify) – Funding		78,500
Total Income		78,500
Expenditure		
Administrative expenses		72,888
Other expenditure (specify) – Other Expenses		0
Total Expenditure		72,888
Income less Expenditure – Surplus or (Deficit) for year		5,612
Add amount of fund at beginning of year		0
Amount of fund at end of year (as Balance Sheet)		5,612

BALANCE SHEET as at 31st March 2022

Previous Year		£	£
1,537	Fixed Assets (as per analysis on page 7)		1,271
	Investments (as per analysis on page 8)		
0	Quoted (Market value £)		0
0	Unquoted		0
	Current Assets		
68,210	Sundry debtors	112,496	
0	Stocks of goods	0	
289,907	Cash at bank and in hand	342,949	
388,129	<u>DEPOSIT ACCOUNT</u>	388,192	

	Less: Current liabilities		
(54,923)	Sundry creditors	(133,920)	
	Other (specify)		

691,317	NET CURRENT ASSETS		709,717
(1,891,000)	Deduct: Other liabilities (specify)		
	<u>PENSION SCHEME DEFICIT</u>		(1,310,000)

(1,198,146)	TOTAL NET ASSETS		(599,012)
692,854	Represented by:		
	Revenue Account balance		637,599
(1,891,000)	<u>PENSION SCHEME DEFICIT</u>		(1,310,000)
0	<u>DLUHC PROJECT</u>		67,777
0	<u>NISMP PROJECT</u>		5,612

(1,198,146)			(599,012)

FIXED ASSETS ACCOUNT

	Land & Buildings	Furniture and Equipment	Motor Vehicles	Total
	£	£	£	£
Cost or Valuation (see note 14)				
At start of year		48,144		
Additions during year		0		
Less: Disposals during year		0		
At end of year		48,144		
Accumulated Depreciation				
At start of year		46,607		
Charges for year		266		
Disposals		0		
At end of year		46,873		
Net book value at end of year				
		1,271		
Freehold		
Leasehold (50 or more years unexpired)		
Leasehold (less than 50 years unexpired)		
AS BALANCE SHEET		1,271		

ANALYSIS OF INVESTMENTS

QUOTED		Other Funds £
	British Government & British Government Guaranteed Securities	
	Unit Trusts	
	Equities	
	Other <u>quoted</u> securities (to be specified)	
	TOTAL QUOTED (as Balance Sheet)	
	*Market Value of Quoted Investments	
UNQUOTED	British Government Securities	
	Mortgages	
	Loans	
	Equities	
	Other <u>unquoted</u> investments (to be specified)	
	TOTAL UNQUOTED (as Balance Sheet)	
	*Market Value of Unquoted Investments	

*Market value of investments to be stated where they are different from the figures quoted on the balance sheet.

NOTES TO THE ACCOUNTS

All notes to the accounts must be entered on or attached to this part of the return.

NORTHERN IRELAND LOCAL GOVERNMENT ASSOCIATION **ACCOUNTS year ended 31st MARCH 2022**

NOTES TO THE ACCOUNTS

1. GENERAL INFORMATION

The Northern Ireland Local Government Association (NILGA) is the representative body for the 11 councils in NI. It promotes, develops and champions local government by developing regional (all Council) approaches to key issues affecting the sector, including elected member development, collective lobbying, policy formulation, best practice events and campaigns to improve democracy and public services.

NILGA members are drawn from each of the 11 councils. The Association supports and represents NI Local Government's interests on regional bodies such as the Partnership Panel with the NI Assembly, within the Local Government Group of Associations in the UK (with over 550 councils as members) and in Europe. The Association is supported by political parties and independent members in councils, and works in partnership with other key regional players such as SOLACE (Chief Executive's Body) and the NI Housing Council. NILGA's work is facilitated by a small but dynamic officer team, supporting elected members in their actions, providing advice and direction to take decisions on issues as important as Waste, Planning, local economies and member learning.

By ensuring a collective framework for and with councils, NILGA communicates the importance of local government as a growing, sustainable and contemporary part of government in NI, ensuring that the sector is a partner of equal, equipped with an informed, strong, unified voice when dealing with central government, the EU and other legislative bodies.

2. ACCOUNTING POLICIES

2.1 Statement of compliance

The financial statements of the Association for the year ended 31st March 2022 have been prepared in accordance with the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland (FRS 102) issued by the Financial Reporting Council.

2.2 Basis of preparation

The financial statements are prepared under the historical cost convention. Historical cost is generally based on the fair value of the consideration given in exchange for assets. The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Association's financial statements.

2.3 Cash Flow Statement

The Association has availed of the exemption in FRS 102 from the requirement to prepare a Statement of Cash Flows because it is classified as a small entity.

2.4 Revenue

Items of revenue are recognised and included in the accounts when all of the following criteria are met:

- the Association has entitlement to the funds;
- any performance conditions attached to the item(s) of income have been met or are fully within the control of the Association;
- it is probable that the income will be received; *and*
- the amount can be measured reliably

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

Grants receivable

Grants receivable which relate to the year are credited to revenue within the Income Statement, with unspent balances being carried forward to subsequent years within the relevant fund.

Specific debts are recognised where approved grant expenditure exceeds grant income received to date.

Grant income relating to future periods is carried forward under creditors.

2.5 Expenditure

Expenditure is recognised once there is legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Expenditure on payroll, office costs and governance costs is classified as "administration expenses";
- Expenditure on meeting, events, travel and projects is classified as "other expenses";
- Expenditure on the NILGA Annual conference is identified separately;
- Expenditure on match funding for projects is identified separately.

2.6 Non Current assets and depreciation

Authorised and approved expenditure for an item which meets the definition of a non current asset, and exceeds £3,000, is identified and flagged as a fixed asset. The asset is thus recognised on the Association's Statement of Financial Position

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its economic useful life, as follows:

Office equipment	-	25% reducing balance
Fixtures & fittings	-	15% reducing balance

2.7 Receivables

Receivables are recognised at the settlement amount due after any discount offered. Prepayments are valued at the amount prepaid after taking account of any discounts due.

2.8 Cash at bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

NORTHERN IRELAND LOCAL GOVERNMENT ASSOCIATION
ACCOUNTS year ended 31st MARCH 2022

NOTES TO THE ACCOUNTS

2.9 Payables and provisions

Payables and provisions are recognised where the Association has a present obligation resulting from a past event that will probably result in a transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Payables and provisions are normally recognised at their settlement amount after allowing for any discounts due.

2.10 Pensions

NILGA participates in the Northern Ireland Local Government Officers Superannuation Committee Scheme (NILGOSC) for all its employees. NILGOSC was set up by the Government in April 1950 to operate a pension scheme for the local councils and other similar bodies in Northern Ireland. The pension scheme is known as the Local Government Pension Scheme (Northern Ireland), the 'Scheme', and is a defined benefit scheme, which will provide benefits on a career average revalued earnings basis from 1 April 2015. Prior to this date pension benefits were calculated on a final salary basis.

From 1 April 2015 a member will build up pension at a rate of 1/49th of their pensionable pay each year. Any membership during the period from 1 April 2009 to 31 March 2015 provides for a retirement pension calculated at the rate of 1/60th of pensionable pay for each year of membership. Before 1 April 2009 a member of the Scheme accrued retirement benefits at the rate of 1/80th (pension) and 3/80ths (tax-free lump sum) of their pensionable pay for each year of membership up to 31 March 2009. At retirement, members may give up some pension for additional lump sum, subject to HM Revenue and Customs (HMRC) limits. The conversion rate is £12 additional lump sum for every £1 of pension given up.

The Scheme is funded by contributions made by both employees and employers who have been designated as employing authorities or admitted to the Scheme. Prior to 1 April 2009, employees' contribution rates were fixed at 6% of their pensionable remuneration (except for those who were entitled to contribute to the scheme at 5% before 1 February 2003 and have remained in continuous employment). Tiered employee contribution rates, determined by the whole-time equivalent rate of pay, were introduced from 1 April 2009.

Employer contribution rates are determined by the Scheme's actuary every three years. Following the results of the 2019 actuarial valuation, the Committee agreed with its actuary the employer contributions and deficit recovery contributions for the following three years, effective from 1 April 2020. The next valuation is due as at 31 March 2022.

Year	Employer Contribution Rate
1 April 2020 – 31 March 2021	19.5%
1 April 2021 – 31 March 2022	19.5%*
1 April 2022 – 31 March 2023	19.5%*

*The employer contribution rates for 2021/22 and 2022/23 remain under review due to the possible impact of the Covid-19 crisis. These may need to be increased at a later date.

The total amounts paid into the Scheme this financial year were: employees £28,264 (2021: £24,529), and employer £76,795 (2021: £65,501).

Previously NILGOSC was not able to identify the associated assets/liabilities, nor details of any surplus or deficits in the scheme, which apply to NILGA. NILGA, in accordance with FRS17 (at that time) accounted for its pension contributions for funded activities as a multi employer scheme which uses the measurement rules for a defined contribution scheme by charging the costs immediately to the Income and Expenditure Account. As NILGOSC are now able to split the fund's assets/liabilities between employing authorities, from 2010/11 NILGA accounted for the pension contributions as a defined benefit scheme, reflecting a change in accounting policy that year.

The FRS102 pensions cost contains the Service Cost and the Financing Charges (ie. the Interest Cost less the Expected Return on Assets).

- The **Current Service Cost** is the increase in the liabilities as a result of service earned by scheme members over the accounting period, net of employee contributions
- The **Interest Cost** is the increase in the liabilities as a result of interest charged on the liabilities, including interest on the net changes in liabilities over the accounting period. The interest is calculated using the discount rate at the end of the previous accounting period.
- The **Actuarial gain / loss on liabilities** shows the impact on the liabilities due to both experience and assumptions. The financial assumptions that are used in this calculation are heavily proscribed by the accounting standard and are based on market conditions at the accounting date.

The pension cost is also affected by:

- Any **Past Service Costs** that are incurred (eg. benefit improvements, augmentations) - these will increase the charge to operating surplus, and
- Any profits or losses in any **Curtailements or Settlements** that took place during the accounting period (such as from sales of businesses).

The latest actuarial valuation of NILGA's liabilities took place as at 31st March 2019. Liabilities have been estimated by the independent qualified actuary (2013-2019: AON Hewitt, 2010-2012: Hymans Robertson LLP) on an actuarial basis using the projected unit credit method. The principal financial assumptions used by the actuary in updating the latest valuation of the Fund for FRS102 purposes were:

	31st March 2022	31st March 2021	31st March 2020	31st March 2019	31st March 2018	31st March 2017	31st March 2016	31st March 2015	31st March 2014
Discount rate	2.7%	2.1%	2.3%	2.5%	2.6%	2.6%	3.5%	3.2%	4.1%
CPI inflation	3.0%	2.7%	1.9%	2.1%	2.0%	2.0%	1.8%	1.8%	2.4%
Rate of increase to pensions in payment ⁽¹⁾	3.0%	2.7%	2.1%	2.1%	2.0%	2.0%	1.8%	1.8%	2.4%
Rate of increase to deferred pensions	3.0%	2.7%	2.1%	2.1%	2.0%	2.0%	1.8%	1.8%	2.4%
Pension accounts revaluation rate	3.0%	2.7%	2.1%	2.1%	2.0%	2.0%	1.8%	1.8%	n/a
Rate of general increase in salaries ⁽²⁾	4.5%	4.2%	3.4%	3.6%	3.5%	3.5%	3.3%	3.3%	3.1%

⁽¹⁾ In excess of Guaranteed Minimum Pension increase in payment where appropriate

⁽²⁾ In addition, allowance is made for the same age related promotional salary scales as used at the actuarial valuation of the Fund as at 31st March 2010.

* Salary increases were assumed to be 1% pa. until 31st March 2016 reverting to the long term assumption shown thereafter

* Salary increases were assumed to be 1% pa. until 31st March 2015 reverting to the long term assumption shown thereafter

NORTHERN IRELAND LOCAL GOVERNMENT ASSOCIATION
ACCOUNTS year ended 31st MARCH 2022

NOTES TO THE ACCOUNTS

2.11 Taxation

The income and chargeable gains of the Association are exempt from corporation tax under section 519 of the Income and Corporation Taxes Act 1988, which grants exemption to local authority associations.

3. OPERATING SURPLUS

	2022 £	2021 £
<i>Operating surplus is stated after charging:</i>		
- Auditors remuneration	3,755	3,755
- Depreciation on tangible fixed assets	266	270
	<hr/>	<hr/>

4. STAFF COSTS (TOTAL FOR ALL PROJECTS, INCLUDING GENERAL FUND)

	2022 £	2021 £
<i>The average weekly number of employees (full time equivalent) was: 10 (2021 :9)</i>		
<i>Costs incurred in respect of these employees were:</i>		
- Salaries, wages and taxable expenses	365,377	305,099
- Non-taxable expenses paid through payroll system	2,294	856
- Social security costs (employer's NIC)	41,609	34,571
- Pension Costs - NILGOSC (funded)	76,795	65,501
- Pension Costs - NILGOSC (unfunded)	-	-
	<hr/>	<hr/>
	486,075	406,027

In addition to employee salaries and expenses, 27 people (including the NILGA Office Bearers) were paid expenses and allowances through the payroll system as a result of attendance at NILGA meetings and /or reimbursement of out-of pocket expenses while on NILGA business (2021: 27 people)

- Taxable expenses	21,100	23,129
- Non-taxable expenses	1,013	164
- Social security costs (employer's NIC)	1,110	1,599
	<hr/>	<hr/>
	509,298	430,919

FRS 102 Pension Scheme adjustments:

- Current service cost	197,000	122,000
- Interest cost	130,000	109,000
- Actuarial (gains) / losses on liabilities	(493,000)	1,123,000
- Past service cost	127,000	-
- Interest (income) on assets	(92,000)	(81,000)
- Remeasurement (gains) on assets	(248,000)	(686,000)
	<hr/>	<hr/>
	130,298	1,017,919

One employee earned more than £60,000 in the year (2021: 1)

No employees earned more than £100,000 in the year (2021: none)

Remuneration to the Office Bearers was:

Name	Expenses reimbursed (non-taxable)	Taxable remuneration	Total Gross payments
Cllr Robert Burgess	£0	£2,350	£2,350
Cllr Matthew Garrett	£0	£4,250	£4,250
Cllr Frances Burton	£785	£2,899	£3,684
Cllr Martin Kearney	£136	£2,410	£2,546
Ald Alan McDowell	£92	£2,391	£2,483

Vice President 20/21, President 21/22
 President 20/21, Vice President 21/22
 Vice President 20/21 & 21/22
 Vice President 20/21 & 21/22
 Vice President 20/21 & 21/22

This remuneration includes office bearer allowances for the year from NILGA AGM 2020 to NILGA AGM 2021 and expenses for the financial year ended on 31st March 2022.

NORTHERN IRELAND LOCAL GOVERNMENT ASSOCIATION
ACCOUNTS year ended 31st MARCH 2022

NOTES TO THE ACCOUNTS

5. ANNUAL SUBSCRIPTIONS

NILGA MEMBERSHIP SUBSCRIPTIONS

	2022 £	2021 £
Antrim & Newtownabbey Borough Council	45,701	44,809
Ards & North Down Borough Council	51,259	50,259
Armagh City, Banbridge & Craigavon District Council	51,259	50,259
Belfast City Council	74,893	73,432
Causeway Coast & Glens Borough Council	45,701	44,809
Derry City & Strabane District Council	51,259	50,259
Fermanagh & Omagh District Council	45,701	44,809
Lisburn & Castlereagh City Council	51,259	44,809
Mid & East Antrim Borough Council	45,701	44,809
Mid Ulster District Council	51,259	50,259
Newry, Mourne & Down District Council	51,259	50,259

NATIONAL EMPLOYER SUBSCRIPTIONS

Antrim & Newtownabbey Borough Council	3,579	3,710
Ards & North Down Borough Council	3,579	3,710
Armagh City, Banbridge & Craigavon District Council	3,579	3,710
Belfast City Council	3,579	3,710
Causeway Coast & Glens Borough Council	3,579	3,710
Derry City & Strabane District Council	3,579	3,710
Fermanagh & Omagh District Council	3,579	3,710
Lisburn & Castlereagh City Council	3,579	3,710
Mid & East Antrim Borough Council	3,579	3,710
Mid Ulster District Council	3,579	3,710
Newry, Mourne & Down District Council	3,579	3,710
	604,625	589,582

6. INTEREST RECEIVED

	2022 £	2021 £
Deposit interest	67	117

7. OTHER RECEIPTS

	£	2022 £	2021 £
GENERAL FUND:			
- Ulster in Bloom	5,000		2,000
- Elected Member Development Charter	5,000		2,500
- NILGA Leadership Programme	15,642		22,060
- NILGA Planning Programme	8,041		-
- BEIS (COP26)	95,000		-
- Project contributions to overheads	15,920		-
- Other	1,853		6,188
	146,456		
NI STRATEGIC MIGRATION PARTNERSHIP:			
- Grant income received	78,500		78,501
	78,500		
DEPARTMENT FOR LEVELLING UP, HOUSING AND COMMUNITIES (DLUHC)			
HONG KONG BN(O) WELCOME HUB			
- Grant income received	101,000		-
	101,000		
		325,956	111,249

NORTHERN IRELAND LOCAL GOVERNMENT ASSOCIATION
ACCOUNTS year ended 31st MARCH 2022

NOTES TO THE ACCOUNTS

8. ADMINISTRATION EXPENSES

	2022	2021
	£	£
GENERAL FUND		
- Secretariat	422,995	433,802
- Pension	127,150	-
- Rent and rates	29,361	19,610
- Office refurbishment / maintenance	2,586	1,948
- Insurance	1,350	808
- Office expenses	14,195	10,973
- Postage and carriage	16	7
- Telephone, internet and fax	1,835	1,709
- Professional fees	3,620	3,070
- Audit fee	3,755	3,755
- Bank charges	410	377
- Marketing, PR and advertising	8,357	20,986
- Personnel support and training	11,654	1,934
- Bad debts	-	367
	<hr/>	<hr/>
	627,284	499,346
NI STRATEGIC MIGRATION PARTNERSHIP (note 10)	72,888	80,048
DEPARTMENT FOR LEVELLING UP, HOUSING AND COMMUNITIES (DLUHC)	33,223	-
HONG KONG BN(O) WELCOME HUB (note 11)	<hr/>	<hr/>
	733,395	579,394
	<hr/>	<hr/>

9. OTHER EXPENSES

	2022	2021
	£	£
GENERAL FUND		
- Meetings	3,547	-
- Office bearers allowance	12,760	13,241
- Members attendance allowance	9,000	7,041
- Travel and subsistence allowances	8,640	4,360
- Subscriptions to other bodies	2,990	950
- Conferences and Events	1,500	194
- Ulster in Bloom	7,094	358
- COP26	79,374	-
- Member Development	-	-
- NILGA Charter	350	-
- NILGA Leadership Programme	18,229	21,838
- NILGA Planning Programme	5,444	(908)
- EU Issues	-	-
- National Employers & External Partnerships	39,374	35,910
- Sundry	961	-
	<hr/>	<hr/>
	189,263	82,984
NI STRATEGIC MIGRATION PARTNERSHIP (note 10)	-	211
DEPARTMENT FOR LEVELLING UP, HOUSING AND COMMUNITIES (DLUHC)	-	-
HONG KONG BN(O) WELCOME HUB (note 11)	<hr/>	<hr/>
	189,263	83,195
	<hr/>	<hr/>

NORTHERN IRELAND LOCAL GOVERNMENT ASSOCIATION
ACCOUNTS year ended 31st MARCH 2021

NOTES TO THE ACCOUNTS

10. NORTHERN IRELAND STRATEGIC MIGRATION PARTNERSHIP

	2022	2021
	£	£
RECEIPTS		
- Enabling grant	78,500	78,501
- NILGA match funding	-	-
	<hr/>	<hr/>
	78,500	78,501
	<hr/>	<hr/>
PAYMENTS		
- Admin expenses	72,888	80,048
- Other expenses	-	212
	<hr/>	<hr/>
	72,888	80,260
	<hr/>	<hr/>
Surplus / (deficit) of receipts	5,612	(1,759)
Opening fund balance	-	1,759
	<hr/>	<hr/>
Closing fund balance	5,612	0
	<hr/>	<hr/>

**11. DEPARTMENT FOR LEVELLING UP, HOUSING AND COMMUNITIES (DLUHC)
HONG KONG BN(O) WELCOME HUB**

	2022	2021
	£	£
RECEIPTS		
- Enabling grant	101,000	-
- NILGA match funding	-	-
	<hr/>	<hr/>
	101,000	0
	<hr/>	<hr/>
PAYMENTS		
- Admin expenses	33,223	-
- Other expenses	-	-
	<hr/>	<hr/>
	33,223	0
	<hr/>	<hr/>
(Deficit) / surplus of receipts	67,777	0
Opening fund balance	-	-
	<hr/>	<hr/>
Closing fund balance	67,777	0
	<hr/>	<hr/>

12. DEPRECIATION

	2022	2021
	£	£
Office equipment	89	63
Furniture & fittings	177	209
	<hr/>	<hr/>
	266	272
	<hr/>	<hr/>

NORTHERN IRELAND LOCAL GOVERNMENT ASSOCIATION
ACCOUNTS year ended 31st MARCH 2022

NOTES TO THE ACCOUNTS

13. NON CURRENT ASSETS

	Office Equipment £	Fixtures & fittings £	TOTAL £
Cost			
- At 1 April 2021 and 31 March 2022	32,155	15,989	48,144
Depreciation			
- At 1 April 2021	31,799	14,808	46,607
- Charge for the period	89	177	266
- At 31 March 2022	31,888	14,985	46,873
Net Book Value			
- At 31st March 2022	267	1,004	1,271

14. RECEIVABLES

	2022 £	2021 £
Trade debtors	31,978	67,510
Prepayments and accrued income	-	700
Prepayments - iEER Project	823	-
Grant due - NISMP	15,049	-
LGTG (elected member training) invoice due	1,945	-
Council invoices for National Employer Subscriptions	39,374	-
DoJ (staff secondments) invoice due	10,369	-
TEO (staff secondments) invoice due	7,630	-
HMRC VAT refund due	5,225	-
Other sundry debtors	103	-
	112,496	68,210

15. PAYABLES (amounts due within one year)

	2022 £	2021 £
Trade creditors	81,129	25,872
Accruals and deferred income	26,930	16,470
HM Revenue & Customs - payroll deductions	13,030	10,271
NILGOSC payment	10,567	-
HM Revenue & Customs - Value Added Tax	-	2,262
Company credit card balance	2,264	48
	133,920	54,923

16. PROVISION FOR LIABILITIES AND CHARGES

	2022 £	2021 £
Pension provisions:		
Balance brought forward	1,891,000	1,260,000
(Reduction) / increase in provisions	(581,000)	631,000
	1,310,000	1,891,000

NORTHERN IRELAND LOCAL GOVERNMENT ASSOCIATION
ACCOUNTS year ended 31st MARCH 2022

NOTES TO THE ACCOUNTS

17. RECONCILIATION OF MOVEMENT ON RESERVES

	GENERAL FUND RESERVE <i>(unrestricted)</i> £	RESTRICTED PROJECT RESERVES £	TOTAL 2022 £	2021 £
Balance brought forward at 1 April 2021	(1,198,146)	-	(1,198,146)	(606,385)
Surplus / (deficit) for the year <i>(excl. Actuarial gains and losses)</i>	(55,255)	73,389	18,134	39,239
Recognised gain/(loss) on pension scheme	581,000	-	581,000	(631,000)
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 31 March 2022	(672,401)	73,389	(599,012)	(1,198,146)
	<hr/>	<hr/>	<hr/>	<hr/>

18. PENSION SCHEME

18.1 Asset allocation

The approximate split of assets for the Fund as a whole (based on data supplied by the Fund Administering Authority) is shown in the table below.

	Asset split at 31st Mar 2022 %	Asset split at 31st Mar 2021 %
Equities	42.9	46.3
Property	10.0	8.9
Government bonds	24.7	23.6
Corporate bonds	2.2	12.1
Multi Asset credit	13.1	0.0
Cash	4.0	5.3
Other *	3.1	3.8
	<hr/>	<hr/>
TOTAL	100.0	100.0
	<hr/>	<hr/>

* Other holdings may include hedge funds, currency holdings, asset allocation futures and other financial instruments. It is assumed that these investments will get a return in line with equities.

18.2 Basis used to determine expected return

The scheme actuary employs a building block approach in determining the rate of return on Fund assets. Historical markets are studied and assets with higher volatility are assumed to generate higher returns consistent with widely accepted capital market principles. The assumed rate of return on each asset class is set out within this note. The overall expected rate of return on assets is then derived by aggregating the expected return for each asset class over the actual asset allocation for the Fund at 31st March 2022.

18.3 Reconciliation of funded status to Statement of Financial Position (Balance Sheet)

	Value as at 31st Mar 2022 £'000	Value as at 31st Mar 2021 £'000
Fair value of assets	4,806	4,291
Present value of funded liabilities	6,116	6,182
	<hr/>	<hr/>
Pension asset / (liability) of funded liabilities before consideration of paragraph 41	(1,310)	(1,891)
Present value of unfunded liabilities	-	-
Unrecognised asset due to limit in paragraph 41	-	-
	<hr/>	<hr/>
Pension asset / (liability) recognised on the Balance Sheet	(1,310)	(1,891)
	<hr/>	<hr/>

Statutory arrangements for funding mean that the above deficit of £1,310,000 (2021: £1,891,000) will be made good by increased contributions over the remaining working life of employees, as assessed by the scheme actuary

NORTHERN IRELAND LOCAL GOVERNMENT ASSOCIATION
ACCOUNTS year ended 31st MARCH 2022

NOTES TO THE ACCOUNTS

18.4 Amounts recognised in the income statement

	Period ending 31st Mar 2022 £'000	Period ending 31st Mar 2021 £'000
Operating cost		
Current service cost *	197	122
Past service cost	127	-
Curtailement cost	-	-
Settlement cost	-	-
Financing cost		
Interest on net defined benefit liability / (asset)	38	28
	<hr/>	<hr/>
Expense recognised	362	150
	<hr/>	<hr/>

* The current service cost includes an allowance for the administration expenses of 0.3% of pensionable pay.

18.5 Changes to the present value of liabilities during the accounting period

The liabilities show the underlying commitments that the Association has in the long run to pay retirement benefits. The total liability of £6,182,000 has a substantial impact on the net worth of the Association as recorded in its Statement of Financial Position.

	Period ending 31st Mar 2022 £'000	Period ending 31st Mar 2021 £'000
Opening present value of liabilities	6,182	4,746
Current service cost	197	122
Interest cost	130	109
Contributions by members	27	25
Actuarial (gains) / losses on liabilities *	(493)	1,233
Net benefits paid out of the Fund #	(54)	(53)
Payment of unfunded benefits	-	-
Past service cost	127	-
Net increase in liabilities from disposals and acquisitions	-	-
Curtailements	-	-
Settlements	-	-
	<hr/>	<hr/>
Closing present value of liabilities	6,116	6,182
	<hr/>	<hr/>

* Includes changes to the actuarial assumptions.

consists of net cash-flow out of the Fund in respect of the Employer, excluding contributions and any death in service lump sums paid, and including an approximate allowance for the expected cost of death in service lump sums.

18.6 Changes to the fair value of assets during the accounting period

	Period ending 31st Mar 2022 £'000	Period ending 31st Mar 2021 £'000
Opening fair value of assets	4,291	3,486
Interest income on assets	92	81
Remeasurement gains/(losses) on assets	248	686
Employer contributions in respect of funded benefits	202	66
Employer contributions in respect of unfunded benefits	-	-
Contributions by participants	27	25
Net benefits paid out of the Fund #	(54)	(53)
Payment of unfunded benefits	-	-
Net increase in assets from disposals and acquisitions	-	-
Settlements	-	-
	<hr/>	<hr/>
Closing fair value of assets	4,806	4,291
	<hr/>	<hr/>

consists of net cash-flow out of the Fund in respect of the Employer, excluding contributions and any death in service lump sums paid, and including an approximate allowance for the expected cost of death in service lump sums.

NORTHERN IRELAND LOCAL GOVERNMENT ASSOCIATION
ACCOUNTS year ended 31st MARCH 2022

NOTES TO THE ACCOUNTS

18.7 Actual return on assets

	Period ending 31st Mar 2022 £'000	Period ending 31st Mar 2021 £'000
Interest income on assets	92	81
Actuarial gain / (loss) on assets	248	686
	340	767

19. Financial Commitments

Unrestricted and Unrestricted funds

At 31st March 2022 the Association has no annual commitments under non-cancellable leases nor any other financial commitments that are not recognised in the accounts (2021: £nil). NILGA has entered into a number of long term contracts for the supply of services all of which are cancellable.

20. Related Party Transactions

In addition to the subscription income received from the NILGA membership (detailed at note 6), the following procurement transactions were undertaken with NILGA's full members during the year:

- **Antrim & Newtownabbey Borough Council** received £nil (2021: £469) for various costs in connection with venue hire / catering for meetings
- **Antrim & Newtownabbey Borough Council** received £nil (2021: £58,160) in respect of salary and expenses for a staff secondment.
- **Ards & North Down Borough Council** received £nil (2021: £nil)
- **Armagh City, Banbridge and Craigavon District Council** received £320 (2021: £nil) for various costs in connection with venue hire / catering for meetings
- **Belfast City Council** received £470 (2021: £nil) for various costs in connection with venue hire / catering for meetings
- **Causeway Coast & Glens Borough Council** received £nil (2021: £nil)
- **Derry City & Strabane District Council** received £nil (2021: £nil)
- **Fermanagh and Omagh District Council** received £nil (2021: £nil)
- **Lisburn & Castlereagh City Council** received £30,441 (2021: £24,380) - plus VAT where applicable - for rental of the NILGA office space, service charges and rates
- **Mid & East Antrim Borough Council** received £nil (2021: £nil)
- **Mid Ulster District Council** received £nil (2021: £1,697) in respect of salary and expenses for a staff secondment
- **Newry, Mourne & Down District Council** received £nil (2021: £nil)

The political parties of Northern Ireland are deemed to be related parties with NILGA under S.33 of FRS102. The following procurement transactions were undertaken with Political Parties during the year and the comparative year:

- **The Alliance Party of Northern Ireland** received £300 (2021: £nil) for passes for NILGA staff to attend meetings and conferences
- **The Ulster Unionist Party** received £80 (2021: £300) for passes for NILGA staff to attend meetings and conferences

ACCOUNTING POLICIES

(see Note 4)

2. ACCOUNTING POLICIES

2.1 Statement of compliance

The financial statements of the Association for the year ended 31st March 2022 have been prepared in accordance with the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland (FRS 102) issued by the Financial Reporting Council.

2.2 Basis of preparation

The financial statements are prepared under the historical cost convention. Historical cost is generally based on the fair value of the consideration given in exchange for assets. The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Association's financial statements.

2.3 Cash Flow Statement

The Association has availed of the exemption in FRS 102 from the requirement to prepare a Statement of Cash Flows because it is classified as a small entity.

2.4 Revenue

Items of revenue are recognised and included in the accounts when all of the following criteria are met:

- the Association has entitlement to the funds;
- any performance conditions attached to the item(s) of income have been met or are fully within the control of the Association;
- it is probable that the income will be received; *and*
- the amount can be measured reliably

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

Grants receivable

Grants receivable which relate to the year are credited to revenue within the Income Statement, with unspent balances being carried forward to subsequent years within the relevant fund.

Specific debts are recognised where approved grant expenditure exceeds grant income received to date.

Grant income relating to future periods is carried forward under creditors.

2.5 Expenditure

Expenditure is recognised once there is legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Expenditure on payroll, office costs and governance costs is classified as "administration expenses";
- Expenditure on meeting, events, travel and projects is classified as "other expenses";
- Expenditure on the NILGA Annual conference is identified separately;
- Expenditure on match funding for projects is identified separately.

2.6 Non Current assets and depreciation

Authorised and approved expenditure for an item which meets the definition of a non current asset, and exceeds £3,000, is identified and flagged as a fixed asset. The asset is thus recognised on the Association's Statement of Financial Position

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its economic useful life, as follows:

Office equipment	-	25% reducing balance
Fixtures & fittings	-	15% reducing balance

2.7 Receivables

Receivables are recognised at the settlement amount due after any discount offered. Prepayments are valued at the amount prepaid after taking account of any discounts due.

2.8 Cash at bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.9 Payables and provisions

Payables and provisions are recognised where the Association has a present obligation resulting from a past event that will probably result in a transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Payables and provisions are normally recognised at their settlement amount after allowing for any discounts due.

2.10

Pensions

NILGA participates in the Northern Ireland Local Government Officers Superannuation Committee Scheme (NILGOSC) for all its employees. NILGOSC was set up by the Government in April 1950 to operate a pension scheme for the local councils and other similar bodies in Northern Ireland. The pension scheme is known as the Local Government Pension Scheme (Northern Ireland), the 'Scheme', and is a defined benefit scheme, which will provide benefits on a career average revalued earnings basis from 1 April 2015. Prior to this date pension benefits were calculated on a final salary basis.

From 1 April 2015 a member will build up pension at a rate of 1/49th of their pensionable pay each year. Any membership during the period from 1 April 2009 to 31 March 2015 provides for a retirement pension calculated at the rate of 1/60th of pensionable pay for each year of membership. Before 1 April 2009 a member of the Scheme accrued retirement benefits at the rate of 1/80th (pension) and 3/80ths (tax-free lump sum) of their pensionable pay for each year of membership up to 31 March 2009. At retirement, members may give up some pension for additional lump sum, subject to HM Revenue and Customs (HMRC) limits. The conversion rate is £12 additional lump sum for every £1 of pension given up.

The Scheme is funded by contributions made by both employees and employers who have been designated as employing authorities or admitted to the Scheme. Prior to 1 April 2009, employees' contribution rates were fixed at 6% of their pensionable remuneration (except for those who were entitled to contribute to the scheme at 5% before 1 February 2003 and have remained in continuous employment). Tiered employee contribution rates, determined by the whole-time equivalent rate of pay, were introduced from 1 April 2009.

Employer contribution rates are determined by the Scheme's actuary every three years. Following the results of the 2019 actuarial valuation, the Committee agreed with its actuary the employer contributions and deficit recovery contributions for the following three years, effective from 1 April 2020. The next valuation is due as at 31 March 2022.

Year	Employer Contribution Rate
1 April 2020 – 31 March 2021	19.5%
1 April 2021 – 31 March 2022	19.5%*
1 April 2022 – 31 March 2023	19.5%*

**The employer contribution rates for 2021/22 and 2022/23 remain under review due to the possible impact of the Covid-19 crisis. These may need to be increased at a later date.*

The total amounts paid into the Scheme this financial year were: employees £28,264 (2021: £24,529), and employer £76,795 (2021: £65,501).

Previously NILGOSC was not able to identify the associated assets/liabilities, nor details of any surplus or deficits in the scheme, which apply to NILGA. NILGA, in accordance with FRS17 (at that time) accounted for its pension contributions for funded activities as a multi employer scheme which uses the measurement rules for a defined contribution scheme by charging the costs immediately to the Income and Expenditure Account. As NILGOSC are now able to split the fund's assets/liabilities between employing authorities, from 2010/11 NILGA accounted for the pension contributions as a defined benefit scheme, reflecting a change in accounting policy that year.

The FRS102 pensions cost contains the Service Cost and the Financing Charges (ie. the Interest Cost less the Expected Return on Assets).

- The **Current Service Cost** is the increase in the liabilities as a result of service earned by scheme members over the accounting period, net of employee contributions
- The **Interest Cost** is the increase in the liabilities as a result of interest charged on the liabilities, including interest on the net changes in liabilities over the accounting period. The interest is calculated using the discount rate at the end of the previous accounting period.
- The **Actuarial gain / loss on liabilities** shows the impact on the liabilities due to both experience and assumptions. The financial assumptions that are used in this calculation are heavily proscribed by the accounting standard and are based on market conditions at the accounting date.

The pension cost is also affected by:

- Any **Past Service Costs** that are incurred (eg. benefit improvements, augmentations) - these will increase the charge to operating surplus, and
- Any profits or losses in any **Curtailments** or **Settlements** that took place during the accounting period (such as from sales of businesses).

The latest actuarial valuation of NILGA's liabilities took place as at 31st March 2019. Liabilities have been estimated by the independent qualified actuary (2013-2019: AON Hewitt, 2010-2012: Hymans Robertson LLP) on an actuarial basis using the projected unit credit method. The principal financial assumptions used by the actuary in updating the latest valuation of the Fund for FRS102 purposes were:

	31st March 2022	31st March 2021	31st March 2020	31st March 2019	31st March 2018	31st March 2017	31st March 2016	31st March 2015	31st March 2014
Discount rate	2.7%	2.1%	2.3%	2.5%	2.6%	2.6%	3.5%	3.2%	4.1%
CPI inflation	3.0%	2.7%	1.9%	2.1%	2.0%	2.0%	1.8%	1.8%	2.4%
Rate of increase to pensions in payment ⁽¹⁾	3.0%	2.7%	2.1%	2.1%	2.0%	2.0%	1.8%	1.8%	2.4%
Rate of increase to deferred pensions	3.0%	2.7%	2.1%	2.1%	2.0%	2.0%	1.8%	1.8%	2.4%
Pension accounts revaluation rate	3.0%	2.7%	2.1%	2.1%	2.0%	2.0%	1.8%	1.8%	n/a
Rate of general increase in salaries ⁽²⁾	4.5%	4.2%	3.4%	3.6%	3.5%	3.5%	3.3%	3.3%	3.3%

⁽¹⁾ In excess of Guaranteed Minimum Pension increase in payment where appropriate

⁽²⁾ In addition, allowance is made for the same age related promotional salary scales as used at the actuarial valuation of the Fund as at 31st March 2010.

Salary increases were assumed to be 1% pa. until 31st March 2016 reverting to the long term assumption shown thereafter

* Salary increases were assumed to be 1% pa. until 31st March 2015 reverting to the long term assumption shown thereafter

2.11

Taxation

The income and chargeable gains of the Association are exempt from corporation tax under section 519 of the Income and Corporation Taxes Act 1988, which grants exemption to local authority associations.

AUDITORS' REPORT

(see Note 16)

[A person is qualified to be an auditor of an employers' association if he is eligible for appointment as a company auditor under Article 28 of the Companies (NI) Order 1990

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NORTHERN IRELAND LOCAL GOVERNMENT ASSOCIATION

We have audited the non-statutory financial statements of the Northern Ireland Local Government Association (NILGA) for the year ended 31st March 2022 which comprise the Statement of Comprehensive Income, the Statement of Financial Position and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Our report has been prepared for NILGA solely in connection with our audit of the non-statutory financial statements for the year ended 31st March 2022. It has been released to NILGA on the basis that our report shall not be copied, referred to or disclosed, in whole (save for NILGA's own internal purposes) or in part, without our prior written consent.

Our report was designed to meet the agreed requirements of NILGA determined by NILGA's needs at the time. Our report should not therefore be regarded as suitable to be used or relied on by any party wishing to acquire rights against us other than NILGA for any purpose or in any context. Any party other than NILGA who obtains access to our report or a copy and chooses to rely on our report (or any part of it) will do so at its own risk. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than NILGA and NILGA's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of NILGA and Diamond & Skillen

NILGA is required to prepare financial statements for each financial year which give a true and fair view of the state of affairs of NILGA and of the incoming resources and application of resources, including the income and expenditure, of NILGA for that period. In preparing these financial statements, NILGA is required to:

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

NILGA is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of NILGA and enable it to ensure that the financial statements comply with the Industrial Relations (NI) Order 1992. NILGA is also responsible for safeguarding the assets of NILGA and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Our responsibility, as independent auditors, is to audit the non-statutory financial statements in accordance with the terms of our engagement letter dated 1st October 2020 and with the Industrial Relations (NI) Order 1992 and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Under the terms of engagement we are required to report to you our opinion as to whether the non-statutory financial statements give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice and are properly prepared in accordance with the Industrial Relations (NI) Order 1992. In addition, we report to you if, in our opinion, NILGA has not kept proper accounting records or if we have not received all the information and explanations we require for our audit.

We read the other information accompanying the non-statutory financial statements and consider whether it is consistent with the audited non-statutory financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the non-statutory financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the non-statutory financial statements. It also includes an assessment of the significant estimates and judgements made by NILGA in the preparation of the financial statements, and of whether the accounting policies are appropriate to NILGA's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the non-statutory financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the non-statutory financial statements.

Opinion

In our opinion the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Northern Ireland Local Government Association's affairs as at 31st March 2021 and of its net expenditure, changes in assets and cash flows for the year then ended and have been properly prepared in accordance with the Industrial Relations (NI) Order 1992.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Industrial Relations (NI) Order 1992 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; *or*
- the financial statements are not in agreement with the accounting records and returns; *or*
- certain disclosures of directors' remuneration specified by law are not made; *or*
- we have not received all the information and explanations we require for our audit; *or*
- the Association did not maintain a satisfactory system of control over its transactions.

NIGEL V. SKILLEN (Senior Statutory Auditor)

for and on behalf of

DIAMOND & SKILLEN

Chartered Accountants and Registered Auditor

Sinclair House, 89/101 Royal Avenue, Belfast, BT1 1FE

16th June 2022

AUDITOR'S REPORT continued

The Auditors' Report is made in accordance with Articles 18 to 21 of Schedule 1 of the Industrial Relations (NI) Order 1992:

Signature(s):	<u>Nigel V. Skillen</u>	
Name(s):	NIGEL V SKILLEN (Please Print)	(Please Print)
Profession(s) or Calling(s):	FCA	
Address(es):	DIAMOND & SKILLEN 89/101 ROYAL AVENUE BELFAST BT1 1FE	
Date:	16 th JUNE 2022	
Contact name and telephone number:	028 9032 6103	

Signatures to the annual return including the accounts and balance sheet contained in the return by the officers of the Association. (The law requires that two officers sign the return – a person should not sign in more than one capacity.)

Secretary Chief Executive: <u>Alicia Allen</u>	Date: 31/08/2022
Treasurer (or other official whose position should be stated) <u>Alan McDowell</u>	Date: 31/08/2022

N.B. When notes to the accounts are referred to in the auditor's report a copy of those notes must accompany this return.

SUMMARY SHEET

	All funds except Political Funds £	Political Funds £	Total Funds £
INCOME			
From Members	604,625		604,625
From Investments	67		67
Other Income <i>(including increases by revaluation of assets)</i>	348,151		348,151
Total Income	952,843		952,843
EXPENDITURE <i>(including decreases by revaluation of assets)</i>	934,709		934,709
Pension fund (surplus)	(581,000)		(581,000)
Total Expenditure	353,709		353,709
Funds at beginning of year <i>(including reserves)</i>	(1,198,146)		(1,198,146)
Funds at end of year <i>(including reserves)</i>	(599,012)		(599,012)
ASSETS			
Fixed Assets			1,271
Investment Assets			0
Other Assets			843,637
		Total Assets	844,908
LIABILITIES		Total Liabilities	1,443,920
NET ASSETS (Total Assets less Total Liabilities)			(599,012)

GUIDANCE ON COMPLETION OF SUMMARY SHEET

The summary sheet is intended to assist in providing a simplified overview of the financial position of the organisation. It will primarily be used as the source for the information in the Certification Officer's annual report, and as a source for comparative year-on-year analysis. It does not replace any information required in the annual return which must be completed in full.

The figures in the summary report must agree with the figures presented elsewhere in the annual return.

In order for the figures on the summary sheet to balance the following must be correct.

Funds at beginning of year + Total income – Total expenditure = Funds at end of year

Total Assets – Total Liabilities = Net Assets

Funds at end of year = Net Assets

The "Total Income" figure for each set of funds must be the sum of the sources of income set out on the Summary Sheet.

The "Other Income" heading should be used to account for income received from sources other than members and investments, including recognised gains. Recognised gains include revaluation of assets and other changes in the value of assets which are not offset by and equal change in liabilities.

"All Accounts/Funds Other Than Political Funds" must include the Revenue/General Fund on page 4 and any other funds referred to on page 5 or any pages supplementary to them. The figures entered in this column must match those on pages 4 and 5.

"Funds at Beginning of Year" will be the sum of those funds reported in the previous return to this Office, plus or minus any adjustments made subsequently. For associations for which this is the first return, this figure will be the sum of those funds held by the association at the beginning of the period covered by this return.

The "Funds at End of Year" figure must be the sum of "Total Income" and "Funds at Beginning of Year" less "Total Expenditure".

The "Total Assets" figure must be the total of: "Fixed Assets" and "Other Assets" (the figures entered above it).

"Liabilities" must be the total of "Total Assets" less "Funds at End of Year".