

ANNUAL RETURNS TO THE CERTIFICATION OFFICER

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

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

Name of Association:	Northern Ireland Local Government Association
Financial Year End:	31 st March 2019
Ref No:	

Head or Main Office:	Bradford Court Upper Galwally Castlereagh BT8 6RB
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N. IRELAND
 CERTIFICATION OFFICER
 30 AUG 2019

RECEIVED
 Has the address changed during the year to which the return relates?

<input type="checkbox"/> Yes	<input type="checkbox"/> No
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(Tick as appropriate)

Secretary: Chief Executive	Derek McCallan
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Telephone Number and e-mail address:	02890798972 d.mccallan@nilga.org
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Contact name for queries regarding the completion of this return:	Diane Anderson
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Telephone Number and e-mail address:	02890798972 d.anderson@nilga.org
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Every employers' association having its head or main office outside Northern Ireland has a statutory obligation to provide the Certification Officer with names and addresses of one or more persons resident in Northern Ireland authorised to accept on its behalf service of process and any notices required to be served on it. The Certification Officer has no authority to waive this provision.

NAME OF AUTHORISED PERSON:

NORTHERN IRELAND ADDRESS:

(a) _____ _____	_____ _____ _____
(b) _____ _____	_____ _____ _____

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

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

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

GUIDANCE ON COMPLETION

General:

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

Association's Rules:

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

Revenue Account

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

Other Fund Accounts

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

Balance Sheet

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

Fixed Assets Account

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

Associations incorporated under the Companies Orders

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

Audit

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

RETURN OF MEMBERS

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

RETURN OF CHANGE OF OFFICERS

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

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

Financial contribution from Northern Ireland members

£570,245

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

11

REVENUE ACCOUNT for the year ended 31st MARCH 2019

Previous Year	INCOME			£
571,138	Members: Subscriptions, levies etc.			570,245
	Other Income			
0	Rents received			0
0	Insurance commission			0
0	Consultancy fees			0
0	Sales of goods			0
	Miscellaneous receipts (specify)			
25,663	- Annual Conference			29,832
33,366	- Project funding			17,835
	Investment Income			
0	Interest and dividends (gross)			0
305	Bank Interest			495
630,472		TOTAL INCOME		618,407
	EXPENDITURE			
	Administrative Expenses			
321,710	Remuneration of staff			436,480
8,029	Occupancy costs			19,029
11,706	Printing, Stationery, Post & Telephones			13,088
26,146	Professional fees			20,218
	Other administrative expenses (specify)			
15,965	- Bank fees, marketing & HR			16,438
	Other charges			
0	Bank interest			
545	Depreciation			412
0	Sums written off (bad debts)			0
2,271	Subscriptions, affiliation fees, donations			2,145
83,343	Conference & meeting fees & expenses			84,560
	Miscellaneous expenditure (specify)			
41,051	- Project costs			37,124
		TOTAL EXPENDITURE		629,494

Surplus for year before taxation -£ 11,087

Taxation £ 0

Surplus for year after taxation -£ 11,087

Surplus brought forward £ 660,248

Balance of account taken to balance sheet £ 649,161

OTHER FUND ACCOUNTS (To be completed if note 12 applies)		
Name: iEER PROJECT	£	£
Income		
Members contributions & levies		
Investment income		
Other income (specify) - Funding		9,349
		0
Total Income		9,349
Expenditure		
Administrative expenses		0
Other expenditure (specify) – Other Expenses		9,349
Total Expenditure		9,349
Income less Expenditure – Surplus or (Deficit) for year		0
Add amount of fund at beginning of year		0
Amount of fund at end of year (as Balance Sheet)		0

FUND 2	Fund Account	
Name: eGOVT FUND & NISMP project	£	£
Income		
Members contributions & levies		
Investment income		
Other income (specify) – Funding		78,500
Total Income		78,500
Expenditure		
Administrative expenses		92,905
Other expenditure (specify) – Other Expenses		4,492
Total Expenditure		97,397
Income less Expenditure – Surplus or (Deficit) for year		(18,897)
Add amount of fund at beginning of year		23,016
Amount of fund at end of year (as Balance Sheet)		4,119

BALANCE SHEET as at 31st March 2019

Previous Year		£	£
2,540	Fixed Assets (as per analysis on page 7)		2,128
	Investments (as per analysis on page 8)		
0	Quoted (Market value £)		0
0	Unquoted		0
	Current Assets		
84,354	Sundry debtors	38,350	
0	Stocks of goods	0	
259,456	Cash at bank and in hand	188,054	
388,010	<u>DEPOSIT ACCOUNT</u>	525,155	

	Less: Current liabilities		
(51,096)	Sundry creditors	(100,407)	
	Other (specify)		

680,724	NET CURRENT ASSETS		651,152
(662,000)	Deduct: Other liabilities (specify)		
	<u>PENSION SCHEME DEFICIT</u>		(572,000)

21,264	TOTAL NET ASSETS		81,280
	Represented by:		
660,248	Revenue Account balance		649,161
(662,000)	<u>PENSION SCHEME DEFICIT</u>		(572,000)
0	<u>iEER PROJECT</u>		0
23,016	<u>NISMP PROJECT</u>		4,119

21,264			81,280

FIXED ASSETS ACCOUNT

	Land & Buildings	Furniture and Equipment	Motor Vehicles	Total
	£	£	£	£
Cost or Valuation (see note 14)				
At start of year		48,144		
Additions during year		0		
Less: Disposals during year		0		
At end of year		48,144		
Accumulated Depreciation				
At start of year		45,604		
Charges for year		412		
Disposals		0		
At end of year		46,016		
Net book value at end of year		2,128		
Freehold		
Leasehold (50 or more years unexpired)		
Leasehold (less than 50 years unexpired)		
AS BALANCE SHEET		2,128		

ANALYSIS OF INVESTMENTS

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

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

2.10 Pensions

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

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

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

Employer contribution rates are determined by the Scheme's actuary every three years. Following the results of the 2016 actuarial valuation, the Committee agreed with its actuary the employer contributions and deficit recovery contributions for the following three years, effective from 1 April 2017. The next valuation is due as at 31 March 2019.

The total amounts paid into the Scheme this financial year were: employees £21,637 (2018: £19,822), and employer £56,676 (2018: £49,930).

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

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

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

The pension cost is also affected by:

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

The latest actuarial valuation of NILGA's liabilities took place as at 31st March 2016. Liabilities have been estimated by the independent qualified actuary (2013-2017: AON Hewitt, 2010-2012: Hyman Robertson LLP) on an actuarial basis using the projected unit credit method. The principal financial assumptions used by the actuary in updating the latest valuation of the Fund for FRS102 purposes were:

	31st March 2019	31st March 2018	31st March 2017	31st March 2016	31st March 2015	31st March 2014	31st March 2013
Discount rate	2.5%	2.6%	2.6%	3.5%	3.2%	4.3%	4.5%
RPI inflation	3.2%	3.1%	3.1%	2.9%	2.9%	3.4%	3.7%
CPI inflation	2.1%	2.0%	2.0%	1.8%	1.8%	2.4%	2.8%
Rate of increase to pensions in payment ⁽¹⁾	2.1%	2.0%	2.0%	1.8%	1.8%	2.4%	2.8%
Rate of increase to deferred pensions	2.1%	2.0%	2.0%	1.8%	1.8%	2.4%	2.8%
Pension accounts revaluation rate	2.1%	2.0%	2.0%	1.8%	1.8%	n/a	n/a
Rate of general increase in salaries ⁽²⁾	3.6%	3.5%	3.5%	3.3%	3.3%	3.9%	5.2%

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

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

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

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

2.11 Taxation

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

3. ADOPTION OF FRS 102

This is the third set of financial statements prepared by the Northern Ireland Local Government Association in accordance with standards issued by the Financial Reporting Council, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"). The Association transitioned from previously extant Irish and UK Generally Accepted Accounting Practice to FRS 102 as at 1st April 2016. There was no requirement to restate any comparative balances in making the transition to FRS 102

4. OPERATING SURPLUS

	2019 £	2018 £
<i>Operating surplus is stated after charging:</i>		
- Auditors remuneration	2,500	2,500
- Depreciation on tangible fixed assets	412	545
	<hr/>	<hr/>

NOTES TO THE ACCOUNTS

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

NORTHERN IRELAND LOCAL GOVERNMENT ASSOCIATION **ACCOUNTS year ended 31st MARCH 2019**

NOTES TO THE ACCOUNTS

1. GENERAL INFORMATION

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

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

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

2. ACCOUNTING POLICIES

2.1 Statement of compliance

The financial statements of the Association for the year ended 31st March 2019 have been prepared in accordance with the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland (FRS 102) issued by the Financial Reporting Council.

2.2 Basis of preparation

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

2.3 Cash Flow Statement

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

2.4 Revenue

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

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

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

Grants receivable

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

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

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

2.5 Expenditure

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

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

2.6 Non Current assets and depreciation

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

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

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

2.7 Receivables

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

2.8 Cash at bank and in hand

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

2.9 Payables and provisions

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

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

The average weekly number of employees (full time equivalent) was:
9 (2018: 8)

Costs incurred in respect of these employees were:

	2019 £	2018 £
- Salaries, wages and taxable expenses	266,392	244,377
- Non-taxable expenses paid through payroll system	11,023	9,989
- Social security costs (employer's NIC)	29,904	27,501
- Pension Costs - NILGOSC (funded)	56,678	49,928
- Pension Costs - NILGOSC (unfunded)	-	-
	363,997	331,795

In addition to employee salaries and expenses, 32 people (including the NILGA Office Bearers) were paid expenses and allowances through the payroll system as a result of attendance at NILGA meetings and /or reimbursement of out-of pocket expenses while on NILGA business (2018: 35 people)

- Taxable expenses	24,014	18,484
- Non-taxable expenses	3,676	3,448
- Social security costs (employer's NIC)	1,178	928
	392,865	354,655

FRS 102 Pension Scheme adjustments:

- Current service cost	99,000	93,000
- Interest cost	111,000	106,000
- Actuarial losses / (gains) losses on liabilities	23,000	26,000
- Past service cost	-	-
- Interest income on assets	(94,000)	(90,000)
- Remeasurement (gains) / losses on assets	(167,000)	(87,000)
	364,865	402,655

One employee earned more than £60,000 in the year (2018: 1)

No employees earned more than £100,000 in the year (2018: none)

Remuneration to the Office Bearers was:

Name	Expenses reimbursed (non-taxable)	Taxable remuneration	Total Gross payments	
Cllr Dermot Curran	-	£2,250	£2,250	President 2018/19; VP 17/18
Ald Arnold Hatch	£1,880	£4,566	£6,446	VP 18/19; President 2017/18,
Cllr Seán McPeake	-	£2,450	£2,450	Vice President 17/18 & 18/19
Ald Freda Donnelly	-	£2,600	£2,600	Vice President 17/18 & 18/19
Ald Alan McDowell	£2,857	£960	£3,817	Vice President 17/18 & 18/19

This remuneration includes office bearer allowances for the year from NILGA AGM 2017 (June 2017) to NILGA AGM 2018 (June 2018) and expenses for the financial year ended on 31st March 2019.

6. ANNUAL SUBSCRIPTIONS

	2019 £	2018 £
NILGA MEMBERSHIP SUBSCRIPTIONS		
Antrim & Newtownabbey Borough Council	43,610	43,610
Ards & North Down Borough Council	48,914	48,915
Armagh City, Banbridge & Craigavon District Council	48,914	48,915
Belfast City Council	71,467	71,467
Causeway Coast & Glens Borough Council	43,610	43,610
Derry City & Strabane District Council	48,914	48,915
Fermanagh & Omagh District Council	43,610	43,610
Lisburn & Castlereagh City Council	43,610	43,610
Mid & East Antrim Borough Council	43,610	43,610
Mid Ulster District Council	43,610	43,610
Newry, Mourne & Down District Council	48,914	48,915
NATIONAL EMPLOYER SUBSCRIPTIONS		
Antrim & Newtownabbey Borough Council	3,769	3,845
Ards & North Down Borough Council	3,769	3,845
Armagh City, Banbridge & Craigavon District Council	3,769	3,845
Belfast City Council	3,769	3,901
Causeway Coast & Glens Borough Council	3,769	3,845
Derry City & Strabane District Council	3,769	3,845
Fermanagh & Omagh District Council	3,769	3,845
Lisburn & Castlereagh City Council	3,769	3,845
Mid & East Antrim Borough Council	3,769	3,845
Mid Ulster District Council	3,769	3,845
Newry, Mourne & Down District Council	3,769	3,845
	570,245	571,138

7 INTEREST RECEIVED

	2019 £	2018 £
Deposit interest	495	305

8 OTHER RECEIPTS

	2019 £	2018 £
GENERAL FUND:		
- Ulster in Bloom	4,500	4,500
- Elected Member Development Charter	2,083	-
- Local Government Awards	9,452	8,287
- Other	1,800	20,579
	17,835	
IEER PROJECT:		
- Opening balance of income receivable	(42,000)	-52,000
- Income received to 31st March	36,326	76,036
- NILGA match funding	6,023	11,331
- Income receivable at 31st March	9,000	42,000
	9,349	
NI STRATEGIC MIGRATION PARTNERSHIP:		
- Opening balance of income receivable	(16,581)	(33,950)
- Income received to 31st March	95,081	89,156
- Income receivable at 31st March	-	16,581
	78,500	
	105,684	182,520

9	ADMINISTRATION EXPENSES	2019	2018
		£	£
	GENERAL FUND		
	- Secretariat	367,707	321,710
	- Rent and rates	18,020	4,018
	- Office refurbishment / maintenance	-	2,548
	- Insurance	1,009	1,463
	- Office expenses	11,271	9,037
	- Postage and carriage	22	521
	- Telephone, internet and fax	1,795	2,148
	- Professional fees	15,443	21,386
	- Audit fee	2,500	2,500
	- Bank charges	459	421
	- Marketing, PR and advertising	15,979	15,544
	- Personnel support and training	2,275	2,260
	- Bad debts	-	-
		<hr/>	<hr/>
		436,480	383,556
	iEER PROJECT	-	64,616
	E-GOVERNMENT FUND	19,206	-
	NI STRATEGIC MIGRATION PARTNERSHIP	73,699	66,744
		<hr/>	<hr/>
		529,385	514,916
		<hr/>	<hr/>

10.	OTHER EXPENSES	2019	2018
		£	£
	GENERAL FUND		
	- Meetings	20,036	10,612
	- Office bearers allowance	12,780	8,050
	- Members attendance allowance	11,122	7,814
	- Travel and subsistence allowances	38,258	30,841
	- Subscriptions to other bodies	2,145	2,271
	- Conference fees	2,364	7,923
	- Ulster in Bloom	6,853	-1,418
	- Local Government Awards	6,597	226
	- Member Development	16,071	-18,276
	- EU Issues	16,138	16,188
	- National Employers & External Partnerships	33,000	33,000
		<hr/>	<hr/>
		165,364	97,231
	iEER PROJECT (note 9)	9,349	12,751
	E GOVERNMENT FUND	714	-
	NI STRATEGIC MIGRATION PARTNERSHIP (note 10)	3,778	5,616
		<hr/>	<hr/>
		179,205	115,598
		<hr/>	<hr/>

11.	iEER PROJECT	2019	2018
		£	£
	RECEIPTS		
	- Income from iEER	3,326	66,036
	- NILGA match funding	6,023	11,331
		<hr/>	<hr/>
		9,349	77,367
	PAYMENTS		
	- Admin expenses	-	64,616
	- Other expenses	9,349	12,751
		<hr/>	<hr/>
		9,349	77,367
	Surplus / (deficit)	<hr/>	<hr/>
		0	0
		<hr/>	<hr/>

12. **NORTHERN IRELAND STRATEGIC MIGRATION PARTNERSHIP**

	2019 £	2018 £
RECEIPTS		
- Enabling grant	78,500	71,787
- NILGA match funding	-	-
	<u>78,500</u>	<u>71,787</u>
PAYMENTS		
- Admin expenses	73,699	66,744
- Other expenses	3,778	5,616
	<u>77,477</u>	<u>72,360</u>
Surplus / (deficit) of receipts	1,023	(573)
Opening fund balance	3,096	3,669
Closing fund balance	<u>4,119</u>	<u>3,096</u>

13. **DEPRECIATION**

	2019 £	2018 £
Office equipment	123	205
Furniture & fittings	289	340
	<u>412</u>	<u>545</u>

14. **NON CURRENT ASSETS**

	Office Equipment £	Fixtures & fittings £	TOTAL £
Cost			
- At 1 April 2018 and 31 March 2019	32,155	15,989	48,144
Depreciation			
- At 1 April 2018	31,539	14,065	45,604
- Charge for the period	123	289	412
- At 31 March 2019	<u>31,662</u>	<u>14,354</u>	<u>46,016</u>
Net Book Value			
- At 31st March 2019	<u>493</u>	<u>1,635</u>	<u>2,128</u>

15. **RECEIVABLES**

	2019 £	2018 £
Trade debtors	4,975	1,503
Prepayments and accrued income	11,227	8,149
iEER Project	9,000	42,000
NISMP Project	-	16,581
HMRC VAT repayment	13,148	16,121
Other debtors	-	-
	<u>38,350</u>	<u>84,354</u>

16. **PAYABLES (amounts due within one year)**

	2019 £	2018 £
Trade creditors	82,671	33,169
Accruals and deferred income	7,364	8,879
HM Revenue & Customs - payroll deductions	7,998	5,250
Company credit card balance	2,374	3,798
	<u>100,407</u>	<u>51,096</u>

17. PROVISION FOR LIABILITIES AND CHARGES

	2019 £	2018 £
Pension provisions:		
Balance brought forward	662,000	670,000
Increase / (reduction) in provisions	(90,000)	(8,000)
	<u>572,000</u>	<u>662,000</u>

18. RECONCILIATION OF MOVEMENT ON RESERVES

	GENERAL FUND RESERVE (unrestricted) £	RESTRICTED PROJECT RESERVES £	TOTAL 2019 £	2018 £
Balance brought forward at 1 April 2018	(1,752)	23,016	21,264	(105,869)
Surplus / (deficit) for the year (excl. Actuarial gains and losses)	(11,087)	(18,897)	(29,984)	119,133
Recognised gain/(loss) on pension scheme	90,000	-	90,000	8,000
	<u>77,161</u>	<u>4,119</u>	<u>81,280</u>	<u>21,264</u>

19. PENSION SCHEME

19.1 Asset allocation

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

	Asset split at 31st Mar 2019 %	Asset split at 31st Mar 2018 %
Equities	59.5	71.4
Property	11.2	10.0
Government bonds	16.5	5.2
Corporate bonds	7.0	7.2
Cash	2.7	4.5
Other *	3.1	1.7
	<u>100.0</u>	<u>100.0</u>

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

19.2 Basis used to determine expected return

NI Local Government Association employs a building block approach in determining the rate of return on Fund assets. Historical markets are studied and assets with higher volatility are assumed to generate higher returns consistent with widely accepted capital market principles. The assumed rate of return on each asset class is set out within this note. The overall expected rate of return on assets is then derived by aggregating the expected return for each asset class over the actual asset allocation for the Fund at 31st March 2019.

19.3 Reconciliation of funded status to Balance Sheet

	Value as at 31st Mar 2019 £'000	Value as at 31st Mar 2018 £'000
Fair value of assets	3,885	3,624
Present value of funded liabilities *	4,457	4,286
	<u>(572)</u>	<u>(662)</u>
Pension asset / (liability) of funded liabilities before consideration of paragraph 41	(572)	(662)
Present value of unfunded liabilities	-	-
Unrecognised asset due to limit in paragraph 41	-	-
	<u>(572)</u>	<u>(662)</u>
Pension asset / (liability) recognised on the Balance Sheet *	(572)	(662)

* 2019: This figure is split approximately 32% (£1,426,240) active member liabilities, 33% (£1,470,810) deferred pensioner liabilities and 35% (£1,559,950) pensioner liabilities
2018: This figure is split approximately 32% (£1,371,520) active member liabilities, 33% (£1,414,380) deferred pensioner liabilities and 35% (£1,500,100) pensioner liabilities

19.4 Amounts recognised in the income statement

	Period ending 31st Mar 2019 £'000	Period ending 31st Mar 2018 £'000
Operating cost		
Current service cost *	99	93
Past service cost	-	-
Curtailment cost	-	-
Settlement cost	-	-
Financing cost		
Interest on net defined benefit liability / (asset)	17	16
	<hr/>	<hr/>
Expense recognised	116	109
	<hr/>	<hr/>

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

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

	Period ending 31st Mar 2019 £'000	Period ending 31st Mar 2018 £'000
Opening present value of liabilities	4,286	4,123
Current service cost	99	93
Interest cost	111	106
Contributions by members	22	20
Actuarial losses / (gains) on liabilities *	23	26
Net benefits paid out of the Fund #	(84)	(82)
Payment of unfunded benefits	-	-
Past service cost	-	-
Net increase in liabilities from disposals and acquisitions	-	-
Curtailments	-	-
Settlements	-	-
	<hr/>	<hr/>
Closing present value of liabilities	4,457	4,286
	<hr/>	<hr/>

* Includes changes to the actuarial assumptions.

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

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

	Period ending 31st Mar 2019 £'000	Period ending 31st Mar 2018 £'000
Opening fair value of assets	3,624	3,453
Interest income on assets	94	90
Remeasurement gains/(losses) on assets	167	87
Employer contributions in respect of funded benefits	62	56
Employer contributions in respect of unfunded benefits	-	-
Contributions by participants	22	20
Net benefits paid out of the Fund #	(84)	(82)
Payment of unfunded benefits	-	-
Net increase in assets from disposals and acquisitions	-	-
Settlements	-	-
	<hr/>	<hr/>
Closing fair value of assets	3,885	3,624
	<hr/>	<hr/>

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

19.7 Actual return on assets

	Period ending 31st Mar 2019 £'000	Period ending 31st Mar 2018 £'000
Interest income on assets	94	90
Actuarial gain / (loss) on assets	167	87
	<hr/>	<hr/>
Actual return on assets	261	177
	<hr/>	<hr/>

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Financial Commitments

Unrestricted and Unrestricted funds

At 31st March 2019 the Association has no annual commitments under non-cancellable leases nor any other financial commitments that are not recognised in the accounts (2018: £nil). NILGA has entered into a number of long term contracts for the supply of services all of which are cancellable.

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Related Party Transactions

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

- **Antrim & Newtownabbey Borough Council** received £5,559 (2018: £1,449) for various costs in connection with venue hire, catering and refreshments for meetings
- **Antrim & Newtownabbey Borough Council** received £53,819 (2018: £444,913) - including VAT - in respect of salary and expenses for a staff secondment.
- **Ards & North Down Borough Council** received £585 (2018: £nil) for various costs in connection with venue hire / catering for meetings
- **Armagh City, Banbridge and Craigavon District Council** received £2,206 (2018: £2,219) for various costs in connection with venue hire, catering and refreshments for meetings
- **Belfast City Council** received £549 (2018: £1,022) for various costs in connection with venue hire / catering for meetings
- **Causeway Coast & Glens Borough Council** received £90 (2018: £nil) in connection with venue hire / catering for meetings
- **Derry City & Strabane District Council** received £264 (2018: £nil) for reimbursement of staff travel and room hire for meetings
- **Lisburn & Castlereagh City Council** received £29,308 (2018: £19,628) - including VAT where applicable - for rental of the NILGA office space and venue hire for meetings
- **Mid & East Antrim Borough Council** received £394 (2018: £129) for various costs in connection with venue hire / catering for meetings
- **Mid Ulster District Council** received £253 (2018: £420) for various costs in connection with venue hire / catering for meetings

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

- **The Alliance Party of Northern Ireland** received £726 (2018: £765) for passes for NILGA staff to attend meetings and conferences
- **The Democratic Unionist Party** received £450 (2018: £330) for passes for NILGA staff to attend meetings and conferences
- **The Social Democratic and Labour Party** received £75 (2018: £nil) for passes for NILGA staff to observe at a party conference
- **The Traditional Unionist Voice** received £25 (2018: £nil) for a delegate pass for NILGA staff to attend a party conference
- **The Ulster Unionist Party** received £80 (2018: £350) for passes for NILGA staff to observe at a party conference

ACCOUNTING POLICIES (see Note 4)

2. ACCOUNTING POLICIES

2.1 Statement of compliance

The financial statements of the Association for the year ended 31st March 2019 have been prepared in accordance with the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland (FRS 102) issued by the Financial Reporting Council.

2.2 Basis of preparation

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

2.3 Cash Flow Statement

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

2.4 Revenue

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

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

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

Grants receivable

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

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

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

2.5 Expenditure

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

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

2.6 Non Current assets and depreciation

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

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

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

2.7 Receivables

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

2.8 Cash at bank and in hand

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

2.9 Payables and provisions

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

2.10 Pensions

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

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

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

Employer contribution rates are determined by the Scheme's actuary every three years. Following the results of the 2016 actuarial valuation, the Committee agreed with its actuary the employer contributions and deficit recovery contributions for the following three years, effective from 1 April 2017. The next valuation is due as at 31 March 2019.

The total amounts paid into the Scheme this financial year were: employees £21,637 (2018: £19,822), and employer £56,676 (2018: £49,930).

Previously NILGOSC was not able to identify the associated assets/liabilities, nor details of any surplus or deficits in the scheme, which apply to NILGA. NILGA, in accordance with FRS17 (at that time) accounted for its pension contributions for funded activities as a multi employer scheme which uses the measurement

rules for a defined contribution scheme by charging the costs immediately to the Income and Expenditure Account. As NILGOSC are now able to split the fund's assets/liabilities between employing authorities, from 2010/11 NILGA accounted for the pension contributions as a defined benefit scheme, reflecting a change in accounting policy that year.

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

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

The pension cost is also affected by:

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

The latest actuarial valuation of NILGA's liabilities took place as at 31st March 2016. Liabilities have been estimated by the independent qualified actuary (2013-2017: AON Hewitt, 2010-2012: Hymans Robertson LLP) on an actuarial basis using the projected unit credit method. The principal financial assumptions used by the actuary in updating the latest valuation of the Fund for FRS102 purposes were:

	31st March 2019	31st March 2018	31st March 2017	31st March 2016	31st March 2015	31st March 2014	31st March 2013
Discount rate	2.5%	2.6%	2.6%	3.5%	3.2%	4.3%	4.5%
RPI inflation	3.2%	3.1%	3.1%	2.9%	2.9%	3.4%	3.7%
CPI inflation	2.1%	2.0%	2.0%	1.8%	1.8%	2.4%	2.8%
Rate of increase to pensions in payment ⁽¹⁾	2.1%	2.0%	2.0%	1.8%	1.8%	2.4%	2.8%
Rate of increase to deferred pensions	2.1%	2.0%	2.0%	1.8%	1.8%	2.4%	2.8%
Pension accounts revaluation rate	2.1%	2.0%	2.0%	1.8%	1.8%	n/a	n/a
Rate of general increase in salaries ⁽²⁾	3.6%	3.5%	3.5%	3.3%	3.3%	3.9%	5.2%

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

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

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

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

2.11 Taxation

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

AUDITORS' REPORT

(see Note 16)

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

NORTHERN IRELAND LOCAL GOVERNMENT ASSOCIATION **ACCOUNTS year ended 31st MARCH 2019**

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

We have audited the non-statutory financial statements of the Northern Ireland Local Government Association (NILGA) for the year ended 31st March 2019 which comprise the Statement of Comprehensive Income Statement the Statement of Financial Position and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Our report has been prepared for NILGA solely in connection with our audit of the non-statutory financial statements for the year ended 31st March 2019. It has been released to NILGA on the basis that our report shall not be copied, referred to or disclosed, in whole (save for NILGA's own internal purposes) or in part, without our prior written consent.

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

Respective responsibilities of NILGA and Diamond & Skillen

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

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

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

Our responsibility, as independent auditors, is to audit the non-statutory financial statements in accordance the terms of our engagement letter dated 1st October 2015 and with the Industrial Relations (NI) Order 1992 and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board' Ethical Standards for Auditors.

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

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

Basis of audit opinion

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

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

Opinion

In our opinion the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Northern Ireland Local Government Association's affairs as at 31st March 2019 and of its net expenditure, changes in assets and cash flows for the year then ended and have been properly prepared in accordance with the Industrial Relations (NI) Order 1992.

Matters on which we are required to report by exception

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

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

NIGEL V. SKILLEN (Senior Statutory Auditor)

for and on behalf of

DIAMOND & SKILLEN

Chartered Accountants and Registered Auditor

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

21st June 2019

AUDITOR'S REPORT continued

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

Signature(s):	<u>Nigel V. Skillen</u>	
Name(s):	NIGEL V SKILLEN (Please Print)	(Please Print)
Profession(s) or Calling(s):	FCA	
Address(es):	DIAMOND & SKILLEN 89/101 ROYAL AVENUE BELFAST BT1 1FE	
Date:	21 st JUNE 2019	
Contact name and telephone number:	028 9032 6103	

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

CHIEF EXECUTIVE
Secretary Skillen Date: 25/7/19

Treasurer (or other official whose position should be stated) Alan McDowell Date: 25/7/19

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

SUMMARY SHEET

	All funds except Political Funds £	Political Funds £	Total Funds £
INCOME			
From Members	570,245		570,245
From Investments	495		495
Other Income <i>(including increases by revaluation of assets)</i>	135,516		135,516
Total Income	706,256		706,256
EXPENDITURE <i>(including decreases by revaluation of assets)</i>	736,240		736,240
Pension fund surplus	(90,000)		
Total Expenditure	646,240		(90,000) 646,240
Funds at beginning of year <i>(including reserves)</i>	21,264		21,264
Funds at end of year <i>(including reserves)</i>	81,280		81,280
ASSETS			
Fixed Assets			2,128
Investment Assets			0
Other Assets			751,559
		Total Assets	753,687
LIABILITIES		Total Liabilities	672,407
NET ASSETS (Total Assets less Total Liabilities)			81,280