

Livestock and Meat Commission for Northern Ireland

**Annual Report and Accounts
for the year ended 31 March 2023**

*Laid before the Northern Ireland Assembly
under the Livestock Marketing Commission Act (Northern Ireland) 1967 (as amended) by
the Department of Agriculture, Environment and Rural Affairs Northern Ireland*

9 July 2024

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Contents

Performance Report	4
Overview	4
Non-Executive's Report	4
Strategic Report	8
Chief Executives Review	11
Performance Analysis.....	19
Accountability Report.....	41
Corporate Governance Report.....	41
Directors Report.....	41
Statement of the Commission and Accounting Officer's Responsibilities.....	45
Governance Statement 2022-23.....	47
Remuneration and Staff Report.....	63
Assembly Accountability and Audit Report.....	71
The Certificate and Report of the Comptroller and Auditor General to the Northern Ireland Assembly.....	72
Financial Statements.....	76
Statement of Comprehensive Net Expenditure for the year ended 31 March 2023.....	76
Statement of Financial Position as at 31 March 2023.....	77
Statement of Cash Flows for the year ended 31 March 2023.....	78
Statement of Changes in Taxpayers' Equity for the year ended 31 March 2023.....	79
Notes to the Financial Statements for the year ended 31 March 2023.....	80

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Performance Report

Overview

This section is intended to provide an overview of the Livestock and Meat Commission for Northern Ireland (LMC) and how it has performed over the last twelve months. It also provides a summary of the strategic/business outcomes and activities, as well as the key issues and risks that could prevent those outcomes from being met. The section begins with a Statement from the Chairman which provides his perspective on LMC's key activities and achievements during the year ended 31 March 2023. It concludes with highlights of LMC's performance from the Industry Development and Market Information departments.

Non-Executive's Report

I am pleased to present the 56th Annual Report and Accounts of the Livestock and Meat Commission for Northern Ireland (LMC). This report covers the period 1 April 2022 to 31 March 2023. This Annual Report and Accounts outlines the work of the Commission throughout the year and contains details about the work we undertake for and on behalf of the red meat industry. I would welcome your constructive feedback to help inform our future strategy, business planning, service delivery and related priorities.

As a non-departmental public body, LMC is established by statutory legislation to assist the development and marketing of the livestock and livestock products industry for Northern Ireland. LMC identified and delivered its priorities within the framework of the LMC Strategic Plan 2021-2024 and annual Business Plan 2022-2023.

Throughout the year beef and lamb producers continued to face many challenges. Not least of these were the continued upturn in input prices, spiraling inflation, and the impact of the cost-of-living crisis on consumer behaviour. Fortunately, favourable weather conditions delivered positive grass growth in 2022 and, despite the challenges faced, beef producers experienced enhanced returns in the market throughout the year.

We continued an open dialogue and active engagement with our producer and processor stakeholders to identify and address the needs of the sector and to ensure the activities of LMC reflect the red meat industry's strategic priorities. We were delighted to participate in

the rejuvenated Balmoral Show in May 2022 which provided a welcome opportunity to engage directly with stakeholders and with the general public again while also demonstrating the world-renowned quality and provenance of Northern Ireland Farm Quality Assured beef and lamb.

LMC plays a high-profile role in promoting home grown beef and lamb to Northern Ireland consumers. Our “Good Honest Food” marketing campaign continued to perform positively throughout the year. Independent research has verified that 88% of consumers purchase red meat regularly and 7 out of 10 said they were influenced by the LMC marketing campaign. This is higher than the UK average. The LMC owned and managed NI Beef and Lamb Farm Quality Assurance Scheme (NIBL FQAS) celebrated its 30th anniversary in 2022. Our education programme continues to grow apace with a record 375 primary and post primary school cookery demonstrations delivered throughout the year. Educating the future generations on the positive benefits of consuming NI beef and lamb remains an important priority.

A core role of the LMC is to participate in and lead industry working groups in the roll out of initiatives and programs which meet the various challenges and opportunities facing the sector. LMC continued to work with industry colleagues to support the roll-out of a livestock genetics improvement program for Northern Ireland. Significant progress has been made in finalising the business case to support the Bovine Genetic Improvement Program which is aimed at driving an increased rate of genetic gain through improved breeding of more productive, healthier and profitable cattle.

In response to the challenges of Climate Change and the drive towards reducing greenhouse gas emissions, LMC has continued to lead, on behalf of industry, an ambitious whole-farm carbon measurement program for members of the NIBL FQAS to support customer, industry and government demands for accurate and verifiable carbon footprint data.

Further progress was also made during the year in the European Commission’s consideration of the Irish Grass-Fed Beef PGI which, due to the input of LMC, will include Northern Ireland beef. It is encouraging to note that the European Commission has since officially registered the PGI in the 2023-24 business plan year.

The Northern Ireland Sheep Industry Taskforce published its vision for the future of the industry along with a proposed support package in early 2023. LMC participated in and was a principal sponsor of this UFU led initiative.

Details of our work in these areas and the many other LMC services and activities are set out in the Strategic Report section of this Annual Report.

I wish to acknowledge our valued stakeholders within the red meat sector for their continued engagement with the Commission in our work to address the many challenges facing the sector. I also thank the Department of Agriculture, Environment and Rural Affairs (DAERA) for its support throughout the year.

I would like to take this opportunity to acknowledge and thank my colleagues on the Board of LMC for their continued support. Over the past seven plus years I could not have undertaken my role as Chairman as effectively had it not been for the expertise and insights brought to bear by the LMC Board members. The industry has indeed been very well served by the board members: Oonagh Chesney, Jim Lennon, Harry Sinclair, Gerry Maguire and Joe Stewart.

I wish to acknowledge and commend the excellent and knowledgeable team of staff at LMC, led by CEO Ian Stevenson, for their continued hard work and dedication to the job of supporting Northern Ireland's red meat industry. These are challenging yet exciting times for the beef and lamb sector as it embarks on an ambitious programme of work to address the opportunities arising from climate change. LMC staff are at the heart of the industry's journey towards achieving net-zero and the drive to reduce greenhouse gas emissions, improve productivity and efficient use of resources within the supply chain. This is a vital area of work and one which will have a significant impact on the future of Northern Ireland's wider agri-food industry. It will be important that the Commission is adequately resourced to carry out this work on behalf of the sector and I look forward to continued engagement

with and support from industry stakeholders and from DAERA as collectively we move forward.

Thank you.

A handwritten signature in black ink, appearing to read 'G McGivern', with a stylized, cursive script.

Gerard McGivern

Chairman

The Livestock and Meat Commission for Northern Ireland

06/06/2023

Strategic Report

Introduction

The Commission presents its Annual Report and Accounts for the 2022-23 business year. The Annual Report and Accounts have been prepared in compliance with the accounting principles and disclosure requirements of the relevant edition of the Government's Financial Reporting Manual (FRM) and under an Accounts Direction given by the Department of Agriculture, Environment and Rural Affairs (DAERA) in accordance with the Livestock Marketing Commission Act (Northern Ireland) 1967.

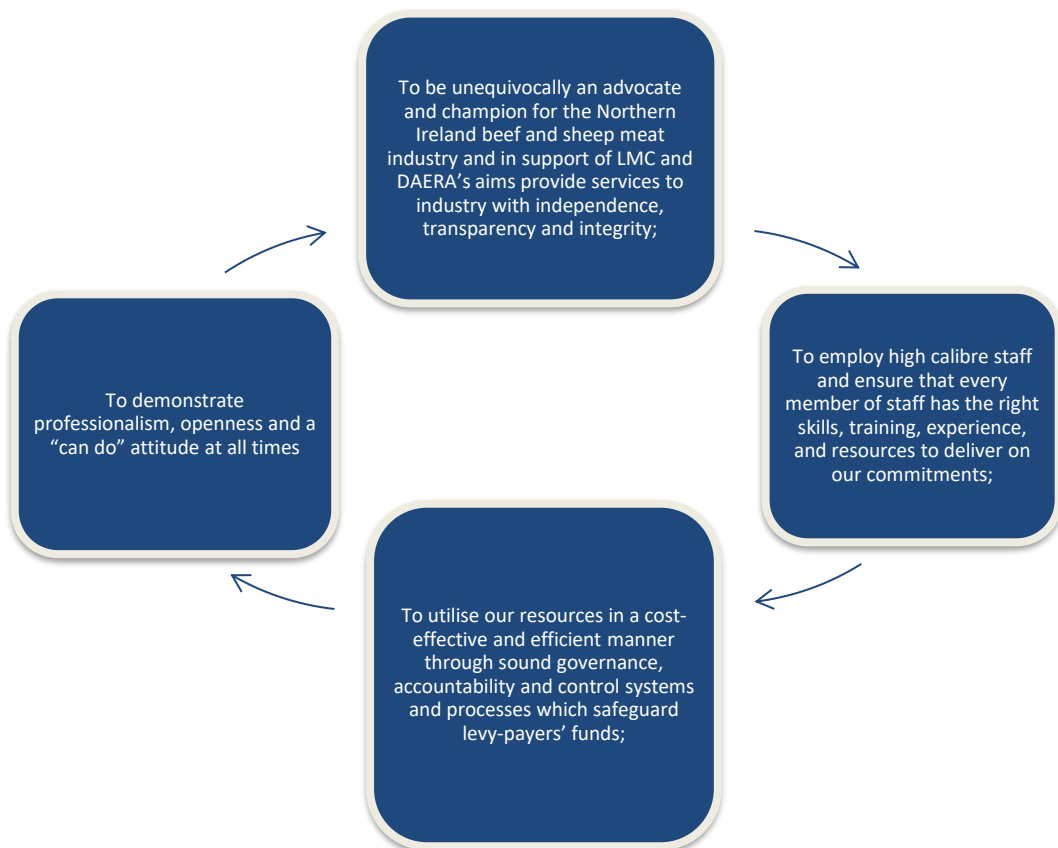
Our Purpose

The Livestock and Meat Commission for Northern Ireland (LMC) is an Executive Non-Departmental Public Body (NDPB), which was established by Statute (The Livestock Marketing Commission Act [Northern Ireland] 1967) to assist the development of the livestock and livestock products industries. LMC's sponsor body is the Department of Agriculture, Environment and Rural Affairs (DAERA). LMC collects statutory levies from beef and sheep producers and slaughterers in Northern Ireland and in return provides a range of services to the industry. LMC also advises DAERA on matters relating to the sector.

Mission and Vision



Our Values









Our Aim

To be the beef and sheep meat industry's organisation that people choose to come to based on our knowledge, facts and impartial information.

Strategic outcomes

LMC has six strategic outcomes:

	SO1	The industry is equipped with the tools to encourage its sustainable and commercial development
	SO2	A better-informed industry and general public
	SO3	Advising and influencing the policy making process
	SO4	Facilitating industry relationships with impartiality and integrity
	SO5	To be a relevant customer focused organisation that stakeholders understand and meets their agreed requirements
	SO6	To have in place an effective, efficient and sustainable organisation

Supporting these strategic outcomes are business outcomes for the financial year 2022-23. These identify what LMC is seeking to achieve with its services and link directly to the strategic outcomes (there were ten business outcomes in the 2022-23 business plan). Under each of the business outcomes detailed business activities with individual targets were undertaken. Progress against the business outcomes was monitored throughout 2022-23 and was formally recorded at the end of each quarter in the LMC Business Monitor.

Chief Executive's Review

I am delighted to report that during 2022-23, in line with our Mission Statement, LMC successfully delivered a comprehensive programme of assurance, education, industry development, market information, communications and promotional activity across our various service delivery sections. This activity is in direct support of the organisation's strategic outcomes, which align closely to our statutory functions under the 1967 LMC Act. LMC's strategic outcomes also align closely with the strategic outcomes of DAERA and the draft Programme for Government for Northern Ireland. Details of LMC's performance against the specific targets, as outlined in our business plan at the start of 2022-23, are reported later in this Annual Report. Also provided in this annual report are summary reports of key activities undertaken within the main business areas throughout the year in support of our strategic outcomes and the audited financial statements for the organisation.

The 2022-23 business plan year was another very busy one for LMC and I am pleased to report that fourteen of the fifteen Key Performance Indicators used to monitor progress on the business outcomes in the approved business plan for the year have been fully achieved with one partially achieved. In line with the statutory provisions of the 1967 LMC Act, the organisation provides a range of services to support the marketing and development of the beef and sheep meat industry in Northern Ireland and works under the sponsorship of DAERA. The 2022-23 LMC business plan and budget was approved by Agriculture Environment and Rural Affairs Minister Edwin Poots MLA on 18 October 2022. The Business Plan for 2022-23 amplified the second year of LMC's 3-year Strategic Plan for 2021 to 2024.

Covid-19

As the worst impacts of the Covid-19 Pandemic started to ease, LMC took the decision from September 2022 to return all staff to working in the office on a Monday each week with the office being available for staff to use on a voluntary basis for other days during the working week. Covid-19 fundamentally changed how LMC works as an organisation with staff having adapted very well to working remotely to deliver their key work programmes in support of LMC stakeholders. A hybrid working model of office and remote working has been retained by LMC with weekly in-person staff meetings held on a Monday morning, use of remote technology to keep teams connected and a greater number of physical and hybrid meetings

and events taking place. Most stakeholder organisations and businesses that LMC engages with all have good access to remote technology and it is clear that new ways of working, involving less physical travel to attend certain meetings, is here to stay for the foreseeable future. This is beneficial not just in terms of savings in time and travel costs, but it is also a much more efficient way of working.

EU Exit

The outworking of the Trade and Cooperation Agreement (TCA) between the UK and the EU continued to feature heavily in industry discussions throughout the reporting year. Supplies of beef and lamb from Northern Ireland processors generate approximately £1.5bn of sales revenue for the Northern Ireland economy each year. Eighty-five percent of this sales revenue is generated from blue chip retail and food service customers outside Northern Ireland who are willing to contract and purchase our beef and lamb products. During the course of the reporting period beef and lamb industry stakeholder organisations continued to highlight the need to retain the critically important aspect of the TCA which uniquely enables unfettered access for Northern Ireland beef and lamb to the UK and EU single markets. LMC does not engage in representation activities on behalf of stakeholders to promote a particular viewpoint, but, throughout the year LMC did continue its important role as a provider of independent impartial information on market trends etc which helps to inform stakeholder discussions.

During the year LMC was invited to participate in a Veterinary Medicines Northern Ireland Protocol Stakeholder Group which was hosted by the UK Veterinary Medicines Directorate to gather information on the serious implications of the TCA for veterinary medicines supply and availability in Northern Ireland and to discuss possible solutions when grace periods were due to end. In December 2022 the European Commission agreed to a three-year extension to the grace period for veterinary medicines until 31/12/2025 meaning that the current processes for moving veterinary medicines between Great Britain and Northern Ireland will continue to be administered as they have been up to this point. The Windsor Framework has subsequently been agreed and LMC will continue to monitor progress on UK and EU discussions to resolve the veterinary medicines issue for Northern Ireland on a more permanent basis.

Stakeholder Engagement

As an organisation funded almost entirely by the private sector through levy payments and fees for participation in the Northern Ireland Beef and Lamb Farm Quality Assurance Scheme (FQAS) LMC works hard to foster close working relationships with beef and sheep farming and processing sector representatives. To enable successful delivery of LMC's business outcomes in 2022-23 the LMC staff team facilitated and participated in a large number of key stakeholder groups including the FQAS Industry Board and Standard Setting Committee, the Common Framework Implementation Group for Quality Assurance of Beef and Lamb in the UK, the Board of Animal Health and Welfare Northern Ireland, the Board of the European Roundtable for Sustainable Beef, the Board of Sustainable Ruminant Genetics Limited, the Carbon Steering Group and its sub committees, the Northern Ireland Sheep Sector Taskforce, the Soil Nutrient Health Scheme Stakeholder Liaison Group, the Open Farm Weekend Steering Group, the Irish Grass Fed Beef PGI Steering Group, the Meat Export Working Group, the UK Export Certification Partnership Stakeholder Group, the Rising Costs Industry Taskforce, the UK Levy Bodies R&D Forum, the Covid-19 Agri-Food Stakeholder Forum and the Ukraine Crisis Agri-Food Stakeholder Forum. The aforementioned stakeholder groups are just a sample of the many stakeholder interactions and engagements which LMC participated in during the course of the reporting period. One of the most significant developments to take place in 2022-23 was the establishment of the Carbon Steering Group to bring together senior representatives of the beef, sheep, dairy, pig, poultry, feed, and farming sectors under a united cross industry initiative to work with DAERA on a plan to carbon survey on a whole farm basis all farms participating in the NI Beef and Lamb Farm Quality Assurance Scheme. The outworking of this exciting initiative is expected to be rolled out in the 2023-24 financial year.

DAERA Sponsorship

The Sponsorship Team in DAERA's Corporate Sponsor Branch has engaged daily with LMC throughout the reporting period and there are good working relationships between LMC and DAERA. During the reporting period LMC provided DAERA with timely returns, sought guidance and approvals of relevant business cases, met with the sponsorship team on a regular basis to discuss internal controls and other important matters, and engaged in a wide range of DAERA stakeholder meetings and consultative processes. LMC is looking forward to

discussing future arrangements for LMC and DAERA sponsorship particularly in the area of autonomy as a new Partnership Agreement approach is rolled out across the Northern Ireland public sector.

LMC Workforce

Central to the achievement of any of the outcomes in LMC's Strategic and Business Plans is the availability of a skilled team of professional staff to implement the strategy of the Board, to develop and deliver business activities, to actively engage with stakeholders and suppliers, to safeguard funds available to LMC and to adopt high standards of corporate governance and accountability. As Chief Executive I must highlight the dedication and commitment of the whole staff team at LMC, all of whom carry out their roles to an extremely high standard, and all of whom work so effectively as a team. LMC was shortlisted for 'Best Trade Organisation' at the annual Meat Management Industry Awards in September 2022 in Birmingham. To be finalists in such an award is a glowing endorsement of the calibre of service which LMC provides to the industry and is worthy recognition of the efforts by all the staff in LMC who work tirelessly to deliver these quality services every week of the year. The labour market in Northern Ireland continues to be very challenging to recruit staff from, particularly those of a technical nature which are in strong demand by private sector businesses and consultancy firms. As a public sector body LMC is very limited in its scope to offer enhancements to terms and conditions which many private sector employers have been able to do for their staff in this period of high inflation.

LMC Board

The LMC Chairman and all other Board members continued to be strong advocates for LMC throughout the entire reporting period, taking key decisions, setting direction and supporting the Chief Executive and LMC staff team. I wish to put on record my sincere thanks to the Chairman for his almost eight years of unwavering support for the LMC and the industry within which we provide our services. The public appointments process for LMC Board members is sometimes viewed as a challenging process by our funding stakeholders but the existing Board that has been in place throughout the period of EU Exit and Covid-19 has brought expert knowledge and experience and has been very focussed on listening to and delivering for our stakeholders.

Communications

Cross cutting across all of LMC's work areas is the important issue of timely, accurate and effective communications. LMC continues to review on an on-going basis how we communicate across all of the platforms available to us and a specific and ongoing business objective for LMC is to enhance its communications with internal and external stakeholders.

To help create greater public awareness of LMC's activity more communications and promotional content is being channelled through LMC's social media platforms on Facebook, Twitter, Instagram, TikTok and YouTube. LMC also launched a new website during the reporting period bringing all three of LMC's corporate, consumer and educational websites together under a single management system and common identity. LMC is a weekly contributor to the Farming Matters and Farm Gate Programmes on BBC Radio Ulster and over the course of the reporting period LMC has been able to inform listeners on a wide range of topics relating to beef and lamb from market developments to sustainability and informative pieces about the industry and its products.

Environmental Sustainability

LMC provides services for the largest private sector industry in Northern Ireland. By assisting towards achieving sustainability for the beef and sheep meat industry, we contribute to the social betterment of the rural community. Part of this contribution is through assisting all elements of the food chain, including producers and processors, to deliver their end products as efficiently and effectively as possible. More details regarding LMC's work on sustainability and climate change are outlined in the Industry Development section of this Annual Report. LMC has set in place good environmental practices within our own organization such as maintaining a contract to recycle various waste products (cans, paper, card and plastic).

Funding

LMC was established by the Livestock Marketing Commission Act (Northern Ireland) 1967 as a body corporate with perpetual succession. As an Executive NDPB, LMC is classified to the central government sector for national accounts purposes and is sponsored by DAERA. The 1967 Act provides for the collection of a statutory levy on livestock slaughtered within Northern Ireland for the purpose of defraying the expenses of the Commission. LMC also has

a Service Level Agreement with DAERA for cattle deadweight price reporting of the Northern Ireland region.

Levies

Under the Livestock and Meat Commission Regulations (Northern Ireland) 2003 the maximum sums payable per head by way of levy and the actual levies charged are set out as follows.

	Maximum	Actual Levy	
	Statutory Levy	Producers	Processors
Sheep	£1.00	£0.20	£0.10
Cattle	£6.00	£1.00	£1.00

Northern Ireland Beef and Lamb Farm Quality Assurance Scheme (NIBL FQAS)

Under 2022-23 funding arrangements for NIBL FQAS, producers pay a £75 joining and a £75 annual membership fee. Processors who wish to participate in the scheme pay a throughput fee of £1.20 per bovine animal and £0.10 per sheep slaughtered, plus an annual membership fee of £400 for a slaughterer/processor and £250 for a secondary processor.

Financial Review

The accounts for the year are set out on pages 76 to 79. The number of cattle and sheep slaughtered within Northern Ireland on an annual basis is the current main determining factor in LMC income. Prior to the commencement of each financial year, we calculate our balanced budget on projected cattle and sheep slaughterings for the financial year ahead. Throughout the financial year we monitor our actual income and expenditure on an on-going basis and if pressures or easements arise in particular areas of staff costs, general overheads or department costs we will maintain budgetary balance by reallocating expenditure as appropriate with the agreement of the LMC Board. LMC has also been operating strategically to reduce its level of historic financial reserves and in the first monitoring round outcome of 2022-23 LMC successfully acquired additional resource cover from DAERA to draw down some of these reserves. LMC's Balanced Budget for the year 2022-23 including reserves was based on a projected position of £3.07 million.

Human Rights

LMC is committed to respecting human rights. We aim to ensure that the services we provide and the activities that we undertake have a positive impact on our stakeholders and members of the public. LMC complies with Section 75 statutory equality obligations in the delivery of policy and delivery of services.

Anti-Bribery and Corruption

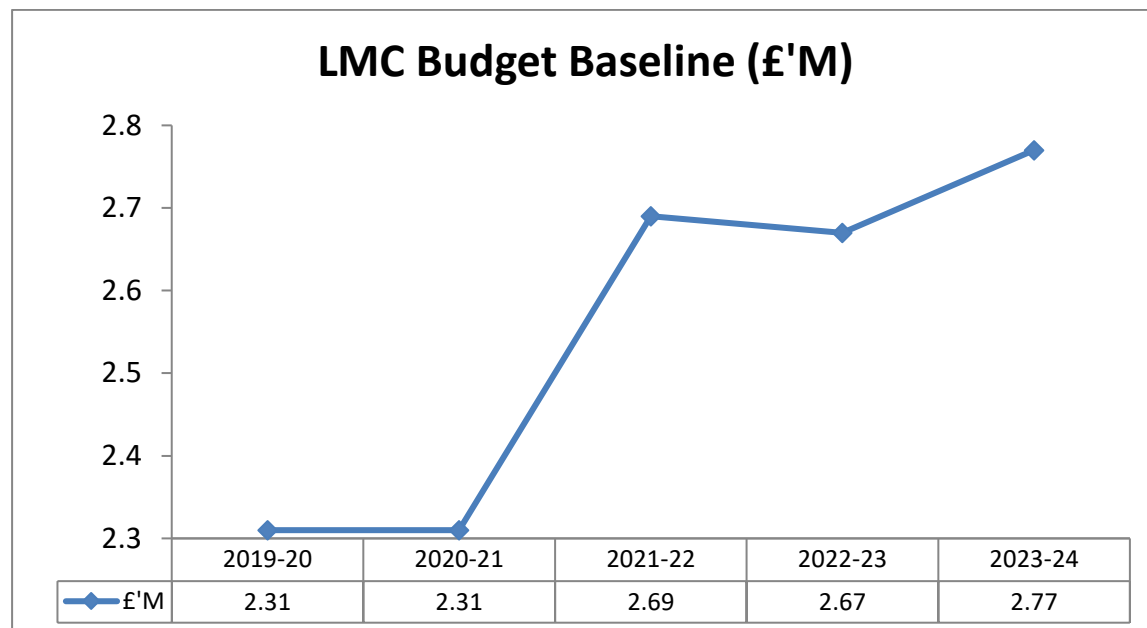
LMC's Anti-Fraud Policy and Fraud Response Plan sets out how LMC complies with the Bribery Act 2010. All staff are provided with a copy of this policy and training is given at induction and as policy is reviewed. LMC's Staff Code of Conduct indicates that all staff should always conduct themselves with honesty and impartiality. Hence it is not acceptable for any staff member to receive any benefit that may be perceived as having the potential to compromise personal judgement on work related issues.

Diversity

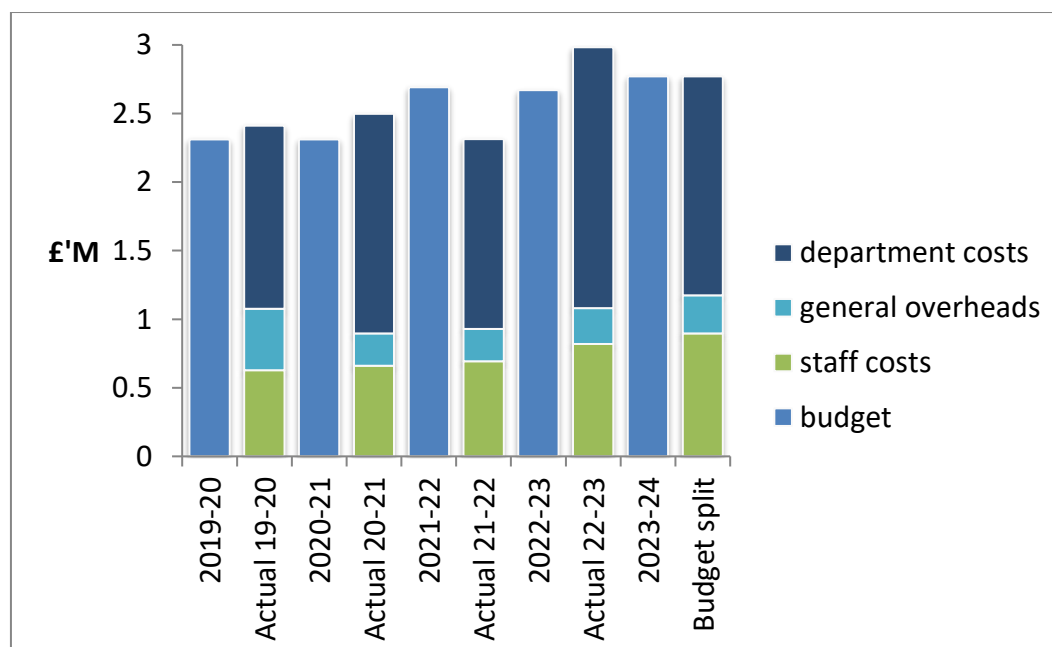
LMC have Equal Opportunity Policies in place and staff are trained on Equality and Diversity in the Northern Ireland Workplace. LMC continues to carry out its statutory obligations under fair employment legislation, including the annual monitoring return to the Equality Commission for Northern Ireland.

Long-term Expenditure Trends

The chart below captures the long-term summary expenditure profile of the LMC budget over the period 2019-20 to 2023-24.



The chart below shows the LMC budget split by major expense heading over the period 2019-20 to 2023-24.



Forward Planning

LMC's 3-year Strategic Plan for 2021 to 2024 will inform the development of LMC's Business Plan for 2023-24. At the LMC Board meeting on 24 April 2023 the Board agreed the priorities for Business Outcomes in the 2023-24 LMC Business Plan. The Board agreed that the six Strategic Outcomes underpinning the LMC Strategic Plan for 2021-2024 remained appropriate for the 2023-24 Business Plan. The baseline budget for development of the 2023-24 LMC Business Plan is forecast to be slightly up on the 2022-23 baseline. The number and structure of staff positions within LMC required to deliver business activities in support of organisational outcomes will be kept under review throughout the year.

Performance Analysis 2022-23

Business Plan Monitoring and Reporting Arrangements

LMC has established monitoring and reporting arrangements in place in relation to its Business Plan targets. In the first instance, each Business Outcome and associated business activities are assigned to the Senior Manager responsible for that department. This Senior Manager has responsibility for monitoring progress on a regular basis. During the financial year, detailed progress against each Business Outcome and Key Performance Indicators (KPIs) was reported to the LMC Board at the end of each quarter (June, September, December and March). Progress is reported in the format of the LMC Business Monitor. The Performance Analysis Section below identifies the achievement at 31 March 2023 in relation to each of the Business Outcomes and KPIs included in the LMC 2022-23 Business Plan under each of the Six Strategic Outcomes. Of the total 15KPIs, 14 were fully achieved and one partially achieved.

Aligned Programme for Government (PfG) Outcome	Strategic Outcome (SO)	Business Outcome	Key Performance Indicator (KPI)	Performance Assessment at 31 March 2023
PfG Outcome 1- We prosper through a strong, competitive, regionally balanced economy. PfG Outcome 2 - We live and work sustainably – protecting the environment	SO1 The industry is equipped with the tools to encourage its sustainable and commercial development	1.Commissioning /leveraging red meat research including outworkings of Brexit which industry can use to develop commercially	KPI 1 Facilitate the research needs of industry by participating in biannual meetings of Agrisearch Beef and Sheep Advisory Committees.	Achieved
			KPI 2 Support at least one stakeholder endorsed project in the financial year.	Achieved
		2. Championing industry sustainability initiatives	KPI 3 Support (financially or in kind) at least one business development initiative in the financial year relevant to the sector	Achieved
			KPI 4 Participate in at least one domestic and one international sustainability initiative and communicate relevant updates to industry stakeholders before the end of March 2023.	Achieved
		3. Provision of an effective and efficient FQAS membership scheme	KPI 5 Host a minimum of four FQAS industry stakeholder meetings within the financial year and implement agreed actions	Achieved
			KPI 6 Monitor Certification Body (CB) performance against agreed targets on a monthly basis and engage with CB management to ensure any instances when targets are not being met are rectified satisfactorily.	Partially achieved
PfG Outcome 1- We prosper through a strong, competitive, regionally balanced economy	SO2 A better informed industry and general public	4. Provision of strategic education services	KPI 7 Deliver at least 350 school cookery demonstrations before the end of March 2023 ensuring pupil and teacher resources are up to date and relevant.	Achieved

			KPI 8 Deliver at least two initiatives to support and upskill Food and Nutrition teachers before the end of March 2023.	
				Achieved
		5.Communication of market information to stakeholders	KPI 9 By 31 March 2023 produce and publish scheduled and bespoke market information reports in formats accessible to all appropriate LMC stakeholders including 50 weekly editions of the LMC Bulletin and 12 monthly editions of LMC News.	Achieved
		6. Enhancing LMC communications with internal and external stakeholders	KPI 10 By 31 March 2023 implement agreed LMC communication plan for the year, reviewing progress at the end of each quarter in LMC's business monitor	Achieved
PfG Outcome 1- We prosper through a strong, competitive, regionally balanced economy	SO3 Advising and influencing the policy making process	7. Assembling of essential market information	KPI 11 By 31 March 2023 to have gathered relevant market intelligence reports and insight on domestic, EU and third country markets to enable stakeholder needs for LMC market information to be met	Achieved
PfG Outcome 1- We prosper through a strong, competitive, regionally balanced economy	SO4 Facilitating industry relationships with impartiality and integrity	8. Facilitating market access and development	KPI 12 Participate in scheduled meetings of UKECP and support at least two inward / outward technical / trade visits before the end of March 2023 to further opportunities for NI beef and lamb in export markets	Achieved
PfG Outcome 1- We prosper through a strong, competitive, regionally balanced economy	SO5 To be a relevant customer focused organisation that stakeholders understand, and meets their agreed requirements	9. Promotion of beef and lamb consumption by consumers	KPI 13 Successfully manage contract with advertising agency to deliver, by the end of March 2023, a media neutral beef and lamb advertising campaign in line with agreed objectives and evaluate its performance	Achieved

PfG Outcome 2 - We live and work sustainably – protecting the environment	SO6 To have in place an effective, efficient and sustainable organisation	10. Developing staff knowledge and skills	KPI 14 All staff appraisal reviews and personal development plans to be completed by the end of July 2022 and training needs for all staff identified	Achieved
		11. Staff engagement with key stakeholders	KPI 15 A list of all stakeholder engagements attended by staff in 2022-23 to be recorded in Senior Management Team Meeting Minutes and shared with the LMC Board	Achieved

Summary of KPI status by 31 March 2023

Status	2022-23	Comparison 2021-22
Red (Outstanding/Not Achieved)		
Amber (Progress Less than Planned/ Partially Achieved)	1	3
Amber / Green (Substantially Achieved)		
Green (On Track /Achieved)	14	14
Not applicable		
Total	15	17

Risk Profile

The LMC Corporate Risk Register has been prepared on the basis of an assessment of the key risks impacting on the achievement of LMC Key Performance targets. The key risks impacting on LMC in 2022-23 were reviewed and updated throughout the year and as the impact of the Covid-19 (Coronavirus) pandemic on LMC business activities waned this risk was able to be removed from the register. The Corporate Risk Register, Risk Profile and Risk Appetite for the organisation can be read in further detail in the Accountability Report.

Review of Activity 2022-23

Industry Development Department Report

LMC is a recognised facilitator and honest broker in the industry and is engaged in the strategic development of a sustainable & profitable beef & sheep meat sector in Northern Ireland through provision of a range of Industry Development services. The Industry Development Department is responsible for developing and implementing LMC's Industry Development services which also include the operation and development of the Northern Ireland Beef and Lamb Farm Quality Assurance Scheme (NIBL FQAS).

Industry Development

Highlights of LMC's Industry Development activity for 2022-23 include the following:

Antimicrobial Resistance

Strategic Antimicrobial use in Dairy, Beef and Sheep Production (STAMP) is a DAERA funded project that has delivered a system to capture and monitor antibiotic use at farm level. The system has been built and is now live. The STAMP project outputs will allow farmers and vets to automatically calculate antibiotic use using different metrics. LMC funded the installation of the tool during the 2021-22 financial year and uptake increased significantly in Q4 providing a strong basis for data analysis going forward. LMC also represented Northern Ireland's interests on the UK Cattle Antibiotic Guardian Group and AHDB's Electronic Medicine Book Hub Industry Liaison Group during the reporting period.

Genetic Improvement Systems for Northern Ireland

A not-for-profit organisation Sustainable Ruminant Genetics Ltd was formed in June 2022 as a four-way partnership between the Ulster Farmers Union, the Livestock and Meat Commission, the Northern Ireland Dairy Council, and the Northern Ireland Meat Exporters Association. The purpose of the company is to represent the Northern Ireland beef and sheep livestock industry in the development of new genetic improvement and benchmarking programmes which are expected to be launched in 2024 in partnership with the Department of Agriculture, Environment and Rural Affairs (DAERA).

Sustainability and Climate Change

European Roundtable for Beef Sustainability

LMC is a member of the Sustainable Agriculture Initiative (SAI) Platform and has been actively participating in the Platform's work on global agricultural supply chain sustainability since 2011. The SAI Platform provides the secretariat and expert coordinators for the European Roundtable for Beef Sustainability (ERBS). The ERBS is a multi-stakeholder organisation focused on European beef sustainability from farm to fork. The ERBS unites and coordinates sustainability programmes around a common agenda to deliver measurable and positive impact within the beef value chain. The ERBS is aligned to the principles of the Global Roundtable for Sustainable Beef (GRSB) and other major international bodies. It has a membership of over 24 major processor, retailer, food service and allied industry members across the European Region. The ERBS currently has six aligned platforms operating in France, Germany, Ireland, Italy, Poland and UK. LMC Chief Executive is the current Vice Chairman of ERBS.

Soil Nutrient Health Scheme

During the reporting period the first tranche of farmers were invited to apply for participation in the Soil Nutrient Health Scheme (SNHS). The SNHS is one of the most comprehensive regional soil nutrient sampling schemes to be undertaken anywhere in the world. With the potential to sample approximately 700,000 fields it will provide the farmers of Northern Ireland with:

- Detailed information on the nutrient status of their soils.
- Runoff risk maps for nutrient loss to waterbodies for each field sampled.
- Estimates of carbon stored in their soils and as above ground biomass for each farm.
- Training on the interpretation of soil nutrient reports and generation of farm nutrient plans.

LMC has participated in meetings of the Soil Nutrient Health Scheme Stakeholder Liaison Group (SLG) which was established during the reporting period. The purpose of the SLG is to provide a forum for dialogue between DAERA/AFBI and farmers / Agri-industry / environmental NGOs on the implementation of the SNHS.

Protected Geographical Indication (PGI) for Irish Grass Fed Beef

LMC has been working closely with industry and government in Northern Ireland and the Republic of Ireland to engage with the development and registration of a Protected Geographical Indication (PGI) for Irish Grass Fed Beef. In connection with this work LMC has taken the lead on establishing a working group in Northern Ireland to develop a grass fed standard and verification system. LMC has worked closely with Bord Bia to align standards and to gather information on the technical aspects of the project. Following a constructive opposition to Bord Bia's original application, a revised all-island Irish Grass Fed Beef PGI application was submitted to the European Commission during the reporting period and LMC is delighted to note that the revised application was accepted and officially registered by the European Commission at the end of 2023.

Quantification of Net Greenhouse Gas Emissions from the Northern Ireland Livestock Sectors

LMC has been working closely with industry and government stakeholders to create a platform to help quantify the net greenhouse gas emissions from the Northern Ireland livestock sectors. In September 2021 the NIBL FQAS Industry Board agreed that it should be made mandatory for active participants to complete a survey, in addition to that required for the standard NIBL FQAS inspection, to allow a carbon footprint to be completed.

LMC has now built a carbon survey capable of gathering data following a NIBL FQAS inspection. The survey replicates the input fields needed for a carbon calculation using a tool created by Agrecalc Ltd. A Carbon Steering Group (CSG) with cross sectoral representation was formed to assist with strategic matters such as funding, communications and data management. The CSG met on a number of occasions during Q4 of the reporting period. The CSG has employed the services of a project manager to help co-ordinate and progress the various project work streams. LMC has participated in the CSG and its subgroups. LMC's Industry Development Manager also chairs the CSG's Technical Working Group which met on five occasions during the reporting period between November and March.

A Research and Development pilot was completed in 2023. This was designed to test the data collection infrastructure, data flows and reporting mechanisms prior to the roll-out of an

extensive pilot programme in 2024.

Research and Development

LMC is involved in a number of important Research and Development projects on behalf of its stakeholders. LMC attended meetings of the Food Futures Project Steering Group. LMC is a project partner in the Invest NI-funded project led jointly by Queen's University Belfast (QUB) and Agri Food Biosciences Institute (AFBI). The Food Futures project (funded by Agri-Food Quest) adopts a unique participatory approach to evidence and enhance the sustainability credentials of Northern Ireland Agri-Food. The objective is to develop a holistic Sustainability Platform including reporting tool for Agri-Food supply chains. LMC is a member of a European Innovation Partnership project called FIRM (Farm Infection Risk Management). The project involves pooling of data from existing sources to allow for informed animal health planning. The tool could help reduce the paperwork required for NIBL FQAS inspections by replacing the need for a written animal health plan, hence LMC's interest in the project. LMC attended meetings of the steering group throughout the year. LMC continues to collaborate closely with AFBI, AgriSearch and CAFRE on knowledge transfer opportunities such as the work of Rising Costs Taskforce.

Animal Health and Welfare

Bovine Viral Diarrhoea (BVD) eradication continues to progress. From 1st June 2020 LMC implemented an amended NIBL FQAS standard in relation to BVD whereby farmers who retain Persistently Infected animals (PIs) lose their herd Farm Quality Assured (FQ) status. Retained PIs are now at their lowest ever level. To maintain this momentum, DAERA is being encouraged to take steps to implement restrictions in line with the legislation and to introduce phase two legislation if eradication is going to be achievable. LMC are represented on the BVD Eradication Programme Implementation Group and LMC's Industry Development Manager is also a member of the Animal Health and Welfare Northern Ireland (AHWNI) Board.

Assisting Export Marketing

LMC owns and manages the European Union Trademark 'Greenfields' (for class 29 meat and meat extracts) on behalf of the beef and sheep meat industry. Greenfields is predominately used as a consumer facing brand in the Benelux countries by Dutch retailer Albert Heijn and

is supplied by meat processing companies operating in Northern Ireland and the Republic of Ireland.

During the year LMC carried out a wide range of activities to support the export marketing of the Northern Ireland beef and sheep meat industry and its products. LMC is an active and funding industry member of the UK Export Certification Partnership (UKECP). Positive developments on third country exports were achieved through the work of the UKECP including the first lamb exports from the UK to USA in more than two decades. Important work was also progressed by UKECP on key market access priorities for beef and lamb including China, Vietnam, Taiwan, South Korea, South Africa, Mexico and the Caribbean. LMC also participated in meetings of the DAERA / NI Agrifood Industry Meat Export Working Group. These meetings provide a very useful forum for industry and government representatives to discuss and consider important meat export matters such as EU Exit Issues, Global Market Access Developments and Export Priorities for Northern Ireland. LMC has continued to engage in international initiatives to raise the profile of the NI beef and sheep meat industry including the International Meat Secretariat, Gira Meat Club, and the Global Meat Alliance. Through these initiatives LMC is also able to get the most relevant and up to date information on market developments around the world and to communicate this to stakeholders through the Bulletin, LMC News and other vehicles.

Northern Ireland Beef and Lamb Farm Quality Assurance Scheme

Participation

In the 2022-23 financial year producer numbers participating in the Northern Ireland Beef and Lamb Farm Quality Assurance Scheme (NIBLFQAS) have decreased by approx. 0.3%. In the 2022-23 financial year there was a 14.3% increase in FQAS applications to join the scheme in comparison to the financial year 2021-22. At the end of the 2022-23 financial year, producer participation in FQAS stood at 11,836 active participants, a decrease of 37 relative to the end of the last financial year. Overall, the percentage of price reported prime cattle that were farm assured at time of slaughter was 98% at the end of the 2022-23 financial year. Steers represented the highest category for assurance proportion at 98.4% with cull cows reaching 92.4% at the year end.

Inspection and Certification

Following the Covid-19 pandemic, FQAS inspections have returned to normal. Protocols remain in place if required. In the 2022-23 financial year 6,696 surveillance inspections were conducted by the Certification Body, Northern Ireland Food Chain Certification (NIFCC), which represents an average surveillance inspection interval of 20.4 months against a maximum target of 18 months. There were 566 spot-check inspections, representing 5% of scheme members against a minimum target of 5%. Ongoing monitoring of performance against contract is undertaken by LMC and reported to the FQAS Industry Board and LMC Board. By year end NIFCC reported an inspections deficit of 519. The main reasons for this were:

- The knock-on impact of the 3 month break of inspections from March 2020 to June 2020 due to Covid-19 on inspections due to be completed on the 18 month surveillance cycle.
- The number of cancellations of inspections had significantly increased during the 2022-23 year, despite a number of mitigation measures put in place from June 2022.

Scheme Management

FQAS Industry Board/Standard Setting Committee

In 2022-23 LMC continued to facilitate meetings of the FQAS Industry Board and FQAS Standard Setting Committee (SSC) to ensure that the FQAS continues to operate effectively and efficiently in line with industry needs. The FQAS Industry Board met on five occasions throughout the year to discuss a number of important industry issues such as: the impact and operation of Carbon Surveys for FQAS participants, FQAS finances and future funding and Certification Services contract.

Provision of Certification Services to NIBLFQAS

In February 2022, following a public tender in conjunction with Construction and Procurement Delivery (CPD), NIFCC were awarded the contract to provide Certification Services to FQAS for an initial contract period of three years, with the option to extend for two further one-year periods, subject to contract performance. This contract commenced on 01 April 2022.

Earned Recognition

LMC continued to operate earned recognition with Food Standards Agency (FSA).

Standards Review

Every three years LMC undertakes an in-depth review of scheme Standards and Rules. Standards can be amended at any point during the review cycle depending on industry needs, retailer requirements, legislative or policy changes. During the 2022-23 year the formal process for reviewing FQAS Standards was completed by the Standard Setting Committee. Standards and Rules 2022 were published online and a FQAS Record Book 2022 was printed and distributed to approx 11,600 participants. The Standards and Rules 2022 were implemented on farm from 01 November 2022. As part of the Standards Review process LMC and NIFCC took the opportunity to review the inspection questions with a view to streamline the inspection process and ensuring inspection questions were robust and fit for purpose.

FQAS Customer Relationship Management (CRM) Database Development

Throughout 2022-23 the FQAS CRM database has been working efficiently and continues to provide the foundation for managing FQAS participation. Meetings were held with the Contracted developers in Q4 to discuss future development and upgrade which is planned to be taken forward in 2023-24.

Assured Food Standards

LMC continues to maintain good lines of communication with Assured Food Standards (AFS) with regards to the Red Tractor (RTA) Beef and Lamb Assurance Scheme. NIBLFQAS and RTA Beef and Lamb are considered equivalent assurance schemes therefore LMC meets with AFS throughout the course of the year to discuss scheme developments. LMC has worked closely with Quality Meat Scotland (QMS), Welsh Lamb and Beef Producers (WLBP) and AFS to formalise a Common Framework Agreement that all UK assurance schemes (which are allowed to use the Red Tractor Logo) would work collectively to ensure that differing regional approaches to assurance are formally recognised whilst delivering to the same agreed outcomes. This Common Framework has now been agreed and signed. The first meeting of the Technical Beef and Lamb Implementation Group stipulated in this Framework took place during the year.

Communications

LMC continued to update FQAS participants on scheme developments. Press releases have been sent out along with text messages and LMC bulletin articles to communicate scheme developments. During Q2 and Q3 FQAS delivered an in-depth communications plan to demonstrate the merits of FQAS and has gathered a number of industry testimonials. FQAS continues to try to improve communications with participants and continues to provide more accessible methods of payment for participation fees. In March, the FQAS online application form was launched on the LMC website, providing an easier and alternative way for potential applicants to join FQAS.

Farm Liaison

The FQAS Farm Liaison Service continued to provide valuable assistance before and after inspections to FQAS participants during the 2022-23 reporting period. The Liaison Service continued to actively call members of FQAS at both suspension and revocation stages to offer assistance in rectification of non-conformances. The Liaison Service handled a significant volume of queries through the FQAS Helpline and referrals from the Certification Body. The FQAS Farm Liaison Officer dealt with on average 156 calls per month from and to members of the FQAS.

Scheme Funding

The current funding streams that are in place for FQAS are based on contributions from both producers and processors. Producers pay an annual participation fee and processors pay a throughput fee on each animal slaughtered (£1.20 per bovine animal and £0.10 per ovine animal). Processors also pay an annual membership fee of £400 for a slaughter/processor and £250 for a secondary processor. The 20% increase in the FQAS processor throughput fee for bovine animals implemented in the previous financial year remains in place and has been used to help with essential supply chain development work where gathering of data is needed to help evidence and monitor the industry's strong sustainability credentials. The producer participation fee remained at £75 (excluding VAT) for the 2022-23 year.

Marketing and Communications

Education

Post Primary School Cookery Demonstrations

LMC's team of eight freelance cookery demonstrators delivered 375 post primary school cookery demonstrations across Northern Ireland. Demand for this service remained high, with all demonstrations being booked within 7 days of launch. Demonstrations in Food and Nutrition classes began in September and were completed by the end of March 2022. The demonstrations continued to provide an opportunity for an interactive lesson providing both theory and practical learnings during the session. Pupils hear messaging on The Northern Ireland Beef and Lamb Farm Quality Assurance scheme (NIFQA), nutrition, environmentally conscious farming methods and cookery skills. In addition to sampling beef and lamb dishes at the end of a demonstration, over 6000 recipe books filled with beef and lamb recipes and a host of educational information were distributed in schools. Demand for cookery demonstrations at post primary school level continues to grow with a reserve list being compiled each year. Teacher feedback is encouraging and appreciation for the continuation of the service was highlighted.

Primary School Cookery Demonstrations

LMC launched a primary school cookery demonstration programme in April 2022, offering 100 demonstrations to Key Stage 2 classes. Following a hugely successful launch with bookings filling within 5 days, demonstrators completed all demonstrations between April-June 2022. Each demonstration was tailored to the request of the school and topics covered included healthy eating, the world around us, agriculture and where our food comes from. This allowed key messaging around nutrition and red meat, looking for the NIFQA logo and the importance of provenance in the farm to fork story of NIFQA beef and lamb. Pupils had the opportunity to taste beef and lamb after the demonstration and were able to take home a recipe book. Teacher feedback highlighted a gap in resources available to this age group and therefore cemented the demand for cookery demonstrations in primary schools.

ABP Angus Youth Collaboration

LMC were delighted to partake in the judging panel of The ABP Angus Youth Challenge. LMC proudly provided Angus Youth Challenge finalists with the opportunity to host a demonstration event in their schools. Demonstrations highlighted the importance of looking for the NIFQA logo when purchasing beef, the role of the NIFQA scheme in maintaining the three pillars of sustainability and role of red meat as part of a healthy balanced diet. The values and aims of LMC's education programme align with the ABP Angus Youth Challenge and LMC resources will continue to be made available to competitors.

Meat4Schools

Meat4schools was launched in September 2022 in collaboration with ABP Linden Foods under a new videography style submission format. This new format was welcomed by teachers with topics reflective of key stage learning outcomes including food safety, red meat nutrition and the Northern Ireland Beef and Lamb Farm Quality Assurance Scheme. Schools were given the opportunity to make one submission per year group to win a NIFQA beef and lamb. The three schools that were selected as the winners of this year's competition are: Integrated College, Glengormley; Down High School, Downpatrick; and St Joseph's Convent Grammar School, Donaghmore. All schools received multiple cuts of NIFQA beef and lamb to use during practical cookery lessons. Amy Doherty, teacher at St Joseph's Convent Grammar School, Donaghmore commented on how the Meat4Schools competition complements learning outcomes. "This competition served to enhance pupil confidence in discussing the importance of red meat in the diet and added to their understanding of food preparation and safety. It was an active learning strategy that combined nutritional theory with the practical element of the subject. Our pupils study the food supply chain 'from farm to fork' and recognise the importance of NI Farm Quality Assurance at Key Stage 3 level and as part of the GCSE and A level specification."

Careers Fairs

LMC took part in three careers fairs during the year for GCSE, A-Level and higher education students. These careers fairs allowed LMC to engage with students and discuss the important contribution of the red meat industry to Northern Ireland's economy and the vast range of

roles that are available in the industry. LMC distributed information leaflets on careers in the red meat industry at each event.

CAFRE Bursary

LMC was among a group of organisations who provided bursaries to support local agriculture students undertaking higher education courses at CAFRE Greenmount. The Commission offered a £1500 bursary to support students studying agriculture related degree courses at CAFRE who were willing to share their knowledge of the agri food industry and their passion for progressing careers within this sphere. The LMC bursary award was presented to BSc Hons Agricultural Technology student Rebekah Woodside by LMC board member Harry Sinclair during the Agriculture Bursary Awards held at CAFRE Greenmount campus.

Red Meat Skills Workshops

LMC completed the successful procurement of a workshop provider. British Nutrition Foundation will be providing three annual red meat skills workshops for post primary school teachers to improve confidence in using red meat in the classroom.

Marketing and Consumer Promotion

LMC Media Campaign

LMC's Good Honest Food Campaign launched its third burst of activity in January 2023 which ran until the end of March 2023. The campaign works to highlight the positive story and factual credentials of Northern Ireland's world class sustainable beef and lamb. The campaign focusses on the nutritional, environmental and versatility attributes of Northern Ireland Farm Quality Assured (NIFQA) beef and lamb, communicated through a host of exciting, innovative and engaging advertising materials. Local chef James Devine presents the 'travel blog' style series, while making a journey around Northern Ireland meeting experts in the fields of nutrition, environment, agriculture and the wider food industry. The campaign secured a variation of high value slots on local, regional and national television, radio and outdoor sites as well as a digital input campaign. The media neutral campaign encourages viewers to find out more about NIFQA beef and lamb with a call to action to www.beefandlambni.com. LMC utilised previous tracking research to inform media planning, in which LMC targeted new

demographics and tested further media channels including TikTok, Sky View and Spotify. The design of the campaign favours further expansion of assets in the form of numerous infographics, information videos and recipes, some of which have been displayed on LMC's social media channels. The campaign continues to lead the conversation on Northern Ireland's world class beef and lamb.

Beef Week

During Beef Week 2022, LMC delivered a collaborative programme of events with Ulster Farmers Union and ABP across social media. The theme of the event was to promote the sustainability of NI beef production, as well as the nutritional and versatility attributes. LMC developed a host of social assets including videos and infographics which were distributed across social media throughout the weeklong promotion. LMC also shared these assets with industry partners for widest reach. LMC launched a series of 'Tik Tok' style beef recipe videos that were launched during beef week and were extremely successful in gathering engagement.

Lamb Week

During Love Lamb Week 2022 LMC partnered with Ulster Farmers' Union and other industry stakeholders to deliver a weeklong programme of content, highlighting the many positive attributes of the industry. Sustainability and nutrition were the overarching themes of the initiative with the aim of informing consumers on the role of NIFQA in eco-conscious farming, with a further focus on the versatility of lamb and skills for cooking. The campaign had a digital focus on both the consumer facing Beef and Lamb NI Facebook page and the LMC Industry facing Facebook page which played host to infographics and creative content. A radio package was secured with U105 to include a series of radio and digital advertising opportunities with presenter Carolyn Stewart which included interviews, competitions, and cookery videos (average 223,400 listeners per week). LMC also partnered with local celebrity chef Suzie Lee to promote a lamb recipe and host a competition on her Instagram page. LMC led a series of live cookery demonstrations in the Boulevard, Banbridge to engage with consumers and encourage sampling of lamb. There was very strong engagement from consumers in Northern Ireland with the content on social and in person, which was a positive sign for lamb promotion.

Levy Body Collaboration

During the 2022–2023 year, LMC joined a joint levy body collaboration group with AHDB, QMS and HCC to work in the non-competitive space. LMC was involved in the development and distribution of asset packs on important events such as Iron Awareness Week, Veganuary and COP. The collaboration was received well by stakeholders and was beneficial in portraying a strong unified voice for the red meat industry across the United Kingdom.

Open Farm Weekend

LMC proudly sponsored Open Farm Weekend 2022 during its return to a physical event. LMC was able to deliver messaging about the versatility and nutritional benefits of NIFQA beef and lamb throughout the event as part of live cookery demonstrations on NIFQA farms during the school's day and consumer days. LMC distributed recipe books to all NIFQA farms taking part in the initiative.

Balmoral Show

LMC had a hugely successful Balmoral Show in May 2022, with the return of cookery demonstrations and an interactive stand. The show provided LMC the opportunity to engage with consumers and stakeholders during the 4 days. LMC distributed a record number of recipe books and printed resources which was testament to the newly designed and engaging stand space. LMC sponsored 4 livestock classes during the show including Sheep Interbreed Pairs, Sheep Young Handlers, Beef Champion of Champions and Beef Continental and Native Teams of 5. This package continues to maximise LMC exposure in printed resources and press before, during and after the event.

Armagh Show

In order to maximise engagement with the agricultural industry and consumers, LMC began its annual county show programme. In the first year, LMC was approached by Armagh Show committee to attend the show. LMC had a successful day engaging with visitors on topics such as joining the Northern Ireland Beef and Lamb Farm Quality Assurance Scheme, signing up for the market information services and also received lots of positive feedback on the education programme in local schools. LMC felt the event was very worthwhile and is looking forward to attending a county show next year to continue this much appreciated engagement.

Communications

Website Development

Three new websites were launched in 2022 for lmcni.com, beefandlambni.com and food4life.org.uk. Accessibility and useability of the sites was improved, and user experience was built upon. Functionality for joining FQAS, accessing market information resources and the shopping list generator for consumers were all additional functions added for launch. Stakeholder feedback on the sites has been positive, and there has been an increase in the registration for market information resources with the addition of new sign-up areas on the home page.

Social Media

The LMC marketing and communications team manage four social media accounts, Twitter, @LMCNI; Facebook, Livestock and Meat Commission NI; Facebook, Beef and Lamb NI; and Instagram, [beefandlamb.ni](https://www.instagram.com/beefandlamb.ni). The latter two pages are consumer focused while the others have a corporate outlook. Communications plans are drafted on a monthly basis for these pages, scheduled and ad hoc posts are monitored on a daily basis for engagement. Posts vary between infographics, informative and events style posts and videos. Monthly analytical analysis is undertaken to inform future content planning. Social media reach continues to grow. Social media provides an immediate platform for LMC to engage with consumers and stakeholders on a regular basis, continually informing followers on industry news and initiatives.

Printed Press

Throughout the year LMC issued 45 press releases to local, regional, and national press. There were 4 joint press releases issued in which LMC contributed. These press releases were received well and were carried 288 times across a host of publications including, Farming Life, Farm Week, Irish Farmers Journal, Agriland, Meat Management, Belfast Telegraph, Ulster Grocer and many more. Many of these press releases were published in print, digital and on social media platforms. LMC aims to continue to engage with press and investigate new press opportunities in line with consumer promotion and target markets.

Radio

LMC continued contribution to BBC Farming Matters with Nicola Weir on a weekly basis throughout the year. LMC also partook in BBC Farm Gate on multiple occasions and provided ad hoc interviews on local farming radio shows when approached.

Advertorials

Throughout the year LMC procured seasonal advertorials to coincide with back to school and easter recipe promotion in regional news outlets. Irish News featured lamb promotion before Easter to highlight the importance of looking for the logo while purchasing meat during the holidays. An advertorial was placed in NI for Kids to promote a back-to-school recipe option for busy households and to improve LMC's engagement with main shoppers. During the summer months, LMC procured a 4 weeklong promotional campaign with Irish News to promote NIFQA beef and lamb recipes in line with their love local weekend features. These advertorials were placed during a 'down time' in campaign activity and therefore helped to maintain view of NIFQA beef and lamb and recognition of the logo with consumers.

Collaborations – Meat Management and Sheep Farmer

LMC utilised a few press collaborations to promote its role as Northern Irelands beef and lamb promotional body. As part of Meat Management, Focus on NI edition LMC had the opportunity to provide an activity update and advertorial. LMC also contributed to Sheep Farmer magazine Northern Ireland feature to provide a marketing activity update.

Communications assets

LMC developed a host of assets to enhance social media communications in the form of new stock stills, B-roll video stock and promotional videos. The content captured included beef, sheep, school cookery demonstrations and FQAS inspections. These new format assets will help improve reach and engagement on digital platforms, as well as improve LMC's wider stock content for organisation wide promotional activities.

Market Information Department Report 2022-2023

LMC's Market Information department continued to deliver services to support the NI red meat industry throughout the 2022-23 financial year. The Market Information department delivered on its commitment to provide timely and accurate information that informs stakeholders about market developments using a mixture of basic statistics, research and analysis all delivered primarily through LMC publications, the LMC website and meetings/presentations with stakeholders.

Beef Market Overview 2022-23

For the financial year 2022-23 there were 368,497 prime cattle killed in local beef processing plants, an increase of 9,511 head from the previous financial year. The average carcass weight of prime cattle recorded a decrease of 6kg from the previous financial year to 342.4kg during 2022-23. Cow throughput in Northern Ireland totalled 118,523 head during 2022-23, an increase of 8.2 per cent from the 109,551 cows processed in 2021-22. However, the average carcass weight of cows decreased 8kg to 301.9kg in the 2022-23 period. Beef production from prime cattle increased by almost one per cent to 126,304 tonnes while the volume of cow beef processed increased by 5.5 per cent to 35,730 tonnes.

Imports and exports of cattle for direct slaughter have continued to operate at relatively low levels in the 2022-23 financial year. A total of 14,645 prime cattle were imported from the Republic of Ireland for direct slaughter during 2022-23, a 5.4 per cent increase when compared to the 13,889 prime cattle exported the previous year. Imported cattle from Ireland accounted for almost four per cent of total prime cattle throughput in Northern Ireland in the 2022-23 financial year. Meanwhile 316 prime cattle and 3,333 cows were exported out of NI to ROI and GB during 2022-23 financial year with 91 per cent exported to ROI for direct slaughter.

During the 2022-23 financial year there were 384,218 beef sired calves registered on Northern Ireland farms, an increase of 15,683 head from the previous year. Aberdeen Angus calf registrations continue to increase year on year with an increase of 7.2 per cent from 2021-22

levels. This has resulted in more Aberdeen Angus bred cattle on local farms and accounts for a larger proportion Aberdeen Angus cattle in the NI slaughter mix throughout 2022-23.

Deadweight cattle prices reported record prices across the region during the financial year 2022-23. The average R3 steer price in Northern Ireland for the financial year 2022-23 was 447.3p/kg, a strengthening of 46p/kg from 401.3p/kg reported during the same period in 2021-22. A similar trend was followed with cow prices in Northern Ireland during the financial year 2022-23 with the average O3 cow price up 58.8p/kg from 2021-22 levels to 366.5p/kg.

Sheep Market Overview 2022-23

Lamb/hogget throughput in local plants totalled 471,948 head in 2022-23, a 10.6 per cent increase on the previous year when 426,705 lambs/hoggets were killed in local plants. The average carcase weight of lambs/hoggets processed locally during 2022-23 was 21.9kg, a slight decrease from the 22.1kg recorded in the previous year. Exports of lambs/hoggets to ROI for direct slaughter slightly increased by 1.9 per cent to 289,696 head during 2022-23 financial year.

The average deadweight lamb/hogget price in Northern Ireland for the financial year 2022-23 was 538.3p/kg, relatively unchanged from the 538.2p/kg reported in the previous financial year.

Deadweight Cattle Price Reporting Services

LMC continued to deliver statutory price reporting obligations on behalf of DAERA for deadweight cattle price reporting. Deadweight cattle price reporting has continued with the on-going weekly delivery of price reports in a range of formats to inform the wider red meat industries.

Market Analysis and Research

The Market Information department has continued to conduct bespoke analysis using a range of data sources. Through the data request service, the Market Information department has provided the NI beef and sheep meat industries with a wide range of bespoke market information reports including analysis of specifications, prices and supplies of cattle and

sheep. This service helps support producers and processors with their decision making by providing accurate and timely information that creates a better understanding of the trade.

Publications

LMC continued to deliver a comprehensive range of statistical publications in 2022-23. The weekly LMC Bulletin published every Saturday in the Farming Life newspaper remains the primary distribution method for the provision of impartial market information to the NI red meat industry. A mid-week publication of the LMC Weekly Update is produced and published each Wednesday in the Irish Farmers Journal and Farm Week newspaper. Both publications are also available on the LMC website and distributed via email to subscribers.

The LMC text message service is a popular and effective vehicle for providing weekly beef and sheep base quotes from the major NI processors to producers with just over 8,700 subscribers to the service. LMC continues to provide daily beef and sheep price updates on the LMC answerphone service and to BBC Radio Ulster.

A handwritten signature in black ink, appearing to read 'Colin Smith', with a stylized flourish at the end.

Colin Smith
Accounting Officer

17 June 2024

Accountability Report

Corporate Governance Report

Directors Report

LMC is a Non-Departmental Public Body (NDPB) and an Arm's Length Body (ALB) of DAERA. The Chief Executive, Ian Stevenson is the Accounting Officer and is responsible for the overall operation and performance of the LMC.

Commission Membership

The Minister for Agriculture, Environment and Rural Affairs appoints the chairman and members of the LMC Board for three-year terms. As of 31 March 2023, there were five members on the Commission ('the Board'). Board appointments and committee membership are set out below:

Name	Date Appointed	Date Term Expires	Committee Membership
Gerard McGivern	6 Nov 2015	6 June 2023	Chairman Remuneration (Chair)
Harry Sinclair	1 Jul 2015	6 June 2023	Audit and Risk Assurance
Jim Lennon	1 Jul 2015	6 June 2023	Audit and Risk Assurance
Gerry Maguire	22 Oct 2015	6 June 2023	Remuneration
Joseph Stewart	1 Feb 2021	31 Jan 2024	Audit and Risk Assurance (Chair)

In addition to this, Oonagh Chesney resigned from the board on 6th February 2023.

The role of the Board is to act effectively as Non-Executive Directors of LMC and to exercise the ultimate control on policy. Management of LMC is delegated by the Board to the Chief Executive and a management team. The Chief Executive, having responsibility also as Accounting Officer, is responsible to the Board for the proper conduct of LMC affairs and the development and implementation of the policies determined by the Board. The Board meets routinely once per month, with additional meetings on an ad hoc basis when circumstances require.

Conflict of Interests

None of the members of the Board has any significant interests which would conflict with their corporate responsibilities. The Commission maintains a Register of Interests for all Board Members and staff. The following section outlines Board Members interests. The Governance Statement gives further details in relation to the management of any Conflict of Interest.

Gerard McGivern (Chairman)

Mr. Gerard McGivern has served as the Chairman of LMC since 06 November 2015. Mr McGivern is a Fellow of the Chartered Institute of Marketing and a Fellow of the Institute of Economic Development. He has been involved at a senior level in a number of district councils in various marketing and development roles and has led numerous cross border initiatives. He is Vice-Chairman of Banbridge District Enterprises Ltd, and a Non-Executive Director of the Northern Health and Social Care Trust.

Harry Sinclair

Mr. Harry Sinclair was appointed to the LMC Board in July 2015. Mr Sinclair is a suckler cow, beef and sheep farmer producing Aberdeen Angus beef for premium markets and lamb for the UK markets. As a past President of the Ulster Farmers Union (UFU), he has extensive experience of advocacy on behalf of the farming community. He has served as Chairman of the UFU's Hill Farming and Beef and Lamb Committees and is a founder member and current Chairman of the Farm Safety Partnership. He has served as Vice-President of the Committee of Professional Agricultural Organisations ("COPA") and has represented the UK on the EU Commission's Sheep and Beef Advisory Committees. He has also served as Chairman of AgriSearch's Beef Committee and as a producer representative on the Red Meat Taskforce. He brings significant experience of working on policy committees to the Board of the LMC. Mr Sinclair is a board member of the Health and Safety Executive for Northern Ireland (HSENI) and is Chairman of the Farm Safety Partnership.

Jim Lennon

Mr. Jim Lennon was appointed to the LMC Board in July 2015. Mr Lennon is a beef farmer specialising in the production of Aberdeen Angus cattle. He is also involved in the Derryhouse

Farming Community Group which promotes investment and training in livestock production. He has significant wider senior public sector experience shown in both his current role as Head of Corporate Service for Middletown Centre for Autism and various senior roles in the National Health Service. He has also been involved in local economic and social regeneration matters. He was Chair of the Blood Transfusion Service until 31 March 2019.

Gerry Maguire

Mr. Gerry Maguire was appointed to the LMC Board in October 2015. Mr Maguire has over 40 years' experience in the Red Meat processing industry. He is currently Managing Director of Linden Foods. He is directly responsible for the Linden Foods Group which has an annual turnover of £400million. He has previously served three years on Bord Bia's Meat and Livestock Board.

Joseph Stewart

Mr. Joseph M Stewart OBE, LLB, JP was appointed to the Board in February 2021. Mr Stewart is currently a Non-Executive Director of the Public Health Agency (including Chair of its Governance and Audit Committee). He is also the Council Member/Director of the Suffolk Sheep Society GB. He is retired, following a wide-ranging career including the Engineering Employers Federation, Harland & Wolff, Police Authority of NI (PANI) and PSNI (non-police role). Mr Stewart has significant finance and governance experience in the private and public sectors. Mr Stewart was appointed an OBE for Public Service in 1994.

Pension Liabilities

Further details in relation to the pension schemes are given in accounting policy note 14 to the accounts and in the Remuneration Report.

Auditors

The financial statements are audited by the Comptroller and Auditor General for Northern Ireland (C&AG) in accordance with the Livestock Marketing Commission Act (Northern Ireland) 1967. He is head of the Northern Ireland Audit Office and he and his staff are wholly independent of the Livestock and Meat Commission for Northern Ireland and reports his findings to the Northern Ireland Assembly.

The Accounting Officer has taken steps to make himself aware of any relevant audit information and to establish that the auditors are informed of that information. So far as he is aware, there is no relevant audit information of which the auditors are unaware.

The audit of the financial statements for 2022-23 resulted in an audit fee of £14,600 and this is included in the other operating charges in the Statement of Comprehensive Net Expenditure. The C&AG did not provide any non-audit services during the year.

Financial Risk Management

Further details in relation to financial risk management are given in accounting policy note 1 to the accounts.

Data Protection

LMC has robust policies and procedures in place in relation to data protection which have been reviewed in line with UK General Data Protection Regulations (GDPR) in January 2021 following the UK exit from the EU. There were no personal data related incidents in 2022-23.

Complaint Handling

LMC is committed to providing the highest possible standards of service to all its customers and has a Staff Code of Conduct that details the core standards of service our staff are expected to deliver. Central to these is the facility for customers to lodge formal complaints if things go wrong. LMC's Complaints Procedure is publicly accessible on the LMC website and informs customers how to make a complaint if they are unhappy with the level of service received. All staff in LMC have been briefed and issued with written guidance which outlines the clear procedures for complaint handling by the organisation. The overall managerial responsibility for complaints rests with the Chief Executive. In line with our Complaints Procedures, and our equality commitments, we monitor complaints received and our handling of them. There were no complaints raised in 2022-23.

Significant Issues

Further details in relation to any significant issues are given in the Strategic Report and Governance Statement.

Statement of the Commission and Accounting Officer's Responsibilities

Under the Livestock Marketing Commission Act (Northern Ireland) 1967 the Department of Agriculture, Environment and Rural Affairs (DAERA) has directed the Livestock and Meat Commission for Northern Ireland (LMC) to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction provided by the Department of Finance (DoF). The accounts are prepared on an accruals basis and must give a true and fair view of LMC's state of affairs at the year end, of its comprehensive net expenditure, financial position at year end, changes in taxpayers equity and cash flows for the financial year.

In preparing the accounts, the Accounting Officer is required to comply with the requirements of the Government Financial Reporting Manual (FReM) and in particular to:

- Observe the accounts direction issued by DAERA including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- Make judgments and estimates on a reasonable basis;
- State whether applicable accounting standards as set out in the FReM have been followed, and disclose and explain any material departures in the financial statements; and
- Prepare the financial statements on the "going concern" basis, unless it is inappropriate to presume that the entity will continue in operation.

The Accounting Officer of DAERA has designated the LMC Chief Executive as the LMC Accounting Officer. 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 the keeping of proper records and for safeguarding the LMC's assets, are set out in Managing Public Money NI, issued by DoF.

As Accounting Officer, I am required to confirm that the Annual Report and Accounts as a whole is fair, balanced and understandable and that I take personal responsibility for the Annual Report and Accounts and the judgements required for determining that it is fair, balanced and understandable.

As far as I am aware, there is no relevant audit information of which the LMC auditors are unaware. I, as Accounting Officer has taken all the steps that ought to have been taken to be aware of any relevant audit information and to establish that LMC's auditors are aware of that information.

The Accounting Officer is responsible for the maintenance of the LMC's website and establishing suitable security procedures and controls to prevent unauthorised amendment and to ensure the integrity of the website. I am also responsible for ensuring that electronic publication of the financial statements and auditor's report properly present the original certified statements.

Governance Statement 2022-23

This governance statement sets out the governance, risk management and internal controls that are in place at LMC and explains how the Accounting Officer receives assurance on the management of risks to delivering the performance targets. The statement sets out how the Board and associated committees provide assurance and demonstrate value for money, regularity and propriety in delivering its strategic outcomes.

Scope of Responsibility

The Accounting Officer for DAERA has designated the LMC Chief Executive as the LMC Accounting Officer. The Accounting Officer is responsible for managing and controlling the resources used within LMC in accordance with the responsibilities assigned in Managing Public Money Northern Ireland (MPMNI). The governance structures and processes, risk management and internal controls during the year were effective. During the year, there was a continued focus on strengthening governance arrangements and internal controls through the implementation of recommendations resulting from internal and external audit recommendations.

The Accounting Officer is responsible for maintaining a sound system of internal control that supports the achievement of the Livestock and Meat Commission's aims and objectives, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.

The Governance Framework

The governance framework comprises the systems and processes, culture and values by which LMC is directed and controlled. It enables LMC to monitor the achievement of its strategic outcomes and to consider whether those outcomes have led to the delivery of appropriate services and value for money for its stakeholders. LMC's governance framework adapts, to the extent appropriate for an organisation of LMC's size, scope and risk, the principles of the Corporate Governance in Central Government Departments: Code of Good Practice (NI) 2013.

The Minister for Agriculture, Environment and Rural Affairs is accountable to the Northern Ireland Assembly for the activities and performance of the LMC. DAERA ALB Corporate Sponsor Branch is responsible for managing the overall relationship between DAERA and LMC.

ALB Corporate Sponsor Branch holds quarterly Accountability Meetings with LMC as part of its governance oversight. The Management Statement and Financial Memorandum (MSFM) defines the accountability arrangements of LMC to DAERA. In 2019-20 year the Partnership Agreement template was formally launched. Partnership Agreements when completed, will replace the MSFM. DAERA and LMC have been working together to discuss their relationship and agree their Partnership Agreement. This work is ongoing.

The Accounting Officer for LMC is supported by the LMC Senior Management Team, Corporate Governance Manager and a Non-Executive Board. The Senior Management Team consists of the Accountant, Marketing and Communications Manager, Industry Development Manager and Senior Market Analyst (currently vacant).

The strategic plan provides an overview of the statutory purpose of LMC. It identifies the major factors influencing LMC's strategy and formalises the major inputs from its stakeholder consultation process. The strategic plan outlines LMC's strategic outcomes over a rolling three-year period and associated business outcomes for the next year. The business plan is formed from the strategic plan and includes key targets and milestones. Financial budgets are produced annually for the forthcoming 12-month period. The LMC Strategic Plan 2021-2024 was approved by the Minister for Agriculture, Environment and Rural Affairs in November 2021. The LMC Business plan and Budget for 2022-23 were approved by the DAERA Departmental Board in October 2022 and by the Minister in October 2022.

The governance framework has been in place at LMC for the year ended 31 March 2023 and up to 6 June 2023 when all but one Board member reached their maximum term of service.

LMC Board

The LMC Board comprises a chairman and four non-executive members, appointed by the Minister for Agriculture, Environment and Rural Affairs for three-year terms.

The Board meets routinely once per month, with additional meetings on an ad hoc basis when circumstances require.

The Board has corporate responsibility for ensuring that LMC fulfils the various aims and objectives that are approved by DAERA, and for prompting the efficient, economic and effective use of staff and other resources by LMC. To this end, and in pursuit of its wider corporate responsibilities, the Board:

- Establishes the overall strategic direction of LMC within the policy and resources framework determined by DAERA and its Minister;
- Ensures that DAERA and its Minister are kept informed of any changes which are likely to impact on the strategic direction of LMC or on the attainability of its targets, and determines the steps needed to deal with such changes;
- Ensures that any statutory or administrative requirements for the use of public funds are complied with, that the Board operates within the limits of its statutory authority and any delegated authority agreed with DAERA and in accordance with any other conditions relating to the use of public funds, and that, in reaching decisions, the Board takes into account guidance issued by Government;
- Ensures that it receives and reviews regular financial information on the management of LMC, is informed in a timely manner about the activities of LMC, and provides assurances to DAERA that action has been taken to make appropriate adjustments where required;
- Demonstrates high standards of corporate governance at all times; and
- Appoints, with DAERA's approval, a Chief Executive to LMC and, in consultation with DAERA, sets remuneration terms for the Chief Executive.

Evaluation of Board Performance

Table 1 sets out the attendance of Commission Members for the financial year 2022-22 at Board and Audit and Risk Assurance Committee (ARAC) meetings where applicable:

Table 1

NAME	BOARD MEETING	ARAC
Gerard McGivern Appointed 06/11/2015	10/10	-
Harry Sinclair Appointed 01/07/2015	10/10	2/3
Oonagh Chesney* Appointed 01/07/2015	8/8	2/2
Jim Lennon Appointed 01/07/2015	7/10	2/3
Gerry Maguire Appointed 22/10/2015	7/10	-
Joseph Stewart Appointed 01/02/2021	10/10	3/3

****Oonagh Chesney resigned from the Board on 6 Feb 2023***

Prior to each Board meeting papers and the meeting agenda are issued to aid discussions. Regular performance and financial information is provided to the Board. The minutes of Board meetings are provided to DAERA and hosted on LMC's website.

DAERA's Senior Sponsor for LMC assesses the LMC Chairman's performance annually. The LMC Chairman assesses individual Board Members annually.

In April 2023 the Board completed a self-assessment performance checklist reflecting on the 2022-23 financial year. The checklist focuses on the following principles:

- Discharging the Board's roles and responsibilities effectively;
- Operating effectively as a Board; and

- Building, developing, and evaluating the Board.

All members stated the compliance of the Board in each of the three sections with all responses deemed excellent or good including:

- The Board has developed and communicated a shared understanding of its vision, remit and strategic priorities;
- The Board is actively involved in strategic planning and policy decisions;
- The Board promotes a culture of performance delivery and is actively involved in monitoring organisational and financial performance, holding the executive to account whilst remaining independent;
- The Board effectively oversees financial reporting and compliance;
- The Board has a clear relationship with the sponsor department;
- The Board is effective in enhancing relationships with members and other stakeholders;
- The Board understands that it is accountable to, and consults and communicates regularly with DAERA, the Minister and other key stakeholders;
- The Board and Board Members conduct business in a professional manner;
- The committee structure is fit for purpose and is regularly reviewed by the Board;
- The Board has an effective Audit Committee in place;
- The knowledge, skills, expertise and contacts of Board Members are fully utilised by the Board and Executive Team; and
- The Board and ARAC undertake regular reviews of effectiveness.

The amalgamated self-assessment results were reviewed and discussed at the May 2022 Board meeting, and the overall results of the checklist are shown in Table 2.

Table 2

Excellent	Good but can do better	Generally satisfactory but improvement possible	Considerable scope for improvement
96%	4%	0%	0%

Committees of the Board

The Board has established and delegated powers to an Audit and Risk Assurance Committee and a Remuneration Committee. The Remuneration Committee is appointed and operated as a committee of the LMC Board. This committee meets periodically to discuss remuneration matters, as required by the LMC Board. It is chaired by the LMC Chairman and has two further appointed members from the LMC Board, currently Ms. Oonagh Chesney (to 6 Feb 2023) and Mr. Gerry Maguire.

Audit and Risk Assurance Committee (ARAC)

The principal focus of the Audit and Risk Assurance Committee during the year was on providing oversight of the financial reporting process, the audit process, the system of internal controls and compliance with laws and regulations while effectively supporting the Board and the Accounting Officer. Mr. Joseph Stewart has undertaken the role of chairman of the committee since 1 February 2021.

A detail of attendance by Committee members is given above in Table 1. Committee meetings are also regularly attended by the Northern Ireland Audit Office (NIAO) as External Auditor, representatives of Internal Audit (DAERA IA), representatives of the sponsor body (DAERA), and senior members of LMC staff. It is established practice of the ARAC for members to meet with External Audit and Internal Audit (when in attendance) at the beginning of each meeting without LMC staff present.

The Audit and Risk Assurance Committee advises the Board and Accounting Officer on:

- The strategic processes for risk, control and governance and the Governance Statement;
- The accounting policies, the accounts, and the Annual Report of LMC, including the process for preparation of the accounts for audit, levels of error identified, and management's letter of representation to the External Auditors;
- The planned activity and results of both Internal and External Audit;
- Adequacy of management response to issues identified by audit activity, including External Audit's Report to Those Charged with Governance;

- Assurances relating to the management of risk and corporate governance requirements for LMC;
- Anti-Fraud policies, whistle-blowing processes, and arrangements for special investigations;
- The approval of internal LMC business cases for expenditure of £30,001 up to £200,000 on goods and non-construction services; and
- The Audit and Risk Assurance Committee also periodically reviews its own effectiveness and its chair reports the results of that review to the chair of the Commission.

In April 2023 the Audit and Risk Assurance Committee completed an Audit and Risk Assurance Committee effectiveness self-assessment checklist with regard to the 2022-23 financial year using the five principles as detailed in the HM Treasury's Audit and Risk Assurance Committee Handbook. All members stated the compliance of the ARAC in each of the five sections of the checklist including:

- The ARAC have a clear understanding of their terms of appointment, expectations and performance;
- The ARAC are satisfied that collectively they have the range of skills required to ensure that the Accounting Officer and Board gain the assurance needed on governance, risk management, control environment and integrity of Annual Report and Accounts;
- The ARAC have sufficient understanding of the organisation's overall control environment, including its governance and any outsourcing arrangements, and review its effectiveness regularly to provide assurance that arrangements are responding to risks within the organisation;
- The ARAC sufficiently challenge the work of Internal and External Audit;
- The ARAC critically review the comprehensiveness and reliability of assurances that they receive from across the organisation; and
- Relationships and communications are sufficiently well developed. The Audit and Risk Assurance Committee met on four occasions during the 2021-22 financial year, reporting to the Board after each meeting. The Audit and Risk Assurance Committee provides the Board and Accounting Officer with an Annual Statement, which is outlined below.

- A number of policies were reviewed and updated throughout the year and these were duly approved by the Board;
- The Internal Audit Final Opinion and Report for the 2022-23 year was issued on 27 April 2023. An overall opinion of 'satisfactory' was recorded;
- At a meeting on 27 June 2022 the ARAC Committee members approved the Governance Statement in the draft Annual Report and Accounts and the draft Report to Those Charged with Governance;
- The draft Report to Those Charged with Governance (RTTCWG) 2021-2022 was issued by NIAO on 24 June 2022. An unqualified audit opinion has been indicated and there were no recommendations arising from the audit. Ministerial approval of the Annual Report and Accounts is required before a final RRTTCWG can be issued and this was outstanding at the year end;
- The draft Internal Audit Terms of Reference for the 2022-23 review of LMC was approved by ARAC members at the LMC Board meeting on 31 October 2022;
- LMC's Internal Audit commenced remotely in November 2022 with auditors' field work completing in February 2023;
- The draft Internal Audit report and management responses were considered by the members of the ARAC on 22 May 2023 and approved for recommendation to the Board;
- The Final Internal Audit and Annual Opinion Report for the 2022-23 year was issued on 27 April 2023. An overall opinion of 'satisfactory' was recorded. The findings of Internal Audit confirmed a 'satisfactory' opinion on the LMC's governance, risk management and control arrangements;
- The ARAC members approved the External Audit Strategy for 2022-23 on 27 February 2023;
- Risk Management is a standing agenda item at each meeting of the Commission and is reviewed at each ARAC meeting. The Risk Register identified significant risks in the areas of the loss of specialist staff and difficulties in recruitment due to LMC's inability to offer terms competitive terms and conditions of service; succession planning for the appointment of Board members both of which are outside the control of the Commission; and

- ARAC also holds responsibility for the consideration and recommendation to the Board of business cases submitted by the Executive staff where the expenditure envisaged is in excess of £30k up to £200k in value. During the course of the financial year 2 such business cases were considered and approved.

In summation the Chairman states “The Committee is satisfied that the LMC is fully alive to the importance of risk management and recognises that the Corporate Risk Register is an effective and accurate reflection of the risks facing the organisation. The finance management and accounting systems are in full compliance with the Government Financial Reporting Manual. The Accounts and Annual Report have been subject to robust review by the Accounting Officer and the Board. The planned activities of Internal and External Audit have been conducted in a timely fashion with as always, a high level of cooperation between Internal and External Auditors. All recommendations made by Internal Audit have been accepted or an alternative proposal made by LMC management, and all audits conducted during the period have concluded with a ‘clean’ audit opinion. On behalf of the ARAC Committee I wish to acknowledge the sterling service given to the Audit Risk and Assurance Committee by Oonagh Chesney whose term of office ceased on 6 February 2023

I should also take this opportunity to thank all other members of ARAC for their diligence and enthusiasm so readily displayed throughout the year.

Account of Corporate Governance

LMC aims to ensure that its governance arrangements follow best practice and ‘the 2013 Code’ to the extent that its size and status allows. LMC as an NDPB complies with all relevant aspects of the 2013 Code.

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 LMC who have responsibility for the development and maintenance of the internal control framework, and comments made by the external auditors in their Report to Those Charged with Governance.

Conflicts of Interest

Conflict of Interest (Col) Declarations are undertaken for all staff and Board Members on an

annual basis and as and when required if circumstances change. The Chief Executive checks and signs all Col Declarations and will ensure that any potential or perceived conflict of interest issues are properly managed within the running of LMC operations. Any disclosures of Board Members' interests are reported in the Annual Report. The Chief Executive will discuss with the Chairman any potential Conflict of Interest issues when setting the Board agenda. If a Conflict of Interest arises during a Board meeting, the Board Member excuses themselves from the meeting for the duration of that agenda item.

Whistleblowing

LMC has a comprehensive Whistleblowing Policy in place which is regularly reviewed and updated. Version 5.0 of the Whistleblowing Policy was approved by the LMC Board at its meeting in June 2021 and the updated policy is publicly available on the LMC website. All updated policies are communicated to staff for inclusion and reference in their staff handbooks. No whistleblowing incidents occurred in the 2022-23 reporting period.

Account of Assurances and Evidence

As Accounting Officer, I am supported by monthly Board Meetings, by an Audit and Risk Assurance Committee and by the Senior Management Team, whose Stewardship Reports in regard to their particular functional responsibilities, I have relied upon. I am responsible to the Board for the proper conduct of affairs of the Commission and the development and implementation of policies determined by the Board. In meeting these responsibilities, I am supported by a Corporate Governance Manager and a team of senior managers comprising the LMC Accountant, Industry Development Manager and Marketing and Communications Manager. Senior Management Team meetings are regularly held and will plan the follow up to any Board recommendations.

LMC operates management information and accounting systems which enable it to review, in a timely and effective manner, its financial and non-financial performance against the budgets and targets set out in its agreed strategic and business plans. LMC informs DAERA of changes in external conditions, which make the achievement of the strategic/business outcomes more or less difficult, or which may require a significant change to the budget or outcomes as set out in the strategic or business plans.

LMC's performance in helping to deliver DAERA policies, including the achievement of key outcomes, is reported to DAERA on a quarterly basis. In line with DAERA's Arm's Length Bodies Sponsorship Manual quarterly Accountability meetings take place between the Senior Sponsor, members of the sponsorship team, the Chairman and the LMC Accounting Officer. Prior to these meetings signed Assurance Statements are forwarded by the LMC Accounting Officer to the Sponsor Branch for review and consideration of any action points raised. The Minister or his/her nominated representative meets the Board formally as appropriate to discuss LMC's performance, its current and future activities, and any policy developments relevant to those activities. No Ministerial Directions were given to LMC during 2022-23. On an annual basis the LMC Board meets with the DAERA Departmental Board.

LMC's performance against key targets is reported in the Annual Report and Accounts. The Annual Report offers a review of LMC's performance in the financial year, together with comparable outturns for the previous year.

Internal Audit

The Internal Audit 2022-23 commenced in November 2022. The audit scope for the annual Internal Audit of LMC included Corporate Governance (including business continuity planning and impact analysis) and Farm Quality Assurance (including Contract Procurement/Management, Supplier Relief provided during Covid-19 and Contract Extensions) and a Review of the implementation of previous audit recommendations.

The Internal Audit Branch of DAERA (IA) gave an overall 'Satisfactory' assurance, in its 2022-23 Annual Report and Opinion of the Livestock and Meat Commission for Northern Ireland, concluding that LMC have established an adequate system of governance, risk management and control in relation to Corporate Governance, the NIBL FQAS and IT Security and Information Management.

Two recommendations were identified (one Priority 2 and one Priority 3) where improvement could be made surrounding future procurement exercises for the NIBL FQAS.

External Audit

The Comptroller and Auditor General (C&AG) audits and certifies LMC's annual accounts, after which LMC gains ministerial approval to lay them before the Northern Ireland Assembly. The C&AG certified the 2021-22 financial statements with an unqualified audit opinion, without modification.

Quality of Information

The Board relies on financial and other reports prepared by LMC's management team. These reports while well-established are regularly reviewed and updated as required. The Board is content through its experience that the quality of these reports is high. As part of its self-assessment with regard to the Board being provided with information that is fit for purpose, all Board Members recorded an indicator of performance where expectations were either met or exceeded. The work of DAERA's Internal Auditor provides further assurances to the Board as to the quality of these reports.

The Risk and Control Framework

The system of internal control is a significant part of the governance framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and 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 LMC's policies, aims and objectives, to evaluate the likelihood and potential impact of those risks being realised, and to manage them efficiently, effectively, and economically.

Risk Management

Leadership is given to the risk management process via the Board, the Audit and Risk Assurance Committee and by the Senior Management Team. The Senior Management Team monitors and reviews the Risk Register, revising it to reflect evolving risk issues routinely.

The Risk Register is reviewed at all meetings of the ARAC Advice on best practice and technical issues associated with risk management is also provided through regular contact with DAERA.

LMC's Risk Management Strategy constitutes a key element of its internal control and corporate governance framework and covers its approach to risk management, roles and responsibilities, and key aspects of the risk management process. The LMC Risk Management Strategy was reviewed and approved in 2019 and reviewed in early 2023.

Risk Appetite

All activities that we undertake must be consistent with our organisational values and mission. We will not accept risks that materially impair the reputation of LMC or its sponsor department, DAERA. However, we value innovation and the implementation of new services which support the achievement of our goals. To this end LMC considers itself to be 'open' to risk, that is, willing to consider all potential options and choose the one most likely to result in successful delivery, while also providing an acceptable level of reward and value for money.

Risk Register

The Corporate Risk Register was reviewed by the Audit and Risk Assurance Committee in October 2022 and was subsequently approved by the Board. Risk issues and their management are routinely discussed at each Senior Management Team meeting.

During 2022-23, the main and significant risk areas identified included:

- Relationship with stakeholders is weakened
- External event or decisions which may have implications for approved LMC business and strategic plans
- Information loss and security
- Loss of staff and specialist skills
- Absence of succession planning for membership of the Board
- Breach of physical security of Lissue House and Lissue Walk premises
- Lack of clarity around roadmap towards establishing sustainability body for NI

LMC Risk Profile

Likelihood	High	6		2
	Medium		1	4,5,7
	Low			3
		Low	Medium	High
	Impact			
Key	Green = Low Risk, Orange = Medium Risk, Red = High Risk			

Information Risk

LMC recognises risks associated with data security and all staff have been instructed appropriately in regard to information held by them and accessible to them. All members of staff were issued with additional Homeworking Guidance during the Covid-19 pandemic to ensure data protection policies were adhered to when working remotely. All members of the Senior Management Team are fully aware of their responsibilities regarding information security. They have provided assurances to the Accounting Officer in their Stewardship Reports for 2022-23 that a culture of awareness exists among the staff in their departments regarding information security and dealing with information loss incidents. Record management practices are in place that ensures the appropriate creation, maintenance and disposal of important information held in paper and electronic formats. Information and information systems as assets are carefully controlled with segmented access provided as required to undertake tasks. LMC undertook a review of these practices following the introduction of the General Data Protection Regulations (GDPR) and Data Protection Act 2018. Policies were further reviewed and updated in January 2021 following the retention of GDPR within domestic law (UK GDPR).

LMC staff receive training on GDPR and Cybersecurity Awareness on a regular basis.

There were no data related incidents that would constitute breaches in the financial year 2022-23.

Significant Governance Issues

There are no significant governance issues to report in the 2022-23 Governance Statement.

Conclusion

As noted previously, all but one Board member reached their maximum term of service on 6 June 2023. Every effort has been made since 6 June 2023 to maintain the aforementioned governance framework despite these unprecedented events and therefore I conclude that as Accounting Officer, based on assurances provided to me by DAERA Internal Audit, the NIAO in their Report to Those Charged with Governance and stewardship reports provided to me by LMC's Senior Managers I consider that the overall system of risk management,

internal control and governance provides satisfactory assurance to me in relation to the ability of LMC to effectively discharge its governance responsibilities.

Remuneration and Staff Report

Remuneration Report

The detail regarding Board Members' remuneration is set out in their contracts on appointment. This is subject to annual review in line with awards made by the Senior Salaries Review Body. The Department of Finance (DoF) instructs LMC when an annual review has been approved.

DoF operates a control on the review of employees' remuneration, and reviews are subject to a pay remit approval process.

A remuneration committee of the Board approves all remuneration reviews. LMC makes new appointments based on market rates as appropriate to the role.

Service Contracts

Appointments made by LMC are in accordance with approved policy and procedures which are continually updated to reflect best practice.

Unless otherwise stated, the employees covered by this report hold appointments which are open-ended. Policy relating to notice periods is contained in each individual's contract of employment.

Salary and Pension Entitlements (audited)

The following sections provide details of the remuneration and pension interests of the Board Members and senior managers of the Commission.

	2022-23				2021-22			
Name	Salary £'000	Benefits in kind (to nearest (£100)	Pension benefits* (to nearest (£1000)	Total £'000	Salary £'000	Benefits in kind (to nearest (£100)	Pension benefits * (to nearest (£1000)	Total £'000
Mr G McGivern Chairman	15-20	-	-	15-20	15-20	-	-	15-20
Mr J Stewart Board Member	5-10	-	-	5-10	5-10	-	-	5-10
Mr J Lennon Board Member	5-10	-	-	5-10	5-10	-	-	5-10
Mr H Sinclair Board Member	5-10	-	-	5-10	5-10	-	-	5-10
Mr G Maguire Board Member	5-10	-	-	5-10	5-10	-	-	5-10
Mrs O Chesney Board Member Left 6 February 2023	5-10	-	-	5-10	5-10	-	-	5-10
Mr I Stevenson Chief Executive	75-80	-	8,000	85-90	60-65	-	15,000	75-80

**The value of pension benefits accrued during the year is calculated as (the real increase in pension multiplied by 20) plus (the real increase in any lump sum) less (the contributions made by the individual). The real increases exclude increases due to inflation and any increase or decrease due to the transfer of pension rights.*

Salary

'Salary' includes gross salary and any allowances to the extent that it is subject to UK taxation. This report is based on payments made by the Commission during the year 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 Her Majesty's Revenue and Customs (HMRC) as a taxable emolument.

Pay Ratios (audited)

The banded remuneration of the highest paid employee in the financial year 2022-23 was £60,000- £65,000 (2021-22: £55,000 – 60,000). The relationship between the mid-point of this band and the remuneration of the workforce is disclosed below.

2022-23	25th percentile	Median	75th percentile
Total remuneration (£)	23,237	32,610	35,296
Pay ratio	2.69:1	1.91:1	1.77:1

2021-22	25th percentile	Median	75th percentile
Total remuneration (£)	21,370	31,137	33,889
Pay ratio	2.69:1	1.84:1	1.69:1

For 2022-23, the 25th percentile, median and 75th percentile remuneration values consisted solely of salary payments. The range of staff remuneration was £17,900 to £62,500 (2021-22: £16,302 to £57,500).

Percentage Change in Remuneration

The percentage changes in respect of LMC are shown in the following table. It should be noted that the calculation for the highest paid employee is based on the mid-point of the band within which their remuneration fell in each year.

Percentage change for:	2022-23 v 2021-22
Average employee salary and allowances	5.2%
Highest paid employee's salary and allowances	9.0%

**Northern Ireland Local Government Officers Superannuation Committee (NILGOSC) Pension
(audited)**

Name	Accrued pension at pension age as at 31/3/23 and related lump sum	Real increase in pension and related lump sum at pension age	CETV at 31/3/23	CETV at 31/3/22	Real increase in CETV	Employer contribution to partnership pension account
	£'000	£'000	£'000	£'000	£'000	Nearest £100
Mr I Stevenson Chief Executive	15-20 plus lump sum 0-5	0-5 plus lump sum (0-2.5)	216	184	7	-

Pension benefits are detailed in Note 15 to the accounts. No pension benefits accrue to Board Members.

Cash Equivalent Transfer Values

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value 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 pension 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 the other pension details, include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the NILGOSC pension arrangements and for which the NILGOSC has received a transfer payment commensurate with the additional pension liabilities being assumed.

They also include any 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. However, the real increase calculation uses common actuarial factors at the start and end of the period so that it disregards the effect of any changes in factors and focuses only on the increase that is funded by the employer.

Staff Report

Human Resources

LMC has a small but highly competent and motivated staff team whose dedication and commitment to LMC contributes greatly to the reputation, profile and ongoing success of the organisation. Without their day to day passion, expertise, innovation and motivation LMC could not provide the high level of professional service which is expected and required by the beef and sheep meat industry and by DAERA. As Chief Executive I am particularly grateful to, and would like to thank, all members of staff for their support and for their tremendous efforts in managing, maintaining, growing and administering the many and varied activities of LMC throughout the year. I would also like to thank the LMC Chairman and Board for their ongoing guidance and support to myself and the staff team at LMC.

Organisational Breakdown at 31 March 2023		
Level	Total Number	Male: Female Ratio
Directors/Board Members	5	5:0
Senior Managers (SCS level equivalent)	0	0:0
Employees (permanent)	19	5:14
Employees (temporary)	1	0:1

Average number of persons employed (audited)

Average numbers of persons employed are shown below:

	2022-23	2021-22
Board Members	6	6
Employees	18	15

LMC's staff turnover percentage was Nil for the year ended 31 March 2023.

Staff Costs (audited)

Staff costs are captured in the table below:

	Permanently employed staff	Others	Commission members	2022-23 Total	2021-22 Total
	£	£	£	£	£
Wages and salaries	565,904	31,031	51,254	648,189	560,533
Social security costs	56,455	510	1,467	58,432	47,497
Pension costs – defined benefit plans	217,354	-	-	217,354	186,341
	839,713	31,541	52,721	923,975	794,371

Included in the above costs is £217,000 relating to employer pension costs as detailed in Note 14.

Staff Absence

The record of staff absence for the last two years is shown below:

	2022-23	2021-22
Percentage days lost through sickness absence	3.47%	2.09%
Cost of absence	£17,431	£11,368
Percentage of annual staff costs	1.88%	1.40%

LMC's absence level is well below current levels associated with the Northern Ireland economy of 12.2% ("Sickness Absence in the Northern Ireland Civil Service" NISRA June 2022).

Equality and Good Relations

In pursuance of its powers under Section 75, Schedule 9, 2, (2) of the Northern Ireland Act 1998 and Section 49B (5) of the Disability Discrimination Act 1995, the Equality Commission for Northern Ireland (ECNI) has granted an exemption to the Livestock and Meat Commission for Northern Ireland as regards the production of an equality scheme and disability action plan. This exemption was granted in January 2018.

Exemptions to the production of an equality scheme and disability action plan are only granted in exceptional circumstances. When making its decision the ECNI took into account the current limited scope of the LMC's functions and activities in Northern Ireland.

The exemption relates to the duty to produce an equality scheme and disability action plan and not to the Section 75 duties and Disability Duties respectively. Therefore, although the Livestock and Meat Commission for Northern Ireland may be exempt from producing an

equality scheme, it will still be subject to the Section 75 duties and the duties of Section 49A of the Disability Discrimination Act 1995.

LMC staff receive Equality and Diversity training on a regular basis. LMC regularly reviews the Equal Opportunities and Equality Policies for Service Providers which are available on the website. LMC continue to engage with the Equality Commission as and when required.

Staff Policies

LMC has a range of policies that are subject to regular review in line with best practice and statutory obligations. Staff are trained on any policies that are updated or introduced and are given copies of each policy as part of their Staff Handbook. In line with our Equality commitments policies are subject to consultation if required.

From the outset of the COVID-19 pandemic in March 2020, LMC staff were equipped with appropriate technology and support to enable remote working when required, which has continued into 2022-23. To complement this, a Homeworking Guidance document and risk assessment was issued to support staff when working remotely as well as helping to ensure all LMC staff were aware of their responsibilities with regards to data protection, IT security and health and safety.

Other Employee Matters

All staff receive three yearly Health and Safety Essentials online training and training on the Health and Safety Policy as it is updated. Regular updates are provided on first aid and fire procedures.

LMC invests in training for its staff as part of continuous professional development of staff to develop their skills and to support the delivery of its strategic/business outcomes.

Training needs analysis is undertaken in line with the completion of appraisals and training is organised from the requirements gathered.

In line with the MSFM, staff are subject to levels of remuneration and terms and conditions as approved by DAERA and DoF. Annual pay increases of staff are in accordance with the annual FD letter on Pay Remit process and guidance issued by DoF and have the prior approval of DAERA and the Minister for Finance.

Consultancy

There was no expenditure on consultancy services during the period 2022-23.

Exit Packages and Compensation for Loss of Office (audited)

There were no exit packages or compensation for loss of office during the period 2022-23.

Off Payroll Engagements

	2022-23	2021-22
No. of off-payroll engagements of Board Members and senior officials with significant financial responsibility, during the financial year	-	-
Total no. of individuals on payroll and off-payroll that have been deemed “Board Members and senior officials with significant financial responsibility” during the financial year. This figure should include both on payroll and off-payroll engagements.	7	7

Assembly Accountability and Audit Report

Regularity of Expenditure (audited)

There were no special payments or losses made by LMC in 2022-23 (2021-22: None).

Remote Contingent Liabilities (audited)

LMC has no remote contingent liabilities to report at 31 March 2023 (31 March 2022: None).

Fees and Charges (audited)

LMC carries out statutory services to assist the development of the livestock and livestock products industries as set out in the Livestock Marketing commission Act (Northern Ireland) 1967. LMC collects statutory levies from beef and sheep producers and slaughterers in Northern Ireland and in return provides a range of services to the industry. LMC also runs the NIBLFQA Scheme on behalf of the red meat industry. The funding arrangements for the scheme comprise of an annual membership fee for producers and a processor throughput fee for every bovine animal and sheep slaughtered.

	Levy Funded Activities	NIBLFQAS
Income for year (excluding interest)	£1,177,893	£1,533,088
Expenditure for year (excluding notional costs)	£1,324,390	£1,572,224



Colin Smith

Accounting Officer

17 June 2024

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

Opinion on financial statements

I certify that I have audited the financial statements of the Livestock and Meat Commission for Northern Ireland for the year ended 31 March 2023 under the Livestock Marketing Commission Act (Northern Ireland) 1967. The financial statements comprise: the Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity; and the related notes, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards as interpreted and adapted by the Government Financial Reporting Manual.

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

In my opinion the financial statements:

- give a true and fair view of the state of the Livestock and Meat Commission for Northern Ireland's affairs as at 31 March 2023 and of the Livestock and Meat Commission for Northern Ireland's net expenditure for the year then ended; and
- have been properly prepared in accordance with the Livestock Marketing Commission Act (Northern Ireland) 1967 and Department of Finance directions issued thereunder.

Opinion on regularity

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

Basis for opinions

I conducted my audit in accordance with International Standards on Auditing (ISAs) (UK), applicable law and Practice Note 10 'Audit of Financial Statements and Regularity of Public Sector Bodies in the United Kingdom'. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of this certificate.

My staff and I are independent of the Livestock and Meat Commission for Northern Ireland in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK, including the Financial Reporting Council's Ethical Standard and have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Conclusions relating to going concern

In auditing the financial statements, I have concluded that the Livestock and Meat Commission for Northern Ireland's use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Livestock and Meat Commission for Northern Ireland's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

My responsibilities and the responsibilities of the Accounting Officer with respect to going concern are described in the relevant sections of this certificate.

Other Information

The other information comprises the information included in the annual report other than the financial statements, the parts of the Accountability Report described in that report as having been audited, and my audit certificate and report. The Accounting Officer is responsible for the other information included in the annual report. My opinion on the financial statements does not cover the other information and except to the extent otherwise explicitly stated in my certificate I do not express any form of assurance conclusion thereon.

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

I have nothing to report in this regard.

Opinion on other matters

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

- the parts of the Accountability Report to be audited have been properly prepared in accordance with Department of Finance directions made under the Livestock Marketing Commission Act (Northern Ireland) 1967; and
- the information given in the Performance Report and Accountability Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I report by exception

In the light of the knowledge and understanding of the Livestock and Meat Commission for Northern Ireland and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance Report and Accountability Report. I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept; or
- the financial statements and the parts of the Accountability Report to be audited are not in agreement with the accounting records; or
- certain disclosures of remuneration specified by the Government Financial Reporting Manual are not made; or
- I have not received all of the information and explanations I require for my audit; or
- the Governance Statement does not reflect compliance with the Department of Finance's guidance.

Responsibilities of the Accounting Officer for the financial statements

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

- the preparation of the financial statements in accordance with the applicable financial reporting framework and for being satisfied that they give a true and fair view;
- such internal controls as the Accounting Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error;
- ensuring the annual report, which includes the Remuneration and Staff Report is prepared in accordance with the applicable financial reporting framework; and
- assessing the Livestock and Meat Commission for Northern Ireland's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Accounting Officer anticipates that the services provided by the Livestock and Meat Commission for Northern Ireland will not continue to be provided in the future.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit, certify and report on the financial statements in accordance with the Livestock Marketing Commission Act (Northern Ireland) 1967.

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

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

My procedures included:

- obtaining an understanding of the legal and regulatory framework applicable to the Livestock and Meat Commission for Northern Ireland through discussion with management and application of extensive public sector accountability knowledge. The key laws and regulations I considered included governing legislation and any other relevant laws and regulations identified;
- making enquires of management and those charged with governance on the Livestock and Meat Commission for Northern Ireland's compliance with laws and regulations;
- making enquiries of internal audit, management and those charged with governance as to susceptibility to irregularity and fraud, their assessment of the risk of material misstatement due to fraud and irregularity, and their knowledge of actual, suspected and alleged fraud and irregularity;

- completing risk assessment procedures to assess the susceptibility of the Livestock and Meat Commission for Northern Ireland's financial statements to material misstatement, including how fraud might occur. This included, but was not limited to, an engagement director led engagement team discussion on fraud to identify particular areas, transaction streams and business practices that may be susceptible to material misstatement due to fraud. As part of this discussion, I identified potential for fraud in the following areas: revenue recognition, expenditure recognition and posting of unusual journals and significant or unusual transactions;
- engagement director oversight to ensure the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with the applicable legal and regulatory framework throughout the audit;
- documenting and evaluating the design and implementation of internal controls in place to mitigate risk of material misstatement due to fraud and non-compliance with laws and regulations;
- designing audit procedures to address specific laws and regulations which the engagement team considered to have a direct material effect on the financial statements in terms of misstatement and irregularity, including fraud. These audit procedures included, but were not limited to, reading board and committee minutes, and agreeing financial statement disclosures to underlying supporting documentation and approvals as appropriate;
- addressing the risk of fraud as a result of management override of controls by:
 - performing analytical procedures to identify unusual or unexpected relationships or movements;
 - testing journal entries to identify potential anomalies, and inappropriate or unauthorised adjustments;
 - assessing whether judgements and other assumptions made in determining accounting estimates were indicative of potential bias; and
 - investigating significant or unusual transactions made outside of the normal course of business.

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

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

Report

I have no observations to make on these financial statements.



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

3 July 2024

Financial Statements

Statement of Comprehensive Net Expenditure for the year ended 31 March 2023

This account summarises the expenditure and income generated and consumed on an accruals basis. It also includes other comprehensive income and expenditure, which include changes to the values of non-current assets and other financial instruments that cannot yet be recognised as income or expenditure.

	Note	2022-23 £	2021-22 £
Revenue from contracts with customers	2	1,276,704	1,237,677
Other operating income	2	1,533,088	1,484,192
Total Operating Income		2,809,792	2,721,869
Staff costs	3	(923,975)	(794,371)
Depreciation (net of deferred grant release)	7	(11,561)	(12,701)
Other operating expenditure	3	(2,219,462)	(1,687,154)
Total operating expenditure		(3,154,998)	(2,494,226)
Net Operating (Expenditure)/Income		(345,206)	227,643
Finance income	4	31,371	168
Net (expenditure)/income for the year before income tax		(313,835)	227,811
Income tax charge	5	(6,026)	(32)
Net (expenditure)/income for the year after tax	6	(319,861)	227,779
Other comprehensive net income			
Items that will not be reclassified to net operating costs:			
Net gain on revaluation of property, plant and equipment	7	100,000	-
Actuarial gain on pension scheme liabilities	15	1,541,000	1,481,000
Comprehensive net income for the year		1,321,139	1,708,779

The notes on pages 80-99 form part of these financial statements.

Statement of Financial Position as at 31 March 2023

This statement presents the financial position of LMC. It comprises three main components: assets owned or controlled; liabilities owed to other bodies; and equity, the remaining value of the entity.

	Note	2022-23 £	2021-22 £
Non-current assets			
Property, plant and equipment	7	19,878	378,008
Total non-current assets		19,878	378,008
Current assets			
Assets classified as held for sale	8	450,000	-
Trade and other receivables	9	448,731	600,780
Cash and cash equivalents	10	756,413	794,278
Short term bank deposits	11	1,551,858	1,521,170
Total current assets		3,207,002	2,916,228
Total assets		3,326,880	3,294,236
Current liabilities			
Trade and other payables	12	391,831	404,446
Income tax liabilities		5,550	-
Total current liabilities		397,381	404,446
Total assets less current liabilities		2,829,499	2,889,790
Non-current liabilities			
Pension liabilities	15	-	1,388,000
Total non-current liabilities		-	1,388,000
Total assets less total liabilities		2,829,499	1,501,790
Taxpayers' Equity and Other Reserves			
Income and expenditure account		2,449,487	1,182,642
Revaluation Reserve		-	(100,000)
Designated reserves		380,012	419,148
		2,829,499	1,501,790

The financial statements on pages 76-79 were authorised for issue by the Board on
and were signed on its behalf by:



Colin Smith
Accounting Officer
17 June 2024

The notes on pages 80-99 form part of these financial statements.

Statement of Cash Flows for the year ended 31 March 2023

The Statement of Cash Flows shows the changes in cash and cash equivalents of LMC during the reporting period. The statement shows how LMC generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of service costs and the extent to which these operations are funded by way of income from the recipients of services provided by LMC. Investing activities represent the extent to which cash inflows and outflows have been made for resources which are intended to contribute to LMC's future public service delivery.

		2022-23	2021-22
	Note	£	£
Cash flows from operating activities			
Net income/(expenditure) before income tax		(313,835)	227,811
Adjustments for:			
Depreciation of property, plant and equipment	7	11,561	12,701
Decrease/(Increase) in trade and other receivables	9	152,073	(147,355)
Actuarial gain recognised	15	1,541,000	1,481,000
(Decrease) in trade and other payables	12	(12,615)	(185,824)
Movement in pension liabilities	15	(1,388,000)	(1,319,000)
Notional charges	3	6,570	6,325
Income tax paid		(500)	(599)
Net cash generated from operating activities		(3,746)	75,059
Cash flows from investing activities			
Purchases of property, plant and equipment	7	(3,431)	(23,483)
Net investment in short-term deposits	11	(30,688)	(153)
Net cash outflow from investing activities		(34,119)	(23,636)
Net (decrease)/increase in cash and cash equivalents in the year		(37,865)	51,423
Cash and cash equivalents at the beginning of the year	10	794,278	742,855
Cash and cash equivalents at the end of the year	10	756,413	794,278

The notes on pages 80-99 form part of these financial statements.

Statement of Changes in Taxpayers' Equity for the year ended 31 March 2023

This statement shows the movement in the year on the different reserves held by LMC. The Designated Reserves represent the total assets less liabilities held for specific activities. The Revaluation Reserve reflects the change in asset values that have not been recognised as income or expenditure. The Income and Expenditure Account represents the total assets less liabilities of LMC, to the extent that the total is not represented by other reserves and financing items.

	Designated reserves Farm quality assurance scheme £	Revaluation Reserve £	Income and expenditure account £
Balance at 31 March 2021	70,052	(100,000)	(183,366)
Net income after tax	-	-	227,779
Other notional charges	-	-	6,325
Other comprehensive net expenditure	-	-	1,481,000
Other reserves movements including transfers	349,096		(349,096)
Balance at 31 March 2022	419,148	(100,000)	1,182,642
Net expenditure after tax			(319,861)
Other notional charges			6,570
Other comprehensive net expenditure		100,000	1,541,000
Other reserves movements including transfers	(39,136)	-	39,136
Balance at 31 March 2023	380,012	-	2,449,487

The notes on pages 80-99 form part of these financial statements.

Notes to the financial statements for the year ended 31 March 2023

1 Accounting policies, financial risk management and critical accounting estimates/judgements

General information

The entity's principal activities during the year are detailed on pages 23-40. The entity is domiciled in Northern Ireland. The financial statements are presented in Sterling. All of the entity's assets and liabilities are denominated in Sterling.

Statement of accounting policies

These financial statements have been prepared in accordance with the 2022-23 Government Financial Reporting Manual (FReM) issued by DoF Northern Ireland. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the entity for the purpose of giving a true and fair view has been selected. The particular policies adopted by the Commission for the reportable activity are described below. They have been applied consistently in dealing with items that are considered material to the accounts. These accounts have been prepared on the going concern basis, under the historical cost convention modified to account for the revaluation of assets and liabilities to fair value as determined by the relevant accounting standards.

The Board believes that the going concern basis continues to be appropriate.

Income

In line with IFRS 15 LMC recognises its income as either revenue from contracts with customers or other operating income. Revenue from contracts with customers is income that relates directly to operating activities of LMC and comprises fees and charges to be recovered for services provided to external customers and the statutory levies. Other operating income is income received in respect of NIBLFQAS. Income is shown net of value-added tax and is recognised over the period for which services are provided, using a straight line basis over the term of the service. The entity recognises income when the amount of income can be reliably measured and it is probable that future economic benefits will flow to the entity.

Notes to the financial statements for the year ended 31 March 2023

1 Accounting policies, financial risk management and critical accounting estimates/judgements (continued)

Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board.

Property, plant and equipment

In line with the LMC policy to have valuations of land and buildings, the freehold property was valued externally on 31 March 2023 at market value by Land and Property Services.

In intervening years these valuations are subject to annual indexation using relative price indices. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount of the asset. All other property, plant and equipment, with the exception of freehold property, is stated at cost less depreciation and accumulated impairment losses due to the short life and low value of the individual assets. The initial cost of an asset comprises cost plus any costs directly attributable to bringing the asset into operation and an estimate of any decommissioning costs.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the Statement of Comprehensive Net Expenditure during the financial period in which they are incurred. The charge for depreciation is calculated so as to write off the depreciable amount of assets over their estimated useful economic lives on a straight-line basis. The lives of each major class of depreciable asset are as follows:

Land	-	NIL
Buildings	-	N/A
Office furniture, fixtures and fittings, computers and exhibition equipment	-	5 years

Notes to the financial statements for the year ended 31 March 2023

1 Accounting policies, financial risk management and critical accounting estimates/judgements (continued)

The assets' residual values and useful economic lives are reviewed, and adjusted if appropriate, at each reporting date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. An asset is derecognised upon disposal or when no future economic benefit is expected to arise from the asset.

Impairment of non-financial assets

The entity assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the entity makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Impairment losses of continuing operations are recognised in the income statement in those expense categories consistent with the function of the impaired asset.

Loans and receivables (financial instruments)

(a) Trade and other receivables

Trade and other receivables are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade and other receivables is measured using the expected credit losses model.

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators

Notes to the financial statements for the year ended 31 March 2023

1 Accounting policies, financial risk management and critical accounting estimates/judgements (continued)

that the trade and other receivable are impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the income statement within 'operating costs'. When a trade and other receivable are uncollectible, it is written off against the allowance account for trade and other receivables. Subsequent recoveries of amounts previously written off are credited against 'other operating costs' in the income and expenditure account.

(b) Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less.

Deposits with banks that have original maturities of greater than three months are classified as short-term bank deposits.

Other financial liabilities at amortised costs (financial instruments)

(c) Trade and other payables

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted by the reporting date. Income tax is charged or credited directly to reserves if it relates to items that are credited or charged to equity. Otherwise, income tax is recognised in the income and expenditure account.

Notes to the financial statements for the year ended 31 March 2023

1 Accounting policies, financial risk management and critical accounting estimates/judgements (continued)

Pension liabilities

The entity provides a defined benefit pension scheme for employees through NILGOSC. The assets of the scheme are held separately from those of the entity. The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets, together with adjustments for unrecognised past-service costs. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to reserves in the Statement of Reserves in the period in which they arise.

Past-service costs are recognised immediately in income, unless the changes to the pension plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past-service costs are amortised on a straight-line basis over the vesting period.

Contingent Liabilities

Under IAS 37, LMC discloses contingent liabilities where there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of LMC; or a present obligation that is not recognised because it is not probable that a payment will be required to settle the obligation; or the amount of the obligation cannot be measured sufficiently reliably. A contingent liability is disclosed unless the possibility of a payment is remote.

Notes to the financial statements for the year ended 31 March 2023

1 Accounting policies, financial risk management and critical accounting estimates/judgements (continued)

Designated reserves

Income and expenditure arising in respect of designated purposes is credited or debited to the Statement of Comprehensive Net Expenditure on recognition and subsequently transferred from the income and expenditure account reserve to the designated reserve.

Financial risk factors

(a) Market risk

The entity has limited exposure to interest rate risk as it has monies on short-term deposit and no borrowings. It does not have any exchange rate risk as all of its transactions are denominated in Sterling.

(b) Credit risk

The entity has limited exposure to credit risk. The entity's trade and other receivables are not impaired or past due and management does not expect any losses from non-performance by its customers.

(c) Liquidity risk

The entity is financed primarily by levy and commercial income. The extent to which levies may be raised and retained for use in operations is set out in statute. The entity is not exposed to significant liquidity risks.

Capital risk management

The entity has no obligation to increase reserves as the entity is a public sector body.

Notes to the financial statements for the year ended 31 March 2023

1 Accounting policies, financial risk management and critical accounting estimates/judgements (continued)

Fair value estimation

None of the entity's financial instruments are traded in active markets. Accordingly, the fair value of the entity's financial instruments is determined by discounting future cash flows using a suitable discount rate.

Assets held for sale

Assets held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell. Fair value is open market value including alternative uses. Assets classified as held for sale are not depreciated.

Assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. For this to be the case the asset must be available for immediate sale in its present condition subject only to terms that are usual or customary for sales of such assets and its sale must be highly probable. For the sale to be highly probable, the appropriate level of management must be committed to a plan to sell the asset, and an active programme to locate a buyer and complete the plan must have been initiated.

Further, the asset must be actively marketed for sale at a price that is reasonable in relation to its current fair value. In addition, the sale should be expected to qualify for recognition as a completed sale within one year from the date of classification, and actions required to complete the plan should indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Notes to the financial statements for the year ended 31 March 2023

1 Accounting policies, financial risk management and critical accounting estimates/judgements (continued)

Critical accounting estimates and judgements

Pension obligations

The cost of a defined benefit NILGOSC pension arrangement is determined based on actuarial valuations. An actuarial valuation assumes the estimation of discount rates, estimated returns on assets, future salary increases, mortality figures and future pension increases. Because of the long-term nature of these pension plans, the valuation of these is subject to important uncertainties. See note 14 for additional details.

Adoption of new and revised standards

In the current year, the entity has applied the following new standard:

IFRS 16 Leases – The adoption of this standard did not have a material impact on the entity's financial statements in the period of initial application.

Impending application of newly issued accounting standards not yet effective

IFRS 17 Insurance Contracts

IFRS 17 Insurance Contracts will replace IFRS 4 Insurance Contracts and is effective for accounting periods on or after 1 January 2023. In line with the requirements of the FReM, IFRS 17 will be implemented, as interpreted, and adapted for the public sector, with effect from 1 April 2025.

Notes to the financial statements for the year ended 31 March 2023

2 Income

	2022-23	2021-22
	£	£
Revenue from contracts with customers		
Levy	1,142,893	1,088,905
Services provided to external customers	133,811	148,772
	1,276,704	1,237,677
Other operating income		
NIBLFQAS income	1,533,088	1,484,192
	1,533,088	1,484,192

3 Expenditure

	2022-23	2021-22
	£	£
Staff Costs*		
Wages and salaries	648,189	560,533
Social security costs	58,432	47,497
Pension costs	217,354	186,341
	923,975	794,371
Other operating charges		
Information services	26,601	20,091
Market development and advertising	1,876,638	1,364,853
Administration costs:		
Actuarial costs of pension scheme	37,000	56,000
Office expenses	267,877	241,353
Aggregate travelling and subsistence	11,346	4,857
	2,219,462	1,687,154
Office expenses include:	2022-23	2021-22
	£	£
Notional charges	6,570	6,325
Auditors' remuneration - for external audit	14,600	13,100

* Further analysis of staff costs is located in the Staff Report on page 68.

Notes to the financial statements for the year ended 31 March 2023

4 Finance income

	2022-23 £	2021-22 £
Interest income:		
Short-term bank deposits	31,371	168
Finance income	31,371	168

Short-term bank deposits

Short-term bank deposits earned interest at a rate of 2.05% over the financial year.

5 Income tax charge

	2022-23 £	2021-22 £
Current income tax:		
Current UK corporation tax at 19% (2021-22: 19%)	6,026	32
Income tax charge	6,026	32

The income tax charge in the income and expenditure account for the year differs from the small companies' rate of corporation tax in the UK of 19% (2021-22: 19%). The differences are reconciled below:

	2022-23 £	2021-22 £
(Deficit)/Surplus before income tax	(313,835)	227,811
Tax calculated at the UK small companies' rate of corporation tax of 19% (2021-22: 19%)	(59,629)	43,284
Effect of:		
Tax over accrued		
Deficit/(Surplus) not taxable	65,655	(43,252)
Income tax charge	6,026	32

The entity is subject to income tax on any surplus on price reporting activities and on its interest income.

Notes to the financial statements for the year ended 31 March 2023

6 Segment information

Management has determined the operating segments based on the reports reviewed by the Board that are used to make strategic decisions. The Board considers the operations from both a geographic and operational perspective. The entity has one geographical segment, Northern Ireland. The entity has two reportable operational segments, levy funded activities and NIBLFQAS.

The segment information provided to the Board for the reportable segments for the year ended 31 March 2023 is as follows:

	Levy Funded Activities	NIBLFQAS	Other Services provided	Total
	£	£	£	£
Income from external parties	1,142,893	1,533,088	133,811	2,809,792
Interest Received	31,371	-	-	31,371
Expenditure (excluding notional costs)	(1,289,742)	(1,572,224)	(133,462)	(2,995,428)
Operating surplus before tax	(115,478)	(39,136)	349	(154,265)
Income tax expense	(6,026)	-	-	(6,026)
Surplus before notional costs and after tax	(121,504)	(39,136)	349	(160,291)
Adjustments in respect of notional costs:				
Internal audit				(6,570)
Actuarial costs and notional charges of pension scheme				(153,000)
Total deficit reported for year				(319,861)
Total assets less liabilities	2,449,487	380,012	-	2,829,499
Depreciation	6,508	3,253	1,800	11,561

The entity is domiciled in Northern Ireland and all income is derived from operations in Northern Ireland. All of the entity's income is derived from external parties and no one external party accounts for 10% or more of the entity's total income.

Notes to the financial statements for the year ended 31 March 2023

7 Property, plant and equipment

	Freehold Land £	Property Buildings £	Exhibition equipment, fixtures, fittings and office furniture £	Computers £	Totals £
Cost or valuation					
At 1 April 2021	350,000	-	22,036	64,900	436,936
Additions	-	-	1,580	21,903	23,483
At 31 March 2022	350,000	-	23,616	86,803	460,419
Depreciation					
At 1 April 2021	-	-	20,725	48,985	69,710
Provided during the year	-	-	1,385	11,316	12,701
At 31 March 2022	-	-	22,110	60,301	82,411
Net book amount					
At 31 March 2022	350,000	-	1,506	26,502	378,008
At 31 March 2021	350,000	-	1,311	15,915	367,226
Cost or valuation					
At 1 April 2022	350,000	-	23,616	86,803	460,419
Additions	-	-	-	3,431	3,431
Disposals	-	-	-	(6,819)	(6,819)
Reclassification and transfer	(450,000)	-	-	-	(450,000)
Revaluation	100,000	-	-	-	100,000
At 31 March 2023	-	-	23,616	83,415	107,031
Depreciation					
At 1 April 2022	-	-	22,111	60,300	82,411
Provided during the year	-	-	558	11,003	11,561
Disposals	-	-	-	(6,819)	(6,819)
At 31 March 2023	-	-	22,669	64,484	87,153
Net book amount					
At 31 March 2023	-	-	947	18,931	19,878
At 31 March 2022	350,000	-	1,506	26,502	378,008

Notes to the financial statements for the year ended 31 March 2023

7 Property, plant and equipment (continued)

Depreciation expense of £11,561(2021-22: £12,701) has been fully charged to expenditure.

The LMC Board took the decision in April 2023 to begin the process of preparing the Lissue House site for a commercial sale. The entity's freehold land was revalued externally by Land and Property Services on the basis of asset held for sale and as such the land was redesignated as a current asset in the financial statements.

8. Assets classified as held for sale

In April 2023, the LMC Board instructed the Strategic Investment Board and Lisney Estate Agents to prepare the Lissue House site for a commercial sale. The property was put up for sale at the end of 2023 with a closing date for bids of January 2024. It is expected that completion of the sale will take place in the financial year ending March 2025.

	2022-23 £	2021-22 £
Lissue House and grounds	450,000	-

9 Trade and other receivables

	2022-23 £	2021-22 £
Levies (statutory)	213,461	209,343
Farm quality assurance scheme receivables	82,170	132,702
Prepayments and accrued income	106,844	87,528
Trade debtors	46,256	170,837
Other taxation	-	370
	448,731	600,780

None of the entity's trade and other receivables are impaired or past due. The entity has no history of default in respect of its trade and other receivables. The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable mentioned above. The fair value of the entity's trade and other receivables is not materially different to their carrying values.

Notes to the financial statements for the year ended 31 March 2023

10 Cash and cash equivalents

	2022-23 £	2021-22 £
Commercial banks and cash on hand	756,413	794,278

11 Short term bank deposits

	2022-23 £	2021-22 £
Short term bank deposits	1,551,858	1,521,170

12 Trade and other payables

	2022-23 £	2021-22 £
Accruals	320,468	318,455
Trade creditors	50,839	18,197
Other taxation and social security	20,524	67,794
	391,831	404,446

13 Related party transactions

The Department of Agriculture, Environment and Rural Affairs (DAERA) is regarded as a related party. During the year, LMC has had various material transactions with DAERA.

LMC is a one-eighth owner of Northern Ireland Food Chain Certification (NIFCC). During the year LMC provided accounting, administration and human resources services to NIFCC valued at £98,811 (2021-22: £113,772). NIFCC provided LMC with inspection services and marketing information during the year valued at £1,033,783 (2021-22: £807,737). The amount due to NIFCC at 31 March 2023 was £114,295 (2021-22: £82,317). NIFCC is operated as a not-for-profit organisation and therefore no NIFCC reserves are recorded in LMC's financial statements.

Notes to the financial statements for the year ended 31 March 2023

13 Related party transactions (continued)

Details of organisations with which LMC Board Members were associated during the year are listed below:

Mr G McGivern	Vice-Chair of Banbridge District Enterprises Ltd Non-Executive Director of Northern Health and Social Care Trust
Mrs O Chesney	Company Secretary for Fane Valley Co-op Society Ltd and its group subsidiary companies Board Member of Ai Services
Mr J Lennon	Member of Derrynoose Farming Community Group Head of Corporate Service for Middletown Centre for Autism
Mr H Sinclair	Board Member of HSENI Chair of the Farm Safety Partnership
Mr G Maguire	Managing Director of Linden Foods Director of Slaney Foods
Mr J Stewart	Non-Executive Director of Public Health Agency Council Member/Director of Suffolk Sheep Society GB

Notes to the financial statements for the year ended 31 March 2023

13 Related party transactions (continued)

Other than the transactions detailed above, no Board member, key manager or other related party has undertaken any material transactions with the Commission during the year.

14 Financial instruments

The entity's financial instruments are classified as follows:

Assets and liabilities	Category of financial instrument
Trade and other receivables	Loans and other receivables
Cash and cash equivalents	Loans and other receivables
Short-term bank deposits	Loans and other receivables
Trade and other payables	Other financial liabilities at amortised cost

15 Pension liabilities

Pension benefits are provided through the Northern Ireland Local Government Officers' Superannuation Committee Scheme (the NILGOSC Scheme). This scheme is a 'multi-employer' pension scheme with over one hundred and thirty thousand members; LMC accounts for 0.1% of the membership. It provides a defined benefit scheme for eligible employees and other members of the scheme. This is a tax approved scheme which provides benefits based on a career average pensionable pay, at a normal retirement age of 65. Each year a member is in the main scheme, 1/49th of their pensionable pay is added to their pension account plus a revaluation amount so that their pension keeps up with the cost of living. Employees pay contributions of between 5.5% and 10.5% of pensionable earnings depending on the pay band their pensionable pay falls into. On death of a member, survivors' pensions may be paid to spouses, civil partners, nominated co-habiting partners and eligible children. In addition, on death in service, there is a lump sum payment due to the employee's estate of three years' pensionable pay. To finance these benefits, assets are accumulated in the scheme and are held separately from the assets of the employers.

A full actuarial valuation of the scheme was carried out as at 31 March 2022 which indicated

Notes to the financial statements for the year ended 31 March 2023

15 Pension liabilities (continued)

that the scheme had moved into surplus. The majority of employers, including LMC, participate in the grouped employers' contribution rates with individual deficit recovery contributions. The employer contribution rates for LMC set by the Actuary for the next year will be 19.0% of payroll and a nil deficit recovery contribution.

An actuarial valuation of the scheme using the projected unit basis was carried out at 31 March 2023 by Aon Hewitt Ltd. The impact of the McCloud judgement has also been factored into the valuation. The principal assumptions used were as follows:

	2023 %	2022 %	2021 %
Future salary increases	4.2	4.5	4.2
Discount rate	4.7	2.7	2.1
Inflation rate	2.7	3.0	2.7
Future pension increases	2.7	3.0	2.7

The mortality assumptions used were as follows:

	2023 Years	2022 Years	2021 Years
Longevity at age 65 for current pensioners			
- Men	22.2	21.8	21.9
- Women	25.0	25.0	25.1
Longevity at age 65 for future pensioners			
- Men	23.2	23.2	23.3
- Women	26.0	26.4	26.5

The Commission's share of the assets in the scheme was:

	Value at 2023 £	Value at 2022 £	Value at 2021 £
Equity	4,056,800	5,043,300	5,165,200
Bonds	2,393,500	3,162,400	3,982,700
Property	1,135,900	1,175,600	992,900
Cash	659,200	470,200	591,300
Other	1,896,600	1,904,500	423,900
Total market value of assets	10,142,000	11,756,000	11,156,000
Present value of scheme obligations	9,993,000	13,144,000	13,863,000
Funded status	149,000	(1,388,000)	(2,707,000)
Unrecognised asset	149,000	-	-
Asset/(liability) recognised in balance sheet	-	(1,388,000)	(2,707,000)

Notes to the financial statements for the year ended 31 March 2023

15 Pension liabilities (continued)

Reconciliation of fair value of the Commission's share of scheme assets

	2023 £	2022 £
At 1 April	11,756,000	11,156,000
Interest Income on scheme assets	314,000	232,000
Contributions by members	31,000	23,000
Contributions by employer	101,000	80,000
Re-measurement of (losses)/gains on assets	(1,703,000)	583,000
Benefits paid	(357,000)	(318,000)
At 31 March	10,142,000	11,756,000

Reconciliation of present value of the Commission's share of scheme liabilities

	2023 £	2022 £
At 1 April	13,144,000	13,863,000
Current service cost	217,000	186,000
Interest cost	351,000	288,000
Contributions by members	31,000	23,000
Actuarial (gains)/losses	(3,393,000)	(898,000)
Benefits paid	(357,000)	(318,000)
At 31 March	9,993,000	13,144,000

Analysis of amount recognised in the income and expenditure account

	2023 £	2022 £
Current service cost	217,000	186,000
Interest cost	351,000	288,000
Expected return on pension scheme assets	(314,000)	(232,000)
Total operating charge	254,000	242,000

Notes to the financial statements for the year ended 31 March 2023

15 Pension liabilities (continued)

Analysis of amount recognised in the statement of recognised income and expenses

	2023 £	2022 £
Actual return less expected return on pensions scheme assets	(1,703,000)	583,000
Changes in assumptions underlying the present value of the scheme liabilities	3,244,000	898,000
Actuarial gain recognised in the statement of recognised income and expenses	1,541,000	1,481,000
Cumulative actuarial gains/(losses) recognised in the statement of recognised income and expenses	568,000	(973,000)

History of experience gains and losses

	2023 £	2022 £	2021 £	2020 £	2019 £
Defined benefit obligation	(9,993,000)	(13,144,000)	(13,863,000)	(11,746,000)	(12,278,000)
Plan assets	10,142,000	11,756,000	11,156,000	9,359,000	11,470,000
Unrecognised Asset	(149,000)	-	-	-	-
Deficit	-	(1,388,000)	(2,707,000)	(2,387,000)	(808,000)
Experience adjustments on plan assets	(1,692,000)	596,000	1,815,000	(2,173,000)	500,000
Experience adjustments on plan liabilities	1,193,000	51,000	(157,000)	(12,000)	30,000
Total amount recognised in the statement of recognised income and expenses	1,541,000	1,481,000	(205,000)	(1,489,000)	322,000

Analysis of projected amount to be charged to operating profit for the year to 31 March 2023

	£	% of pay
Projected Current Service Cost	86,000	17.8
Net Interest on the Net Defined Benefit (Asset)/ Liability (Asset)	(2,000)	(0.4)
Total	84,000	17.4

Notes to the financial statements for the year ended 31 March 2023

16 Contingent liability

There were no contingent liabilities.

17. Events after the reporting period

There were no adjusting or non-adjusting events between the end of reporting period and the date the financial statements were authorised for issue

Date of authorisation for issue

The Accounting Officer authorised the issue of these financial statements on 3 July 2024.