

# 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 <sup>st</sup> March 2023					
Ref No:						
Head or Main Office:	<b>Bradford Court</b> <b>Upper Galwally</b> <b>Castlereagh</b> <b>BT8 6RB</b>					
Has the address changed during the year to which the return relates?	<table><tr><td>Yes</td><td></td></tr></table>	Yes		<table><tr><td>No</td><td><input checked="" type="checkbox"/></td></tr></table> (Tick as appropriate)	No	<input checked="" type="checkbox"/>
Yes						
No	<input checked="" type="checkbox"/>					
Secretary: CHIEF EXECUTIVE	Alison Allen					
Telephone Number and e-mail address:	02890798972 a.allen@nilga.org					
Contact name for queries regarding the completion of this return:	Diane Anderson					
Telephone Number and e-mail address:	07517178140 <a href="mailto:d.anderson@nilga.org">d.anderson@nilga.org</a>					

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) \_\_\_\_\_

_____
_____
_____

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

**GUIDANCE ON COMPLETION**

**General:**

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

**Association's Rules:**

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

**Revenue Account**

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

**Other Fund Accounts**

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

**Balance Sheet**

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

**Fixed Assets Account**

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

**Associations incorporated under the Companies Orders**

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

**Audit**

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

## RETURN OF MEMBERS

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

## RETURN OF CHANGE OF OFFICERS

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

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

Financial contribution from Northern Ireland members

£604,625

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

11

## REVENUE ACCOUNT for the year ended 31<sup>st</sup> MARCH 2023

Previous Year	INCOME			£
604,625	Members: Subscriptions, levies etc.			618,755
	Other Income			
0	Rents received			0
0	Insurance commission			0
0	Consultancy fees			0
0	Sales of goods			0
	Miscellaneous receipts (specify)			
22,195	- Annual Conference			28,340
146,456	- Project funding			135,488
	Investment Income			
0	Interest and dividends (gross)			0
67	Bank Interest			26,839
<b>773,343</b>		<b>TOTAL INCOME</b>		<b>809,422</b>
	<b>EXPENDITURE</b>			
	Administrative Expenses			
550,145	Remuneration of staff			491,913
33,297	Occupancy costs			37,837
16,046	Printing, Stationery, Post & Telephones			15,932
7,375	Professional fees			27,886
	Other administrative expenses (specify)			
20,421	- Bank fees, marketing & HR			40,618
	Other charges			
0	Bank interest			
266	Depreciation			218
0	Sums written off (bad debts)			0
2,990	Subscriptions, affiliation fees, donations			615
11,785	Conference & meeting fees & expenses			21,436
	Miscellaneous expenditure (specify)			
186,273	- Project costs			108,659
<b>828,598</b>		<b>TOTAL EXPENDITURE</b>		<b>745,113</b>

Surplus for year before taxation £ 64,309

Taxation £ 0

Surplus for year after taxation £ 64,309

Surplus brought forward £ 637,599

Balance of account taken to balance sheet £ 701,908

OTHER FUND ACCOUNTS (To be completed if note 12 applies)		
<b>Name: DLUHC PROJECT</b>	<b>£</b>	<b>£</b>
<b>Income</b>		
Members contributions & levies		
Investment income		
Other income (specify) - Funding		101,000
		0
<b>Total Income</b>		<b>101,000</b>
<b>Expenditure</b>		
Administrative expenses		49,958
Other expenditure (specify) – Other Expenses		17,457
<b>Total Expenditure</b>		<b>67,415</b>
Income less Expenditure – Surplus or (Deficit) for year		33,585
Add amount of fund at beginning of year		67,777
Amount of fund at end of year (as Balance Sheet)		101,362

FUND 2		Fund Account	
<b>Name: NISMP project</b>	<b>£</b>	<b>£</b>	
<b>Income</b>			
Members contributions & levies			
Investment income			
Other income (specify) – Funding			0
<b>Total Income</b>			<b>0</b>
<b>Expenditure</b>			
Administrative expenses			5,522
Other expenditure (specify) – Other Expenses			90
<b>Total Expenditure</b>			<b>5,612</b>
Income less Expenditure – Surplus or (Deficit) for year			-5,612
Add amount of fund at beginning of year			5,612
Amount of fund at end of year (as Balance Sheet)			0

## BALANCE SHEET as at 31<sup>st</sup> March 2023

Previous Year		£	£
1,271	Fixed Assets (as per analysis on page 7)		1,053
	Investments (as per analysis on page 8)		
0	Quoted (Market value £ )		0
0	Unquoted		0
	Current Assets		
112,496	Sundry debtors	118,019	
0	Stocks of goods	0	
342,949	Cash at bank and in hand	631,398	
388,192	<u>DEPOSIT ACCOUNT</u>	188,523	
	_____		
	_____		
	Less: Current liabilities		
(133,920)	Sundry creditors	(135,723)	
	Other (specify)		
	_____		
	_____		
	_____		
709,717	<b>NET CURRENT ASSETS</b>		802,217
(1,310,000)	Deduct: Other liabilities (specify)		
	<u>PENSION SCHEME (DEFICIT) / SURPLUS</u>		81,000
	_____		
	_____		
(599,012)	<b>TOTAL NET ASSETS</b>		884,270
	Represented by:		
637,599	Revenue Account balance		701,908
(1,310,000)	<u>PENSION SCHEME SURPLUS / (DEFICIT)</u>		81,000
67,777	<u>DLUHC PROJECT</u>		101,362
5,612	<u>NISMP PROJECT</u>		0
	_____		
	_____		
	_____		
	_____		
(599,012)			884,270

## FIXED ASSETS ACCOUNT

	Land & Buildings	Furniture and Equipment	Motor Vehicles	Total
	£	£	£	£
<b>Cost or Valuation</b> (see note 14)				
At start of year		48,144		
Additions during year		0		
Less: Disposals during year		0		
At end of year		48,144		
<b>Accumulated Depreciation</b>				
At start of year		46,873		
Charges for year		218		
Disposals		0		
At end of year		47,091		
Net book value at end of year				
		1,053		
Freehold		.....	.....	
Leasehold (50 or more years unexpired)		.....	.....	
Leasehold (less than 50 years unexpired)		.....	.....	
<b>AS BALANCE SHEET</b>		1,053		

## ANALYSIS OF INVESTMENTS

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

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



# NOTES TO THE ACCOUNTS

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

## **NORTHERN IRELAND LOCAL GOVERNMENT ASSOCIATION** **ACCOUNTS year ended 31st MARCH 2023**

### **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 2023 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

**NOTES TO THE ACCOUNTS**

**2.9 Payables and provisions**

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

**2.10 Pensions**

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

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

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

Employer contribution rates are determined by the Scheme's actuary every three years. Following the results of the 2022 actuarial valuation, the Committee agreed with its actuary the employer contributions and deficit recovery contributions for the following three years, effective from 1 April 2023. The next valuation is due as at 31 March 2025.

Year	Employer Contribution Rate
1 April 2021 – 31 March 2022	19.5%*
1 April 2022 – 31 March 2023	19.5%*
1 April 2023 – 31 March 2024	19.0%

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

The total amounts paid into the Scheme this financial year were: employees £28,342 (2022: £28,264), and employer £76,666 (2022: £76,795).

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

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

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

The pension cost is also affected by:

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

The latest actuarial valuation of NILGA's liabilities took place as at 31st March 2022. Liabilities have been estimated by the independent qualified actuary (2013-2023: 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 2023	31st March 2022	31st March 2021	31st March 2020	31st March 2019	31st March 2018	31st March 2017	31st March 2016	31st March 2015
Discount rate	4.6%	2.7%	2.1%	2.3%	2.5%	2.6%	2.6%	3.5%	3.8%
CPI inflation	2.6%	3.0%	2.7%	1.9%	2.1%	2.0%	2.0%	1.8%	1.8%
Rate of increase to pensions in payment <sup>(1)</sup>	2.6%	3.0%	2.7%	2.1%	2.1%	2.0%	2.0%	1.8%	1.8%
Rate of increase to deferred pensions	2.6%	3.0%	2.7%	2.1%	2.1%	2.0%	2.0%	1.8%	1.8%
Pension accounts revaluation rate	2.6%	3.0%	2.7%	2.1%	2.1%	2.0%	2.0%	1.8%	1.8%
Rate of general increase in salaries <sup>(2)</sup>	4.1%	4.5%	4.2%	3.4%	3.6%	3.5%	3.5%	3.3%	3.3%

<sup>(1)</sup> In excess of Guaranteed Minimum Pension increase in payment where appropriate

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

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

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

**NORTHERN IRELAND LOCAL GOVERNMENT ASSOCIATION**  
**ACCOUNTS year ended 31st MARCH 2023**

**NOTES TO THE ACCOUNTS**

**2.11 Taxation**

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

**3. OPERATING SURPLUS**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
<i>Operating surplus is stated after charging:</i>		
- Auditors remuneration	3,755	3,755
- Depreciation on tangible fixed assets	218	266
	<hr/>	<hr/>

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

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
<i>The average weekly number of employees (full time equivalent) was:</i>		
<i>10 (2022: 10)</i>		
Costs incurred in respect of these employees were:		
- Gross payroll	389,366	393,642
- Non-taxable expenses paid through payroll system	4,233	2,294
- Social security costs (employer's NIC)	43,743	41,609
- Pension Costs - NILGOSC (funded)	76,666	76,795
- Pension Costs - NILGOSC (unfunded)	-	-
	<hr/>	<hr/>
	514,008	514,340

*In addition to employee salaries and expenses, 23 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 (2022: 27 people)*

- Taxable expenses	19,543	21,100
- Non-taxable expenses	1,406	1,013
- Social security costs (employer's NIC)	1,183	1,110
	<hr/>	<hr/>
	<b>536,140</b>	<b>537,563</b>

*FRS 102 Pension Scheme adjustments:*

- Current service cost	181,000	197,000
- Interest cost	164,000	130,000
- Actuarial (gains) / losses on liabilities	(1,884,000)	(493,000)
- Past service cost	1,000	127,000
- Interest (income) on assets	(129,000)	(92,000)
- Remeasurement (gains) on assets	(354,000)	(248,000)
	<hr/>	<hr/>
	(1,484,860)	158,563

*One employee earned more than £60,000 in the year (2022: 1)*

*No employees earned more than £100,000 in the year (2022: none)*

Remuneration to the Office Bearers was:

Name	Expenses reimbursed (non-taxable)	Expenses reimbursed (taxable)	Special Responsibility Allowances	Total Gross payments
Cllr Martin Kearney	£1,071	£443	£2,350	£3,864
Cllr Robert Burgess	£0	£0	£4,250	£4,250
Cllr Frances Burton	£137	£61	£2,550	£2,748
Cllr Matthew Garrett	£0	£0	£2,150	£2,150
Ald Alan McDowell	£199	£88	£2,350	£2,637

Vice President 21/22, President 22/23  
President 21/22, Vice President 22/23  
Vice President 21/22 & 22/23  
Vice President 21/22 & 22/23  
Vice President 21/22 & 22/23

*This remuneration includes office bearer allowances for the year from NILGA AGM 2021 to NILGA AGM 2022 and expenses for the financial year ended on 31st March 2023.*

## NOTES TO THE ACCOUNTS

## NILGA MEMBERSHIP SUBSCRIPTIONS

Antrim & Newtownabbey Borough Council	46,844	45,701
Ards & North Down Borough Council	52,540	51,259
Armagh City, Banbridge & Craigavon District Council	52,540	51,259
Belfast City Council	76,765	74,893
Causeway Coast & Glens Borough Council	46,844	45,701
Derry City & Strabane District Council	52,540	51,259
Fermanagh & Omagh District Council	46,844	45,701
Lisburn & Castlereagh City Council	52,540	51,259
Mid & East Antrim Borough Council	46,844	45,701
Mid Ulster District Council	52,540	51,259
Newry, Mourne & Down District Council	52,540	51,259

## NATIONAL EMPLOYER SUBSCRIPTIONS

NATIONAL LEAD LOWER SECONDARY SCHOOLS		
Antrim & Newtownabbey Borough Council	3,579	3,579
Ards & North Down Borough Council	3,579	3,579
Armagh City, Banbridge & Craigavon District Council	3,579	3,579
Belfast City Council	3,579	3,579
Causeway Coast & Glens Borough Council	3,579	3,579
Derry City & Strabane District Council	3,579	3,579
Fermanagh & Omagh District Council	3,579	3,579
Lisburn & Castlereagh City Council	3,579	3,579
Mid & East Antrim Borough Council	3,579	3,579
Mid Ulster District Council	3,579	3,579
Newry, Mourne & Down District Council	3,579	3,579

618,755	604,620
---------	---------

	2023	2022
	£	£
Deposit interest	26,839	67,000

	2021	2022
	£	£
<b>GENERAL FUND:</b>		
- Ulster in Bloom	5,000	5,000
- Elected Member Development Charter	5,000	5,000
- DCA Programme / 2022: NILGA Leadership Programme	7,605	15,642
- NILGA Planning Programme	-	8,041
- BEIS (COP26)	-	95,000
- iEER	24,000	-
- Staff secondments	85,532	-
- Project contributions to overheads	8,352	15,920
- Other	78	1,853
	<hr/>	<hr/>
		135,567
<b>NI STRATEGIC MIGRATION PARTNERSHIP:</b>		
- Grant income received	-	78,500
	<hr/>	<hr/>
		0
<b>DEPARTMENT FOR LEVELLING UP, HOUSING AND COMMUNITIES (DLUHC)</b>		
<b>HONG KONG BN(O) WELCOME HUB</b>		
- Grant income received	101,000	101,000
	<hr/>	<hr/>
		101,000
	<hr/>	<hr/>
		236,567
		<hr/>
		325,956

**NORTHERN IRELAND LOCAL GOVERNMENT ASSOCIATION**  
**ACCOUNTS year ended 31st MARCH 2023**

**NOTES TO THE ACCOUNTS**

**8. ADMINISTRATION EXPENSES**

**GENERAL FUND**

- Secretariat - NILGA
- Secretariat - Seconded staff
- Pension
- Rent and rates
- Office refurbishment / maintenance
- Insurance
- Office expenses
- Postage and carriage
- Telephone, internet and fax
- Professional fees
- Audit fee
- Bank charges
- Marketing, PR and advertising
- Personnel support and training
- Bad debts

2023 £	2022 £
406,381	394,020
85,532	28,975
-	127,150
31,300	29,361
6,082	2,586
455	1,350
13,735	14,195
-	16
2,197	1,835
24,130	3,620
3,755	3,755
429	410
26,979	8,357
13,210	11,654
-	-
614,185	627,284
5,522	72,888
49,958	33,223
669,665	733,395

**NI STRATEGIC MIGRATION PARTNERSHIP (note 10)**  
**DEPARTMENT FOR LEVELLING UP, HOUSING AND COMMUNITIES (DLUHC)**  
**HONG KONG BN(O) WELCOME HUB (note 11)**

**9. OTHER EXPENSES**

**GENERAL FUND**

- Meetings
- Office bearers allowance
- Members attendance allowance
- Travel and subsistence allowances
- Subscriptions to other bodies
- Conferences and Events
- Ulster in Bloom
- COP26
- Member Development
- NILGA Charter
- NILGA Leadership Programme
- NILGA Planning Programme
- DCA Programme
- National Employers & External Partnerships
- Sundry

2023 £	2022 £
4,521	3,547
12,833	12,760
7,300	9,000
24,712	8,640
615	2,990
6,788	1,500
5,083	7,094
-	79,374
-	-
291	350
1,077	18,229
1,543	5,444
5,000	-
39,452	39,374
59	961
109,274	189,263
90	-
17,457	-
126,821	189,263

**NI STRATEGIC MIGRATION PARTNERSHIP (note 10)**  
**DEPARTMENT FOR LEVELLING UP, HOUSING AND COMMUNITIES (DLUHC)**  
**HONG KONG BN(O) WELCOME HUB (note 11)**

**NORTHERN IRELAND LOCAL GOVERNMENT ASSOCIATION**  
**ACCOUNTS year ended 31st MARCH 2023**

**NOTES TO THE ACCOUNTS**

**10. NORTHERN IRELAND STRATEGIC MIGRATION PARTNERSHIP**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
<b>RECEIPTS</b>		
- Enabling grant	-	78,500
- NILGA match funding	-	-
	<hr/>	<hr/>
	0	78,500
	<hr/>	<hr/>
<b>PAYMENTS</b>		
- Admin expenses	5,522	72,888
- Other expenses	90	-
	<hr/>	<hr/>
	5,612	72,888
	<hr/>	<hr/>
<b>(Deficit) / surplus of receipts</b>	(5,612)	5,612
Opening fund balance	5,612	-
	<hr/>	<hr/>
Closing fund balance	0	5,612
	<hr/>	<hr/>

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

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
<b>RECEIPTS</b>		
- Enabling grant	101,000	101,000
- NILGA match funding	-	-
	<hr/>	<hr/>
	101,000	101,000
	<hr/>	<hr/>
<b>PAYMENTS</b>		
- Admin expenses	49,958	33,223
- Other expenses	17,457	-
	<hr/>	<hr/>
	67,415	33,223
	<hr/>	<hr/>
<b>(Deficit) / surplus of receipts</b>	33,585	67,777
Opening fund balance	67,777	-
	<hr/>	<hr/>
Closing fund balance	101,362	67,777
	<hr/>	<hr/>

**12. DEPRECIATION**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Office equipment	67	89
Furniture & fittings	151	177
	<hr/>	<hr/>
	218	266
	<hr/>	<hr/>

**NORTHERN IRELAND LOCAL GOVERNMENT ASSOCIATION**  
**ACCOUNTS year ended 31st MARCH 2023**

**NOTES TO THE ACCOUNTS**

**13. NON CURRENT ASSETS**

	Office Equipment £	Fixtures & fittings £	TOTAL £
<b>Cost</b>			
- At 1 April 2022 and 31 March 2023	32,155	15,989	48,144
<b>Depreciation</b>			
- At 1 April 2022	31,888	14,985	46,873
- Charge for the period	67	151	218
- At 31 March 2023	31,955	15,136	47,091
<b>Net Book Value</b>			
- At 31st March 2023	200	853	1,053

**14. RECEIVABLES**

	2023 £	2022 £
Trade debtors	44,838	31,978
Prepayments and accrued income	-	-
iEER Project	24,000	823
Grant due - NISMP	-	15,049
LGTG (elected member training) invoice due	6,050	1,945
Council invoices for National Employer Subscriptions	39,453	39,374
DoJ (staff secondments) invoice due	-	10,369
TEO (staff secondments) invoice due	-	7,630
Elected Member Development Charter invoice due	2,500	-
HMRC VAT refund due	-	5,225
Other sundry debtors	1,178	103
	118,019	112,496

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

	2023 £	2022 £
Trade creditors	25,313	81,129
Accruals and deferred income	85,768	26,930
HM Revenue & Customs - payroll deductions	9,149	13,030
NILGOSC payment	7,530	10,567
HM Revenue & Customs - Value Added Tax	7,085	-
Company credit card balance	878	2,264
	135,723	133,920

**16. NET PENSION ASSET / PROVISION FOR LIABILITIES AND CHARGES**

	2023 £	2022 £
<b>Pension scheme:</b>		
Balance brought forward	1,310,000	1,891,000
(Reduction) / increase in provisions	(1,391,000)	(581,000)
(Net Pension Asset) / Provision for pension liability	(81,000)	1,310,000

**NORTHERN IRELAND LOCAL GOVERNMENT ASSOCIATION**  
**ACCOUNTS year ended 31st MARCH 2023**

**NOTES TO THE ACCOUNTS**

**17. RECONCILIATION OF MOVEMENT ON RESERVES**

	GENERAL FUND RESERVE (unrestricted) £	RESTRICTED PROJECT RESERVES £	TOTAL 2023 £	2022 £
Balance brought forward at 1 April 2022	(672,401)	73,389	(599,012)	(1,198,146)
Surplus / (deficit) for the year (excl. Actuarial gains and losses)	64,309	27,973	92,282	18,134
Recognised gain/(loss) on pension scheme	1,391,000	-	1,391,000	581,000
Balance at 31 March 2023	782,908	101,362	884,270	(599,012)

**18. PENSION SCHEME**

**18.1 Asset allocation**

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

	Asset split at 31st Mar 2023 %	Asset split at 31st Mar 2022 %
Equities	40.0	42.9
Property	11.2	10.0
Government bonds	20.6	24.7
Corporate bonds	3.0	2.2
Multi Asset credit	13.3	13.1
Cash	6.5	4.0
Other *	5.4	3.1
TOTAL	100.0	100.0

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

**18.2 Basis used to determine expected return**

The scheme actuary employs a building block approach in determining the rate of return on Fund assets. Historical markets are studied and assets with higher volatility are assumed to generate higher returns consistent with widely accepted capital market principles. The assumed rate of return on each asset class is set out within this note. The overall expected rate of return on assets is then derived by aggregating the expected return for each asset class over the actual asset allocation for the Fund at 31st March 2023.

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

	Value as at 31st Mar 2023 £'000	Value as at 31st Mar 2022 £'000
Fair value of assets	4,555	4,806
Present value of funded liabilities	4,474	6,116
Pension asset / (liability) of funded liabilities before consideration of paragraph 41	81	(1,310)
Present value of unfunded liabilities	-	-
Unrecognised asset due to limit in paragraph 41	-	-
Pension asset / (liability) recognised on the Balance Sheet	81	(1,310)

**Statutory arrangements for funding mean that any pension scheme deficit will be made good by increased contributions over the remaining working life of employees, as assessed by the scheme actuary**



**NORTHERN IRELAND LOCAL GOVERNMENT ASSOCIATION**  
**ACCOUNTS year ended 31st MARCH 2023**

**NOTES TO THE ACCOUNTS**

**18.4 Amounts recognised in the income statement**

	Period ending 31st Mar 2023 £'000	Period ending 31st Mar 2022 £'000
<b>Operating cost</b>		
Current service cost *	181	197
Past service cost	1	127
Curtailment cost	-	-
Settlement cost	-	-
<b>Financing cost</b>		
Interest on net defined benefit liability / (asset)	35	38
	<hr/>	<hr/>
Expense recognised	217	362
	<hr/>	<hr/>

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

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

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

	Period ending 31st Mar 2023 £'000	Period ending 31st Mar 2022 £'000
<b>Opening present value of liabilities</b>	6,116	6,182
Current service cost	181	197
Interest cost	164	130
Contributions by members	29	27
Actuarial (gains) / losses on liabilities *	(1,884)	(493)
Net benefits paid out of the Fund #	(133)	(54)
Payment of unfunded benefits	-	-
Past service cost	1	127
Net increase in liabilities from disposals and acquisitions	-	-
Curtailments	-	-
Settlements	-	-
	<hr/>	<hr/>
<b>Closing present value of liabilities</b>	4,474	6,116
	<hr/>	<hr/>

\* Includes changes to the actuarial assumptions.

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

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

	Period ending 31st Mar 2023 £'000	Period ending 31st Mar 2022 £'000
Opening fair value of assets	4,806	4,291
Interest income on assets	129	92
Remeasurement gains/(losses) on assets	(354)	248
Employer contributions in respect of funded benefits	78	202
Employer contributions in respect of unfunded benefits	-	-
Contributions by participants	29	27
Net benefits paid out of the Fund #	(133)	(54)
Payment of unfunded benefits	-	-
Net increase in assets from disposals and acquisitions	-	-
Settlements	-	-
	<hr/>	<hr/>
Closing fair value of assets	4,555	4,806
	<hr/>	<hr/>

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

**NORTHERN IRELAND LOCAL GOVERNMENT ASSOCIATION**  
**ACCOUNTS year ended 31st MARCH 2023**

**NOTES TO THE ACCOUNTS**

**18.7 Actual return on assets**

	Period ending 31st Mar 2023 £'000	Period ending 31st Mar 2022 £'000
Interest income on assets	129	92
Actuarial (loss) / gain on assets	(354)	248
	<hr/>	<hr/>
<b>Actual return on assets</b>	<b>(225)</b>	<b>340</b>
	<hr/>	<hr/>

**19. Financial Commitments**

*Unrestricted and Unrestricted funds*

At 31st March 2023 the Association has no annual commitments under non-cancellable leases nor any other financial commitments that are not recognised in the accounts (2023: £nil). NILGA has entered into a number of long term contracts for the supply of services all of which are cancellable.

**20. Related Party Transactions**

Income from related parties to NILGA in the year totalled £633,873 (69.6% of total NILGA revenue) - this is made up of NILGA subscriptions, various conference fees and National Employer subscriptions.

The following procurement transactions were undertaken with NILGA's full members during the year:

- **Antrim & Newtownabbey Borough Council** received £nil (2022: £nil)
- **Ards & North Down Borough Council** received £nil (2022: £nil)
- **Armagh City, Banbridge and Craigavon District Council** received £985 (2022: £320) for various costs in connection with venue hire / catering for meetings
- **Belfast City Council** received £188 (2022: £470) for various costs in connection with venue hire for meetings
- **Causeway Coast & Glens Borough Council** received £nil (2022: £nil)
- **Derry City & Strabane District Council** received £nil (2022: £nil)
- **Fermanagh and Omagh District Council** received £nil (2022: £nil)
- **Lisburn & Castlereagh City Council** received £33,584 (2022: £30,441) - plus VAT where applicable - for rental of the NILGA office space, service charges, utilities and rates
- **Mid & East Antrim Borough Council** received £63 (2022: £nil)
- **Mid Ulster District Council** received £718 (2022: £nil) for various costs in connection with venue hire for meetings
- **Newry, Mourne & Down District Council** received £nil (2022: £nil)

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

- **The Alliance Party of Northern Ireland** received £180 (2022: £300) for passes for NILGA staff to attend meetings and conferences
- **Sinn Féin** received €200 (2022: £nil) for passes for NILGA staff to attend meetings and conferences
- **The Democratic Unionist Party** received £300 (2022: £nil) for passes for NILGA staff to attend meetings and conferences
- **The Social Democratic and Labour Party** received £50 (2022: £nil) for passes for NILGA staff to attend meetings and conferences
- **The Ulster Unionist Party** received £nil (2022: £80) for passes for NILGA staff to attend meetings and conferences

## ACCOUNTING POLICIES

(see Note 4)

### 2. ACCOUNTING POLICIES

#### 2.1 Statement of compliance

The financial statements of the Association for the year ended 31st March 2023 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.

## 22.10

### 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 2022 actuarial valuation, the Committee agreed with its actuary the employer contributions and deficit recovery contributions for the following three years, effective from 1 April 2023. The next valuation is due as at 31 March 2025.

Year	Employer Contribution Rate
1 April 2021 – 31 March 2022	19.5%*
1 April 2022 – 31 March 2023	19.5%*
1 April 2023 – 31 March 2024	19.0%

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

The total amounts paid into the Scheme this financial year were: employees £28,342 (2022: £28,264), and employer £76,666 (2022: £76,795).

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

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

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

The pension cost is also affected by:

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

The latest actuarial valuation of NILGA's liabilities took place as at 31st March 2022. Liabilities have been estimated by the independent qualified actuary (2013-2023: 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 2023	31st March 2022	31st March 2021	31st March 2020	31st March 2019	31st March 2018	31st March 2017	31st March 2016	31st March 2015
Discount rate	4.6%	2.7%	2.1%	2.3%	2.5%	2.6%	2.6%	3.5%	3.5%
CPI inflation	2.6%	3.0%	2.7%	1.9%	2.1%	2.0%	2.0%	1.8%	1.8%
Rate of increase to pensions in payment <sup>(1)</sup>	2.6%	3.0%	2.7%	2.1%	2.1%	2.0%	2.0%	1.8%	1.8%
Rate of increase to deferred pensions	2.6%	3.0%	2.7%	2.1%	2.1%	2.0%	2.0%	1.8%	1.8%
Pension accounts revaluation rate	2.6%	3.0%	2.7%	2.1%	2.1%	2.0%	2.0%	1.8%	1.8%
Rate of general increase in salaries <sup>(2)</sup>	4.1%	4.5%	4.2%	3.4%	3.6%	3.5%	3.5%	3.3%	3.3%

<sup>(1)</sup> In excess of Guaranteed Minimum Pension increase in payment where appropriate

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

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

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

## 2.11

### Taxation

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

# AUDITORS' REPORT

(see Note 16)

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

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

We have audited the non-statutory financial statements of the Northern Ireland Local Government Association (NILGA) for the year ended 31st March 2023 which comprise the Statement of Comprehensive Income, the Statement of Financial Position and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Our report has been prepared for NILGA solely in connection with our audit of the non-statutory financial statements for the year ended 31st March 2023. 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 2020 and with the Industrial Relations (NI) Order 1992 and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board' 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 2023 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

**23rd June 2023**

**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):	<div style="border: 1px solid black; padding: 2px;">Nigel V. Skillen</div>	<div style="border: 1px solid black; height: 25px;"></div>
Name(s):	<div style="border: 1px solid black; padding: 2px;">NIGEL V SKILLEN</div> <p style="text-align: center; font-size: small;">(Please Print)</p>	<div style="border: 1px solid black; height: 25px;"></div> <p style="text-align: center; font-size: small;">(Please Print)</p>
Profession(s) or Calling(s):	<div style="border: 1px solid black; padding: 2px;">FCA</div>	<div style="border: 1px solid black; height: 25px;"></div>
Address(es):	<div style="border: 1px solid black; padding: 2px;">DIAMOND &amp; SKILLEN 89/101 ROYAL AVENUE BELFAST BT1 1FE</div>	<div style="border: 1px solid black; height: 60px;"></div>
Date:	<div style="border: 1px solid black; padding: 2px;">23<sup>rd</sup> JUNE 2023</div>	<div style="border: 1px solid black; height: 25px;"></div>
Contact name and telephone number:	<div style="border: 1px solid black; padding: 2px;">028 9032 6103</div>	<div style="border: 1px solid black; height: 40px;"></div>

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

Secretary Chief Executive: <i>Alison Allen</i>	Date: 23/06/23
--	----------------

Treasurer (or other official whose position should be stated) <i>Alan McDowell</i>	Date: 23/06/23
--	----------------

**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 £
<b>INCOME</b>			
From Members	618,755		618,755
From Investments	26,839		26,839
Other Income <i>(including increases by revaluation of assets)</i>	264,828		264,828
<b>Total Income</b>	910,422		910,422
<b>EXPENDITURE</b> <i>(including decreases by revaluation of assets)</i>			
<b>Pension fund (surplus)</b>	(1,391,000)		(1,391,000)
<b>Total Expenditure</b>	(572,860)		(572,860)
<b>Funds at beginning of year</b> <i>(including reserves)</i>	(599,012)		(599,012)
<b>Funds at end of year</b> <i>(including reserves)</i>	884,270		884,270
<b>ASSETS</b>			
Fixed Assets	1,053		
Investment Assets	0		
Other Assets	937,940		
<b>Total Assets</b>	938,993		
<b>LIABILITIES</b>	<b>Total Liabilities</b>	54,723	
<b>NET ASSETS (Total Assets less Total Liabilities)</b>		884,270	

## GUIDANCE ON COMPLETION OF SUMMARY SHEET

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

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

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

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

Total Assets – Total Liabilities = Net Assets

Funds at end of year = Net Assets

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

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

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

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

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

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

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