

Livestock and Meat Commission for Northern Ireland

**Annual Report and Accounts
for the year ended 31 March 2021**

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

30 November 2021

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Performance Report

Overview

This section is intended to provide an overview of the Livestock and Meat Commission for Northern Ireland (LMC) and how it has performed over the last twelve months. It also provides a summary of the strategic/business outcomes and activities, as well as the key issues and risks that could prevent those outcomes from being met. The section begins with a Statement from the Chairman which provides his perspective on LMC's key activities and achievements during the year ended 31 March 2021. It concludes with highlights of LMC's performance from the Industry Development and Market Information departments.

Non-Executive's Report

I am pleased to present the 54th Annual Report and Accounts of the Livestock and Meat Commission for Northern Ireland (LMC). This report covers the period 01 April 2020 to 31 March 2021. This Annual Report and Accounts details the work of the Commission throughout the year, and I encourage you to read about our work and to provide us with your constructive feedback to help inform our future strategy, business planning and related priorities. As a Non-Departmental Public Body (NDPB), LMC is empowered by statutory legislation to assist the development and marketing of the livestock and livestock products industry for Northern Ireland. LMC identifies and delivers its priorities within the framework of the LMC Strategic Plan 2018-2021 and annual Business Plan 2020-2021.

This year the entire world has been deeply affected by the ravages of the Covid-19 Pandemic which has brought untold misery and death throughout the globe. This in turn has led to perhaps the single most significant disruption to the health, social and economic life of this planet in modern times. The UK, Northern Ireland, and indeed the entire British Isles were not spared its reach. However, if one word summarises the Province's response to the pandemic it is resilience. We will be forever indebted to the men and women of our local Health Service who faced up to the challenges of Covid-19 with courage and fortitude in the face of fierce adversity and personal risk. I would also commend our local agri-food industry and in particular the red meat sector for its determination to ensure the continued supply of safe, quality and sustainable food for the local population and beyond. As the wider population succumbed to a much subdued way of living due to lockdown and other public

health measures, our local producers, processors and many others along the agri-food supply chain went the extra mile to ensure the population continued to be fed and nourished.

Each year the Board updates and reviews its strategy and, in order to better inform our strategic priorities, we strive to remain in constant dialogue with our production and processing stakeholders to address the needs of the sector and to ensure the activities of LMC reflect the strategic priorities of industry. The pandemic also had a significant impact upon how we engaged with stakeholders throughout the year. Due to the restrictions resulting from the need to adhere to social distancing, face to face meetings were replaced by video conferencing, with seminars and events delivered in what became the new norm of remote working and zoom technology. There is no doubting that, while we all missed the buzz of one to one and group dynamics at social events such as the Balmoral Show, we made every effort to remain in touch with stakeholders throughout the year. LMC staff and Board Members participated in many stakeholder engagement events during the period. This included a virtual group stakeholder engagement day which the Board held in February this year. I am encouraged by the positive feedback received and by the continued willingness of the red meat industry to engage with LMC to shape and influence the variety of services we provide.

The Northern Ireland livestock and meat processing sector remains committed to producing high quality and sustainable food and to adding value to local beef and lamb for consumption in both domestic and export markets. However, the industry continues to face many challenges including the impact of Covid-19 on consumer behaviour and major disruption of the hospitality and food service sectors, the impact of the UK's departure from the EU and the outworking of the Protocol on Ireland/Northern Ireland, evolving new trading and distribution arrangements within and beyond the UK, emerging new UK agri-food policy, and the impact of climate change on consumer behaviour and on dietary choices.

LMC carried out a very successful campaign during the first lockdown period on social media to engage with consumers and to encourage demand for high value cuts during the pandemic. During the year we launched a new marketing campaign, entitled The Truth about Beef. With strong imagery and testimony from trusted professionals in research, nutrition and sustainability, the campaign actively promoted the benefits of beef with

positive messaging and an excellent chef ambassador central to the campaign. The Truth about Beef campaign has received universal acclaim from consumers and stakeholders alike.

LMC plays an important enabling role in assisting industry to anticipate and address challenges confronting the beef and lamb sector. As the pandemic continued to frustrate the local economy with adverse impacts on the sector, LMC galvanized stakeholders to coordinate and formulate responses to support the industry. A research report commissioned by LMC from the Andersons Centre in April 2020 assessed the impact of the Covid-19 Crisis on the Northern Irish Beef and Sheep industry and was instrumental in securing £7.2m of Covid Support for the beef and sheep sector announced by Agriculture Minister Edwin Poots MLA in June 2020. Furthermore, LMC on behalf of industry, commissioned the Andersons Centre to research options for supporting the suckler beef and sheep sectors to help improve productivity and to enhance resilience within the sector going forward.

In response to the immediate curtailment of on-site inspections for the LMC owned and managed Northern Ireland Beef and Lamb Farm Quality Assurance Scheme (NIBLFQAS), the Commission, in conjunction with industry representatives, ensured the continued delivery of farm quality assurance throughout the pandemic thus maintaining Northern Ireland's reputation for high quality product.

January 2021 marked the UK's formal departure from the EU accompanied by the first operation of the Ireland/Northern Ireland Protocol. Other challenges facing the sector during the year include; establishing an agreed common framework for equivalence of NIBLFQAS with Red Tractor, seeking inclusion in a proposed Protected Geographical Indication (PGI) for Irish grass fed beef and eradication of Bovine Viral Diarrhoea (BVD). In addition, some positive developments on third country exports were supported through the vital work of LMC as a member and contributor to the UK Export Certification Partnership (UKECP).

Details of LMC's work in these areas and the many other LMC's services and activities are set out in the Performance Analysis section of this Annual Report.

I would like to take this opportunity to thank my colleagues on the Board of LMC for their continued support, and I am grateful to them for their much-considered input. This year saw the departure of Paddy Mc Elroy as Board Member and Chairman of the Commission's

Audit Risk and Assurance Committee (ARAC). As the longest serving member on the current Board, Paddy played a vital role in providing assurance to the Board and we are indebted to Paddy for bringing his expertise and industry experience to LMC. I would also like to take this opportunity to welcome Joe Stewart who takes over as ARAC Chair.

I wish to commend the excellent and knowledgeable team of staff at LMC for their continued hard work and dedication to the job of supporting Northern Ireland's red meat industry. This has been an exceptionally challenging year for our staff, particularly given the challenges of working within the confines of Covid-19. Our staff have faced added pressures caused by staff shortages during the year resulting in our team delivering more with less. Our current staff really are going the extra mile to ensure the continued delivery of services in challenging times. On behalf of the Board and the stakeholders whom the Commission serves, I would take this opportunity to formally record our sincere gratitude.

In conclusion, I would like to acknowledge our valued stakeholders within the red meat sector for their continued engagement with the Commission in the face of the many challenges facing the sector. I also commend the Minister and the Department of Agriculture, Environment and Rural Affairs (DAERA), whose support and encouragement throughout the past year has been steadfast.



Gerard McGivern
Chairman
Livestock and Meat Commission

2 July 2021

Strategic Report

Introduction

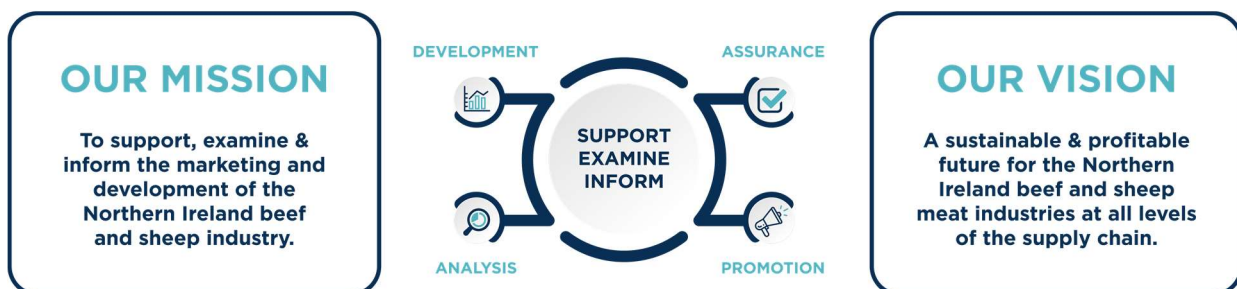
The Commission presents its Annual Report and Accounts for the 2020-21 business year.

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

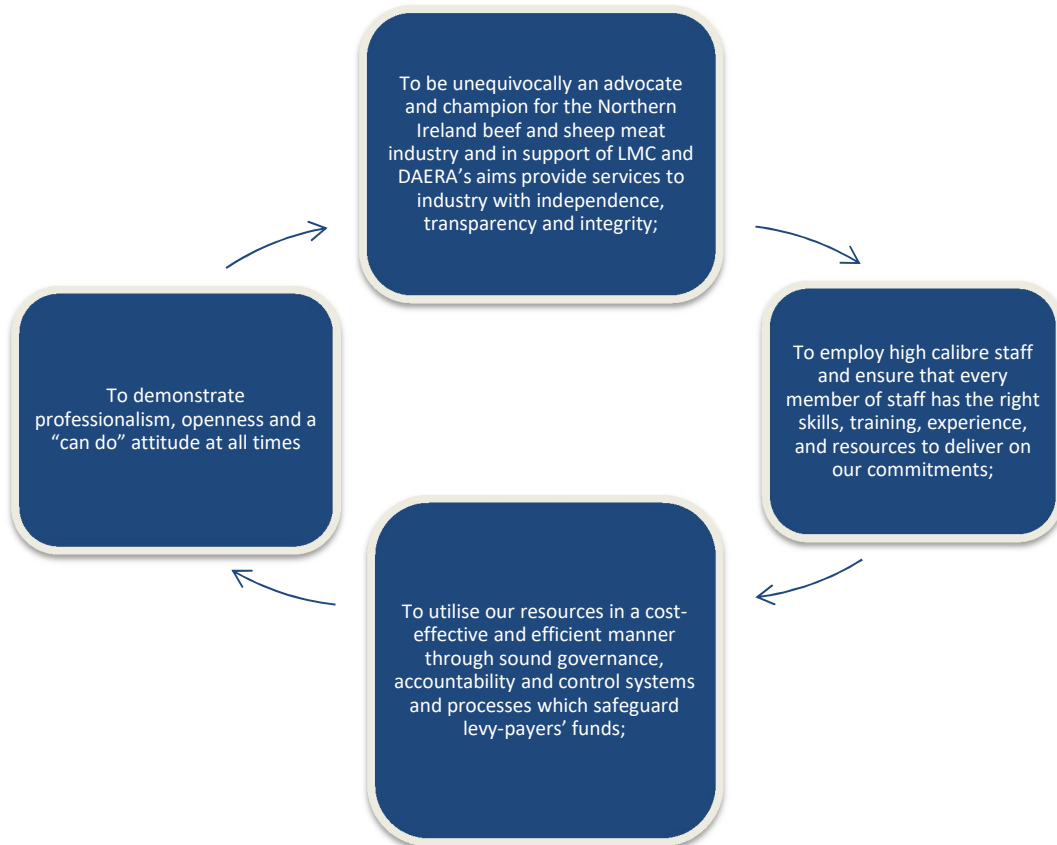
Our Purpose

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

Mission and Vision



Our Values



Our Aim

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

Strategic outcomes

LMC has six strategic outcomes:

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

Supporting these strategic outcomes are business outcomes for the financial year 2020-21. These identify what LMC is seeking to achieve with its services and link directly to the strategic outcomes (there were eleven business outcomes in the 2020-21 business plan). Under each of the business outcomes detailed business activities with individual targets were undertaken. Progress against the business outcomes was monitored throughout 2020-21, and was formally recorded at the end of each quarter in the LMC Business Monitor.

Chief Executive's Review

I am delighted to report that during 2020-21, in line with our Mission Statement, LMC successfully delivered a comprehensive programme of assurance, education, industry development, market information, communications and promotional activity across our various service delivery sections. This activity is in direct support of the organisation's strategic outcomes, which align closely to our statutory functions under the 1967 LMC Act. LMC's strategic outcomes also align closely with the strategic outcomes of DAERA and the draft Programme for Government for Northern Ireland. Details of LMC's performance against the specific targets, as outlined in our business plan at the start of 2020-21, are reported later in this Annual Report. Also provided in this Annual Report are summary reports of key activities undertaken within the main business areas throughout the year in support of our strategic outcomes and the audited financial statements for the organisation.

The 2020-21 business plan year for LMC was another very busy one and despite the challenges posed by the Covid-19 Pandemic, nine of the eleven business outcomes in the approved business plan for the year have been fully achieved with one substantially achieved and one partially achieved. In line with the statutory provisions of the 1967 LMC Act, the organisation provides a range of services to support the marketing and development of the beef and sheep meat industry in Northern Ireland, and works under the sponsorship of DAERA. The 2020-21 LMC Business Plan and Budget was agreed by the Departmental Board of DAERA at its meeting in October 2020 but it remained in draft form until Ministerial approval was provided in February 2021. The Business Plan for 2020-21 amplified the final year of LMC's three year Strategic Plan for 2018 to 2021.

Covid-19 (Coronavirus) Pandemic

A lot can happen during a business plan period and the last 12 months were no exception. Looking back to the beginning of the financial year Covid-19 had just arrived in Northern Ireland and significant lockdown measures had come into effect from mid-March 2020. In line with public health advice all of LMC's office based staff were equipped with suitable technology to enable their working from home. This was a challenging period for many at the outset as most staff had to create space in their home environments for remote

working. Despite this challenge all staff were determined to work as effectively as they could throughout the entire reporting period on the delivery of LMC outcomes and no staff had to be furloughed as a consequence of the pandemic.

Methods of delivering certain activity in support of business outcomes had to be significantly altered due to Covid-19 restrictions on face to face meetings, events, travel, conferences, trade shows etc. and LMC expects that greater use of technology and more agile ways of working will feature for the foreseeable future, even after Covid-19 restrictions are fully relaxed. The beef and lamb industry responded incredibly quickly and effectively to this pandemic to protect staff and suppliers from the Coronavirus and to ensure that uninterrupted supplies of product continued to be made available to consumers. Markets for beef and lamb were severely distorted as a consequence of lockdown measures, most notably in food service and catering outlets and the return to pre-Covid-19 levels of activity in these market segments are not expected until well into 2021. There is no doubt that the Northern Ireland beef and lamb industry is very resilient and will recover and reset to meeting the needs of evolving market conditions.

In the early stages of the pandemic DAERA established a forum of senior representatives from the Northern Ireland agri-food sector from animal feed to retail, including LMC, and this forum met as frequently as required providing an excellent exchange of information and enabling government and industry to work closely on suitable response measures, supports and messaging as the pandemic evolved. One of the most striking developments from major events such as Covid-19 and the UK Exit from the European Union has been the ability of stakeholders from all sectors to set aside normal competitive pressures and collectively work together on positive outcomes to safeguard the future of the NI agri-food industry.

One of the important issues that LMC highlighted throughout its communications and social media platforms as well as at stakeholder meetings during the year was the importance of focussing on the physical and mental health and well-being of farmers and farm families who may have felt more isolated and under more pressures than usual during long periods of lockdown. LMC's Chief Executive is a current Board Member of Rural Support and the helpline and mentoring services provided by that organisation during the year were particularly valuable to supporting and assisting rural communities across Northern Ireland.

EU Exit

The other major event which dominated the 2020-21 reporting period was the negotiation of the UK Exit from the European Union and understanding what the implications of the Trade and Cooperation Agreement would be for the Northern Ireland beef and sheep industry. LMC worked closely with stakeholder organisations throughout the year to provide market insights and intelligence from research reports to help inform their important discussions with policy writers and negotiators. A key piece of work commissioned by LMC in partnership with the Ulster Farmers Union (UFU) and Northern Ireland Meat Exporters Association (NIMEA) and, which was concluded during the reporting period, was an independent study on options for supporting the suckler beef and sheep sectors in Northern Ireland within new local agricultural policy now that the UK is outside the EU Common Agricultural Policy. This policy study was well received by industry and the findings have been presented to the Agriculture, Environment and Rural Affairs Minister and the Policy Transition Team at DAERA. The NI beef and sheep industry has prepared and adapted well to the new trading arrangements with GB and the EU since the beginning of January 2021 but there are significant challenges remaining, some of which may be difficult to overcome such as the export certification requirements on the movement of live animals from GB to NI.

Northern Ireland Assembly

Immediately prior to the commencement of this financial year the Northern Ireland Assembly was reinstated and the Executive Minister appointed to lead the Agriculture Environment and Rural Affairs portfolio with oversight responsibility for LMC was Edwin Poots MLA. During the course of the reporting period LMC had the opportunity to meet with Minister Poots on a range of important issues including the impact of Covid-19 on the beef and lamb industry and the development of future Agricultural Policy for Northern Ireland. An independent assessment commissioned by LMC during April 2020 on the financial impact of Covid-19 was a key piece of evidence used by DAERA and the Minister in the allocation of over £7.2m of support to cattle and sheep farmers who had suffered losses in the Spring of 2020 as a consequence of Covid-19 disruption to market outlets for beef and lamb.

One of LMC's last face to face engagements immediately prior to lockdown in March 2020 was a briefing and discussion of LMC's work with the Assembly Committee for Agriculture Environment and Rural Affairs (AERA). Following that briefing the AERA Committee has been in regular correspondence with LMC on a range of important matters including Covid-19 market impacts, Private Storage Aid, Covid-19 support, PGI for Irish Grass Fed Beef, Future Agricultural Framework, Climate Change Advice for Northern Ireland and Budget 2021-22 scrutiny. LMC welcomes the opportunity to engage regularly with the Minister and with the AERA Committee with regard to key issues for the NI beef and lamb industry.

Stakeholder Engagement

As an organisation funded almost entirely by the private sector through levy payments and fees for participation in the Northern Ireland Beef and Lamb Farm Quality Assurance Scheme (NIBLFQAS) LMC works hard to foster close working relationships with beef and sheep farming and processing sector representatives. Throughout the reporting period LMC facilitated and attended a wide range of virtual meetings with stakeholders using remote meeting technologies. The LMC Board hosted an online engagement event for key stakeholders during February 2021 to update sector representatives on key achievements and deliverables within the 2018 to 2021 LMC Strategic Plan period and to help inform strategic priorities for the 2021 to 2024 LMC Strategic Plan. Stakeholders responded very positively on the work of LMC at this engagement event and this has given great encouragement to the Board and staff of LMC particularly on the back of a very challenging year with Covid-19.

DAERA Sponsorship

The 2020-21 financial year is the first complete year of sponsorship of LMC coming under the responsibility of DAERA Corporate Sponsor Branch. The Sponsorship Team has engaged daily with LMC throughout the reporting period and there are good working relationships between LMC and DAERA. One of the key challenges that LMC faces as a private sector funded but public sector governed organisation is the ability to turn industry requests for projects around quickly. In 2016 DAERA agreed to increase LMC's delegated authority for expenditure on individual goods and services projects up to £200k which has enabled the

LMC Executive and Board to work much more efficiently on the internal approval and commissioning of important work programmes. Projects and initiatives that require DAERA approval and, DoF approval in the case of staff terms and conditions related matters, can be very time consuming and disruptive to business operations as there are so many different layers of processes, checks and approvals to go through. LMC is looking forward to discussing future arrangements for LMC and DAERA sponsorship particularly in the area of autonomy as a new Partnership Agreement approach is rolled out across the Northern Ireland public sector.

LMC Work Force

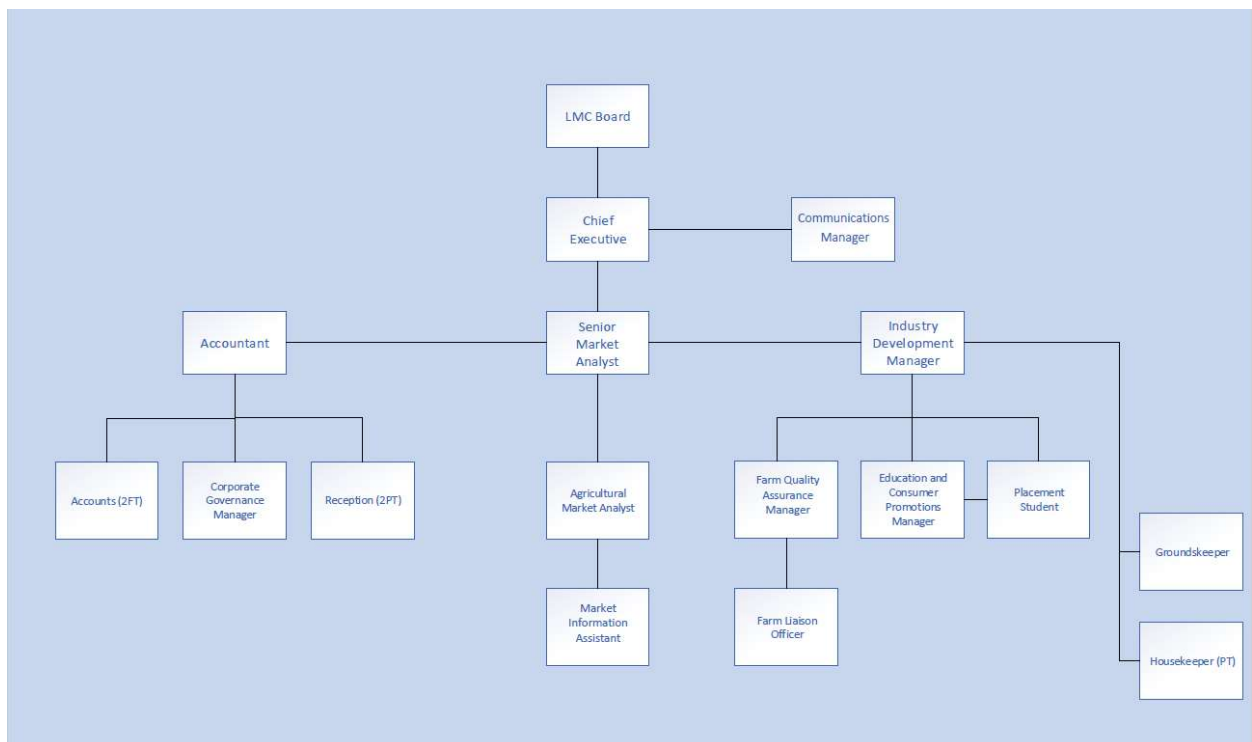
Central to the achievement of any of the outcomes in LMC's Strategic and Business Plans is the availability of a skilled team of professional staff to implement the strategy of the Board, to develop and deliver business activities, to actively engage with stakeholders and suppliers, to safeguard funds available to LMC and to adopt high standards of corporate governance and accountability. As Chief Executive I must highlight the dedication and commitment of the whole staff team at LMC, all of whom carry out their roles to an extremely high standard, and all of whom work so effectively as a team particularly in moments of crisis such as Covid-19. During the reporting year LMC had a number of staff changes within the team and I want to thank those who have left LMC and those who have joined LMC for their excellent contribution to the work of the organisation on behalf of stakeholders.

Communications

Cross cutting across all of LMC's work areas is the important issue of timely, accurate and effective communications. LMC continues to review on an ongoing basis how we communicate across all of the platforms available to us and a specific and ongoing business objective for LMC is to enhance its communications with internal and external stakeholders. Internally LMC holds monthly staff meetings after each LMC Board meeting to ensure that everyone in the team is fully engaged with work streams being carried out across each of the various business areas and to ensure that every staff member has a chance to contribute input and feedback. To help create more public awareness of LMC's activity

more communications and promotional content is being channelled through LMC’s social media platforms on Facebook, Twitter, Instagram and YouTube. LMC is a weekly contributor to the Farming Matters and Farm Gate Programmes on BBC Radio Ulster and over the course of the reporting period LMC has been able to inform listeners on a wider range of topics relating to the beef and lamb industry from market developments to climate change. In the 12 months from April 2020 to March 2021 LMC has recorded almost 200 occasions in our publications record where LMC press releases and communications have been used in full or in part in widely read agricultural media publications and other mainstream journals. LMC took part as a speaker or panel member in a wide range of local, national and international online events throughout the reporting period which created good profile for the organisation and our work.

Organisational Chart



Performance Analysis

Funding

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

Levies

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

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

Northern Ireland Beef and Lamb Farm Quality Assurance Scheme (NIBLFQAS)

Under 2020-21 funding arrangements for NIBLFQAS, producers pay a £60 joining and a £60 annual membership fee. Processors who wish to participate in the scheme pay a throughput fee of £1.00 per bovine animal and £0.10 per sheep slaughtered, plus an annual membership fee of £400 for a slaughterer/processor and £250 for a secondary processor.

Financial Review

The accounts for the year are set out on pages 76 to 99. The number of cattle and sheep slaughtered within Northern Ireland on an annual basis is the current main determining factor in LMC income. Prior to the commencement of each financial year, we calculate our balanced budget on projected cattle and sheep slaughterings for the financial year ahead.

Throughout the financial year we monitor our actual income and expenditure on an ongoing basis and if pressures or easements arise in particular areas of staff costs, general overheads or department costs we will maintain budgetary balance by reallocating expenditure as appropriate with the agreement of the LMC Board. LMC's Balanced Budget for the year 2020-21 was based on a projected income and expenditure of £2.318 million. During the course of the financial year local cattle and sheep slaughterings were greater than forecasted resulting in an additional income of £80k for the year. Expenditure on essential business activity was £180k greater than programmed expenditure at the start of the year resulting in an end of year deficit of approximately £100k (before depreciation), which was drawn from LMC reserves. Whilst LMC receives no grant-in-aid from our Sponsor Department, our expenditure forms part of DAERA's Departmental Expenditure Limit (DEL) and it is possible in monitoring rounds for LMC to apply for additional DEL cover to draw on our reserves if a requirement to do so arises. During the course of 2020-21 LMC, with the agreement of DAERA, was granted additional DEL cover in monitoring rounds to draw on our reserves to address in year pressures and priorities. This is also in line with our strategy to reduce our overall level of historic reserves.

Environmental Sustainability

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

Human Rights

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

Anti-Bribery and Corruption

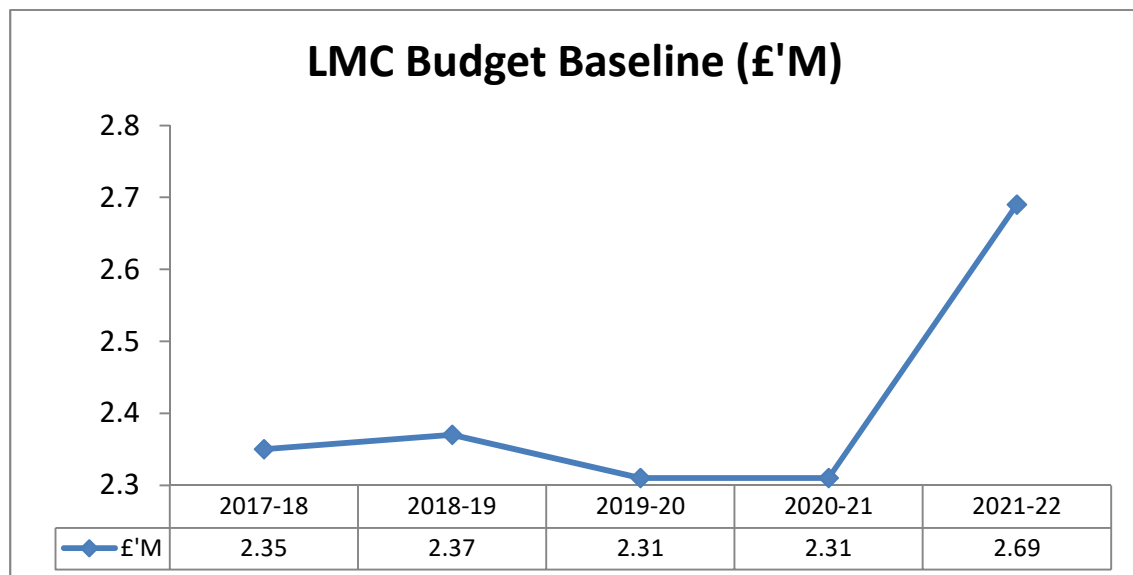
LMC's Anti-Fraud Policy and Fraud Response Plan sets out how LMC complies with the Bribery Act 2010. All staff are provided with a copy of this policy and training is given at induction and as policy is reviewed. LMC's Staff Code of Conduct indicates that all staff should conduct themselves with honesty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

Diversity

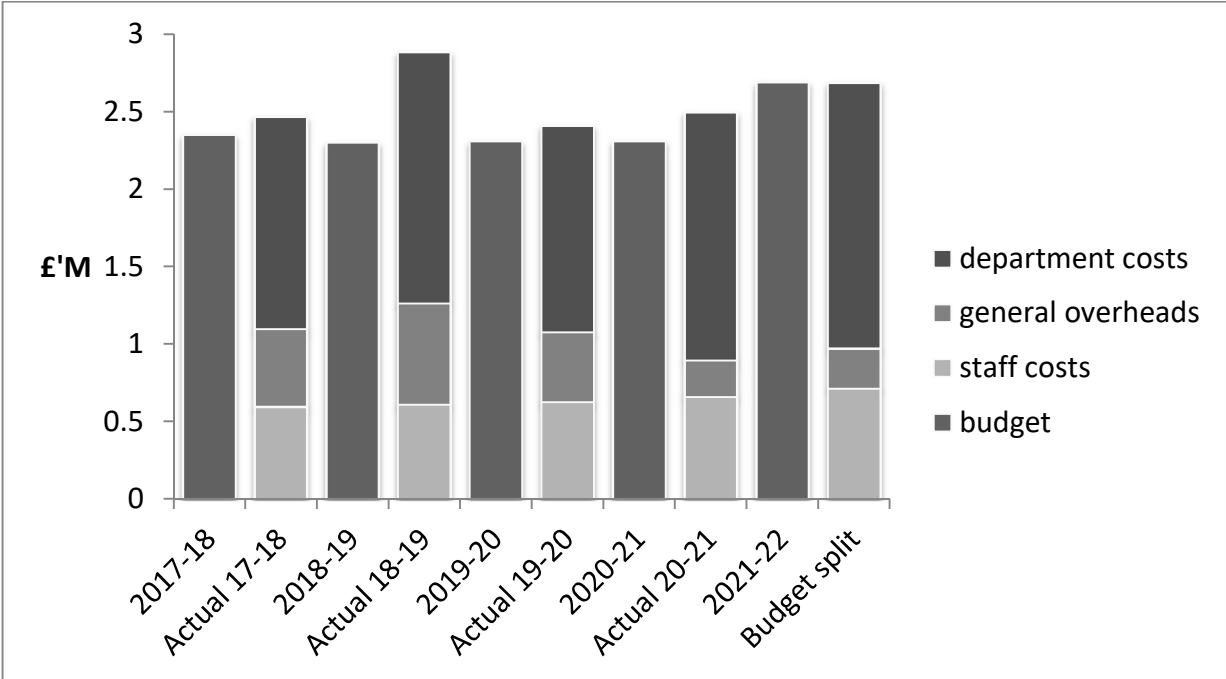
LMC have Equal Opportunity Policies in place and staff are trained on Equality and Diversity in the Northern Ireland Workplace. LMC continues to carry out its statutory obligations under fair employment legislation, including the annual monitoring return to the Equality Commission for Northern Ireland.

Long-term Expenditure Trends

The chart below captures the long-term summary expenditure profile of the LMC budget over the period 2017-18 to 2021-22.



The chart below shows the LMC budget split by major expense heading over the period 2017-18 to 2021-22.



LMC Performance 2020-21

Business Plan Monitoring and Reporting Arrangements

LMC has established monitoring and reporting arrangements in place in relation to its Business Plan targets. In the first instance, each Business Outcome and associated business activities are assigned to the Senior Manager responsible for that department. This Senior Manager has responsibility for monitoring progress on a regular basis. During the course of the financial year, detailed progress against each Business Outcome and Key Performance Indicators (KPIs) was reported to the LMC Board at the end of each quarter (June, September, December and March). Progress is reported in the format of the LMC Business Monitor. The Performance Analysis Section below identifies the achievement at 31 March 2021 in relation to each of the Business Outcomes and KPIs included in the LMC 2020-21 Business Plan under each of the Six Strategic Outcomes. Of the total 15 KPIs, 12 were fully achieved, two substantially achieved and one partially achieved.

Aligned Programme for Government (PfG) Outcome	Strategic Outcome (SO)	Business Outcome	Key Performance Indicator (KPI)	Performance Assessment at 31 March 2021
<p>PfG Outcome 1- We prosper through a strong, competitive, regionally balanced economy.</p> <p>PfG Outcome 2 - We live and work sustainably – protecting the environment</p>	<p>SO1 The industry is equipped with the tools to encourage its sustainable and commercial development</p>	<p>1.Commissioning /leveraging red meat research including outworkings of Brexit which industry can use to develop commercially</p>	<p>KPI 1 Facilitate the research needs of industry by participating in biannual meetings of Agrisearch Beef and Sheep Advisory Committees.</p>	Achieved
			<p>KPI 2 Support at least one stakeholder endorsed project in the financial year.</p>	Achieved
		<p>2. Championing industry sustainability initiatives</p>	<p>KPI 3 Support (financially or in kind) a minimum of two business development improvement initiatives in the financial year relevant to the sector.</p>	Achieved

			KPI 4 Participate in at least one domestic and one international sustainability initiative and communicate relevant updates to industry stakeholders before the end of March 2021.	Achieved
		3. Provision of an effective and efficient FQAS membership scheme	KPI 5 Host a minimum of four FQAS industry stakeholder meetings within the financial year and implement agreed actions.	Achieved
			KPI 6 Monitor Certification Body (CB) performance against agreed targets on a monthly basis and engage with CB management to ensure any instances when targets are not being met are rectified satisfactorily.	Achieved
PfG Outcome 1- We prosper through a strong, competitive, regionally balanced economy	SO2 A better informed industry and general public	4. Provision of strategic education services	KPI 7 Deliver at least 350 school cookery demonstrations before the end of March 2021 ensuring pupil and teacher resources are up to date and relevant.	Substantially Achieved
			KPI 8 Deliver at least two initiatives to support and upskill Food and Nutrition teachers before the end of March 2021.	Substantially Achieved
		5.Communication of market information to stakeholders	KPI 9 By 31 March 2021 produce and publish scheduled and bespoke market information reports in formats accessible to all appropriate LMC stakeholders including 50 weekly editions of the LMC Bulletin and 12 monthly editions of LMC News.	Achieved

		6. Enhancing LMC communications with internal and external stakeholders	KPI 10 By 31 March 2021 implement agreed LMC communication plan for the year, reviewing progress at the end of each quarter in LMC's Business Monitor.	Achieved
PfG Outcome 1 - We prosper through a strong, competitive, regionally balanced economy	SO3 Advising and influencing the policy making process	7. Assembling of essential market information	KPI 11 By 31 March 2021 to have collected, collated and analysed relevant time series and other specialist data throughout the financial year to enable the production of market information reports used by stakeholders.	Achieved
PfG Outcome 1 - We prosper through a strong, competitive, regionally balanced economy	SO4 Facilitating industry relationships with impartiality and integrity	8. Facilitating market access and development	KPI 12 Participate in scheduled meetings of UKECP and support at least two initiatives before the end of March 2021 to further opportunities for NI beef and lamb in export markets.	Achieved
PfG Outcome 1 - We prosper through a strong, competitive, regionally balanced economy	SO5 To be a relevant customer focused organisation that stakeholders understand, and meets their agreed requirements	9. Promotion of beef and lamb consumption by consumers	KPI 13 Successfully manage contract with advertising agency to deliver, by the end of March 2021, a media neutral beef and lamb advertising campaign in line with agreed objectives and evaluate its performance.	Achieved
PfG Outcome 2 - We live and work sustainably – protecting the environment	SO6 To have in place an effective, efficient and sustainable organisation	10. Developing staff knowledge and skills	KPI 14 All staff appraisal reviews and personal development plans to be completed by end of September 2020 and training needs for all staff identified.	Partially Achieved
		11. Staff engagement with key stakeholders	KPI 15 Participate in relevant stakeholder engagements. All engagements recorded in Senior Management Team Meeting Minutes.	Achieved

Summary of KPI status by 31 March 2021

Status	2020-21	Comparison 2019-20
Red (Outstanding/Not Achieved)		
Amber (Progress Less than Planned/ Partially Achieved)	1	
Amber / Green (Substantially Achieved)	2	
Green (On Track /Achieved)	12	13
Not applicable		
Total	15	13

Risk Profile

The LMC Corporate Risk Register has been prepared on the basis of an assessment of the key risks impacting on the achievement of LMC Key Performance targets. The key risks impacting on LMC in 2020-21 (Covid-19 and EU Exit) are highlighted above in the Chief Executives Review. The Corporate Risk Register, Risk Profile and Risk Appetite for the organisation can be read in further detail in the Accountability Report.

Review of Activity 2020-21

Industry Development Department Report

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

1. Industry Development

Highlights of LMC's Industry Development activity for 2020-21 include the following:

Food and Feed Safety

During the course of the year LMC engaged with the Food Standards Agency (FSA) Northern Ireland as part of the Food and Feed Industry Advisory Panel (FFIAP). This group focused primarily on the impact of the global Covid-19 pandemic on the agri-food industry. LMC attended two meetings with Department of Environment, Food and Rural Affairs (DEFRA) representatives, facilitated by the FSA, to discuss the definition of qualifying goods and businesses for unfettered access to the GB market.

Antimicrobial Resistance

LMC attended meetings of the Cattle Antimicrobial Usage Data Collection Steering Group throughout the reporting period. This group was set up to bring industry and Government representatives together to ensure an industry aligned UK-wide approach for the quantification of antimicrobial use in cattle. This follows the O'Neill report on Antimicrobial Resistance (AMR) and the commitment by the UK Government to deliver on a five year strategy to tackle AMR. LMC has also contributed to Northern Ireland's strategic response to AMR through the development of new NIBLFQAS Standards in this area and implemented in the reporting period. LMC is also a task lead on a DAERA funded project looking at Strategic Antimicrobial use in Dairy, Beef and Sheep Production (STAMP). The STAMP tool was launched in Q4 and will become an important tool in assisting industry to accurately report and make informed decisions on animal health. LMC has been proactive in driving adoption of this tool among veterinary practices.

Genetic Improvement Systems for Northern Ireland

LMC continues to participate in a joint government/industry initiative with the objective of accelerating the rate of genetic improvement within Northern Ireland's dairy, beef and sheep sectors to in order to help position NI among the international leaders in the application of genetics in these sectors. Covid-19 has delayed progress on this initiative but it remains a key priority for industry and government stakeholders as an essential driver of productivity and environmental improvements in ruminant livestock sectors in the years ahead.

Sustainability and Climate Change

LMC is a member of the Sustainable Agriculture Initiative (SAI) Platform and has been actively participating in the Platform's work on global agricultural supply chain sustainability since 2011. The SAI Platform provides the secretariat for the European Roundtable for Beef Sustainability (ERBS). During Q1, ERBS held elections for membership of its Board. LMC's Chief Executive was elected to the Board and is helping to shape the strategy of ERBS and to build engagement and profile for this important Roundtable within the UK, through the development of a UK Cattle Sustainability Platform. It brings stakeholders together in a pre-competitive environment to establish a common agenda, encourage mutually beneficial activities and accelerate the delivery of sustainability priorities.

LMC is also actively engaged in the work of DAERA's Greenhouse Gas (GHG) Implementation Partnership and holds the current chairmanship of the Red Meat Sub Group of the Partnership. During the year LMC has been working with other members on delivery of the 2016-2020 Implementation Plan of Efficient Farming Cuts Greenhouse Gases and on the development of the action plan for the next period of operation.

LMC has been working closely with industry and government in Northern Ireland and the Republic of Ireland to engage with the potential development and registration of a Protected Geographical Indication (PGI) for Irish Grass Fed Beef. In connection with this work LMC has taken the lead on establishing a working group in Northern Ireland to develop a grass fed standard and verification system. LMC has dedicated staff resource to work on this project and to investigate other important opportunities to aid the industry's response to the challenge of climate change and to deliver sustainability improvements.

Research and Development

LMC is involved in a number of important Research and Development projects on behalf of its stakeholders. LMC participated in three meetings of the Research and Development (R&D) Joint (Levy Body) Committee this year. This provides an opportunity to contribute to larger research projects on a pro rata basis. LMC attended meetings of the Food

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

Animal Health and Welfare

LMC participated in Animal Health and Welfare Stakeholder Forum meetings throughout the year. The meetings are facilitated by DAERA and provide an opportunity to update industry representatives on disease trends and welfare issues. Northern Ireland's Bovine Viral Diarrhoea (BVD) voluntary eradication initiative part funded by LMC and taken forward by Animal Health and Welfare Northern Ireland (AHWNI) is now enshrined in legislation. LMC is represented on the BVD Eradication Programme Implementation Group and LMC's Industry Development Manager is also a member of the AHWNI Board.

Assisting Export Market Development

LMC owns and manages the European Union Trade Mark 'Greenfields' (for class 29 meat and meat extracts) on behalf of the beef and sheep meat industry. Greenfields is predominately used as a consumer facing brand in the Benelux countries by Dutch retailer Albert Heijn and is supplied by meat processing companies operating in Northern Ireland and the Republic of Ireland.

During the year LMC carried out a wide range of activities to support the exporting

efforts of the Northern Ireland beef and sheep meat industry and its products. LMC is an active and funding industry member of the UK Export Certification Partnership (UKECP). Positive developments on third country exports were achieved in Q4 through the work of the UKECP including the scope of the beef export certificate to Hong Kong (to include beef from animals born in ROI), the confirmation of export certificates to Switzerland and progress with the S-Tec testing requirements for beef export to the USA. LMC participated in meetings of the DAERA / NI Agrifood Industry Meat Export Working Group. These meetings provide a very useful forum for industry and government representatives to discuss and consider important meat export matters such as EU Exit Issues, Global Market Access Developments and Export Priorities for Northern Ireland.

LMC has continued to engage in international initiatives through the International Meat Secretariat, Gira Meat Club, the AHDB Brussels Office and the Global Meat Alliance to get the most relevant and up to date information on market developments around the world and communicate this to stakeholders through the Bulletin, LMC News and other vehicles.

2. Northern Ireland Beef and Lamb Farm Quality Assurance Scheme

Impact of Covid-19 Pandemic

At the end of the 2019-20 financial year a global pandemic resulted in Northern Ireland Beef and Lamb Farm Quality Assurance Scheme (NIBLFQAS) inspections being deferred on 18 March 2020 and therefore no on-farm inspections took place between this date and 08 June 2020. The deferral of inspections had a knock on effect on participants being slower to pay membership renewal fees and submit evidence. The impact on inspection and certification data was evident particularly when looking at year on year trends. All inspections completed since 08 June 2020 whether on-farm or remotely were carried out in line with an agreed Covid-19 inspections policy.

Participation

In the 2020-21 financial year producer numbers participating in the Northern Ireland Beef and Lamb Farm Quality Assurance Scheme (NIBLFQAS) have decreased slightly, with an

approximate decrease in scheme membership of 0.58% in comparison to the 2019-20 financial year. In the 2020-21 financial year there was a 36.5% decrease in FQAS applications to join the scheme in comparison to the financial year 2019-20. At the end of the 2020-21 financial year producer participation in FQAS stood at 12,066 members, a decrease in membership of 71 relative to the end of the last financial year. Overall the percentage of NI born price reported domestic prime cattle that were farm assured at time of slaughter was 98.89% at the end of the 2020-21 financial year. Steers represented the highest category for assurance proportion at 99.18% with cull cows reaching 93.21% at the year end.

Certification

In the 2020-21 financial year 8,007 surveillance inspections were conducted by the Certification Body, Northern Ireland Food Chain Certification (NIFCC), which represents an average surveillance inspection interval of 17.5 months against a maximum target of 18 months. There were 95 spot-check inspections, representing 0.8% of scheme members against a minimum target of 5%. LMC instructed NIFCC to stop conducting random spot checks and only complete targeted spot checks during Q1-Q3 hence the lower number of spot checks reported against target. It is important to note that the NIFCC Certification Contract year runs from November to October and as such the reported inspection intervals for the financial year are not directly comparable to the yearly contractual obligations. Ongoing monitoring of performance against contract is undertaken by LMC and reported to the FQAS Industry Board and LMC Board. This contract was awarded for an initial contract period of three years with the option to extend for two additional one year periods. The contract was further extended during the reporting period to allow NIFCC to address the deficit of inspections caused by Covid-19 disruption to normal business activity. The contract end date is now 31 March 2022.

Scheme Management

FQAS Industry Board/Standard Setting Committee

In 2020-21 LMC continued to facilitate meetings of the FQAS Industry Board and FQAS Standard Setting Committee (SSC) to ensure that FQAS continues to operate effectively and efficiently in line with industry needs.

Earned Recognition

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

Standards Review

Every three years LMC undertakes an in depth review of its scheme standards and rules. Standards can be amended at any point during the review cycle depending on industry needs, retailer requirements, legislative or policy changes. The NIBLFQAS Standard Setting Committee meets twice each year and the key areas for development over the past year have been; 1) Antimicrobial Resistance (AMR) and 2) Bovine Viral Diarrhoea (BVD) eradication. Requirements for training in the responsible use of antimicrobials were introduced in February 2020 and despite Covid-19 over 50% of the membership have been trained at year end. Participants must also complete a review of antibiotic usage with their vet. A new standard designed to hasten the eradication of BVD was agreed by the FQAS Industry Board and was introduced from 08 June 2021. This has had a significant impact on the number of retained persistently infected bovines in NI reaching an all-time low during the reporting period.

FQAS CRM Database Development

In 2020-21 the system has been working efficiently. Change controls were commissioned to cater for receipt of new inspection information primarily as a result of Covid-19.

Assured Food Standards

LMC continues to maintain good lines of communication with Assured Food Standards (AFS) with regards to the Red Tractor (RTA) Beef and Lamb Assurance Scheme. NIBLFQAS and RTA Beef and Lamb are considered equivalent assurance schemes therefore LMC meets with AFS throughout the course of the year to discuss scheme developments. LMC has been working closely with Quality Meat Scotland (QMS) and Farm Assured Welsh Livestock (FAWL) and RTA to agree a common framework that all UK assurance schemes (which are allowed to use the Red Tractor Logo) would work collectively to ensure that differing regional approaches to assurance are formally recognised whilst delivering to the same agreed outcomes. This work is ongoing.

Communications

LMC continued to update FQAS participants on scheme developments. Press releases have been sent out along with text messages, bulletin articles and LMC's monthly news page to notify participants of new standards and to communicate other scheme developments.

Farm Liaison

The FQAS Farm Liaison Service continued to provide valuable assistance before and after inspections to FQAS participants during the 2020-21 reporting period. The Liaison Service continued to actively call members of FQAS at both suspension and revocation stages to offer assistance in rectification of non-conformances. The Liaison Service handled a significant volume of queries through the FQAS Helpline and referrals from the Certification Body. The FQAS Farm Liaison Officer dealt with on average 202 calls per month from and to members of the FQAS. The Farm Liaison Officer usually extends the Liaison Service to attend Livestock Markets in each of the six counties to assist FQAS members in their locality however this service was retracted due to Covid-19.

Scheme Funding

The current funding streams that are in place for FQAS are based on contributions from both producers and processors. Producers pay an annual participation fee and Processors pay a throughput fee on each animal slaughtered (£1.00 per bovine animal and £0.10 per ovine animal). Processors also pay an annual membership fee of £400 for a slaughter/processor and £250 for a secondary processor. With no significant reserves to rely on and an increase in scheme operating costs, the FQAS Industry Board had to review and increase scheme income to ensure its long term sustainability. Fees will be revised from 04 May 2021. Initial application and annual renewal fees for producer members will increase by £15 to £75 (excluding VAT). This increase in producer membership fees will be accompanied by a 20% increase in the FQAS processor throughput fee for bovine animals. The additional membership income will be used to meet ongoing scheme operational costs but will also help with essential supply chain development work where gathering of data is needed to help evidence and monitor the industry's strong sustainability credentials.

3. Education Services and Consumer Promotion

LMC educates, engages and informs consumers about the nutritional and environmental credentials of red meat. As part of this service to industry, we operate a highly valued education programme allowing LMC to bring the best of Northern Ireland Farm Quality Assured beef and lamb to the consumers of tomorrow.

Highlights of LMC's Education and Consumer Promotion activity for 2020-21 include the following:

Cookery Demonstrations

Over 300 beef and lamb cookery demonstrations were booked to take place in Food and Nutrition classes in secondary schools throughout Northern Ireland. Demonstrations began in September and the team completed 127 demonstrations prior to Christmas. However, Covid-19 guidelines meant that schools did not return in term two and demonstrations had to be postponed. As teaching resumed in term three, LMC made the decision to extend the demonstration programme to allow for those postponed demos to be completed. LMC's team of nine freelance demonstrators have played an important role in Food and Nutrition classrooms this year in providing access to interactive classes and upskilling of pupils, in the absence of practical lessons.

LMC's education website, www.food4life.org.uk has been instrumental in the provision of demonstrations this year as a host for recipes and classroom activities. In the absence of physical handouts, LMC demonstrators have been able to direct attention to the site. In the period September – December 2020 during the demonstrations there was a 35.8% increase in users of the Food4Life website, with a quarterly average of av. 10,000 users. Over 87.5% of these users were new users.

Primary School Book

LMC have provided sponsorship of an illustrated poetry book to be delivered for use as a teaching resource in Primary Schools across Northern Ireland. The book contains poems regarding the local agri-food industry and our environment, with the aim of developing pupil awareness about topics such as protein, carbon, beef and lamb and the Northern

Ireland Beef and Lamb Farm Quality Assurance Scheme.

LMC Media Campaign

LMC launched Good Honest Food – The Truth about Beef in October 2020. The campaign aim is to highlight the positive story and factual credentials of Northern Ireland’s world class sustainable beef. The campaign focusses on the nutritional and environmental stories behind production of Northern Ireland Farm Quality Assured (NIFQA) beef, communicated through a host of exciting, innovative and engaging advertising materials. Local chef James Devine presents the ‘travel blog’ style series, while making a journey around Northern Ireland meeting experts in the fields of nutrition, environment, agriculture and the food industry. The campaign was launched across digital, social, outdoor and print media in October 2020, providing the foundation for one of LMC’s most successful campaigns to date.

The design of the campaign facilitates further expansion of assets, and LMC has been able to develop over 15 NIFQA beef and lamb recipes with James Devine, a host of recipe videos for social media and a series of short ‘hints and tips’ videos alongside a series of infographics and a new recipe book. The newly updated consumer website (www.beefandlambni.com) hosts these assets. Campaign activity drove 16,968 sessions (76% of total sessions) to the website between October-November 2020. Organic search through the term ‘Love NI Beef’ the new call to action, drove a further 6,103 sessions and became the highest ranking landing page search term in the history of the website.

Stakeholder Engagement

Despite the challenges of Covid-19 and EU Exit, 2020 saw stakeholders coming together. Open Farm Weekend (OFW) - LMC proudly supported Open Farm Weekend as it moved to a virtual event. Although visitors could not physically visit the farms a host of interactive online activities allowed the public to connect with 18 farms across the country. LMC was able to deliver messaging about NIFQA beef and lamb throughout the event as part of cookery demonstrations. LMC fronted content delivered by OFW reached 1500 people.

Love Lamb Week – During Love Lamb Week 2020 LMC partnered with ‘The Hatch’ an award winning artisan food truck, based in Newcastle Co. Down. The theme was to ‘put lamb back on the menu’ with a bespoke NIFQA Lamb Flatbread dish, to be served throughout the week. Over 1000 portions of the lamb dish were sold across three evenings. The campaign also had a digital focus which promoted lamb’s delicious flavour, highlighting the environmental credentials of Northern Ireland Farm Quality Assured lamb and how it can be enjoyed as part of a healthy balanced diet on both the consumer facing Beef and Lamb NI Facebook page (8,679 reach) and the LMC Industry facing Facebook page (12,028 reach).

Beef Week - Similarly to last year, LMC delivered a social media campaign for NI Beef week. The theme of the event was to promote the sustainability of NI beef production, as well as the nutritional and versatility attributes. Social media was used to promote infographics, the Truth about Beef campaign and a series of recipes (12,611 organic reach). LMC collaborated with the UFU to promote the NIFQA message to Instagram users through local influencers ‘Dish You Were Here’ (37.2k followers). For further social reach, LMC worked with Belfast Live on a series of content on their Instagram stories, IGTV and online news articles (79.5k followers). James Devine played an important role in this activity to cement the campaign and delivered tips with fellow chefs on the most popular and under-rated beef cuts. Finally, a collaboration with u105 helped reach a secondary demographic of radio listeners with week-long promotion on the Carolyn Stewart show and chances to win prizes by showing off beef cookery skills (average 223,400 listeners per week). Additionally, Carolyn Stewart created a family friendly beef recipe and highlighted the importance of NIFQA through a recipe video on U105 social media channels (9.2k views, 573 shares).

Steakhouse Saturday- In response to industry concerns about reduced demand for high value cuts in Q2 and as a result of the closure of the food service industry, LMC commissioned the ‘Steakhouse Saturdays’ crisis campaign. The campaign aimed to encourage consumers to purchase and cook with higher value cuts at home, through promotion of recipes and collaboration with local social media influencers. The campaign was very successful with 1.8 million impressions throughout the 5 weeks of activity. This

paved the way for an internal eight week 'Taste the Summer' campaign, encouraging consumers to try new recipes and learn new skills while experimenting with NIFQA beef and lamb. Almost 500,000 local consumers engaged with the campaign.

Meat Matters

LMC remained a partner of Meatmatters, which works as a pro-active and reactive media programme to gain expert analysis and provide rebuttal on ongoing red meat matters in the national newspapers including the Daily Mail, the Sun and the Belfast Telegraph as well as in relevant press such as Farmers Guardian and Mums Net. It also ensures negative press coverage is responded to by appropriate experts in the red meat industry (formerly the Food Advisory Board) in a timely manner. Meat matters will continue to employ horizon scanning to ensure the industry is prepared for upcoming conversations, specifically in relation to climate change. The group will be providing messaging packs to be distributed to stakeholders during the National Food Strategy and COP 26, so that there is a united approach to messaging.

Market Information Department Report

LMC's Market Information department continued to deliver services to support the NI red meat industry throughout the 2020-21 financial year. The Market Information department delivered on its commitment to provide timely and accurate information that informs stakeholders about market developments using a mixture of basic statistics, research and analysis all delivered primarily through LMC publications, the LMC website and meetings/presentations with stakeholders.

Beef Market Overview 2020-21

For the financial year 2020-21 there were 340,407 prime cattle killed in local beef processing plants, a decrease of just over 4,900 head from the previous financial year. However the average carcass weight of prime cattle increased by 1.4kg from the previous financial year to 345.8kg during 2020-21. Cow throughput in Northern Ireland totalled 103,115 head during 2020-21, a slight increase of 1.5 per cent from the 101,582 cows processed in 2019-20. The average carcass weight of cows also recorded an increase of almost 4kg to 312.7kg in the 2020-21 period. Beef production from prime cattle decreased by one per cent to 117,812 tonnes while the volume of cow beef processed increased by almost three per cent to 32,226 tonnes.

Imports and exports of cattle for direct slaughter have continued to operate at relatively low levels in the 2020-21 financial year. A total of 14,810 prime cattle were imported from the Republic of Ireland for direct slaughter during 2020-21, up from 10,875 during the previous year. While this was a strong increase year on year it is worth noting these imported cattle from Ireland accounted for just 4.4 per cent of total prime cattle throughput in Northern Ireland. Meanwhile 347 prime cattle and 3,055 cows were exported out of NI to ROI and GB during 2020-21 financial year with 95 per cent exported to ROI for direct slaughter.

During the 2020-21 financial year there were 364,629 beef sired calves registered on Northern Ireland farms, an increase of almost 9,700 head from the previous year. There has been a notable increase in the number of Aberdeen Angus calf registrations with an increase of 10.6 per cent from 2019-20 levels. This has resulted in more Aberdeen Angus

bred cattle on local farms and accounts for a larger proportion Aberdeen Angus cattle in the NI slaughter mix throughout 2020-21.

The average R3 steer price in Northern Ireland for the financial year 2020-21 was 367.1p/kg, a strengthening of almost 32p/kg from 335.2p/kg during the 2019-20 period. Cow prices in Northern Ireland also improved in 2020-21 with the average O3 cow price up 22.8p/kg from 2019-20 levels to 276.2p/kg.

Sheep Market Overview 2020-21

Lamb/hogget throughput in local plants totalled 451,075 head in 2020-21, an 11 per cent increase on the previous year when 405,819 lambs/hoggets were killed in local plants. The average carcass weight of lambs/hoggets processed locally during 2020-21 was 21.8kg, a slight decrease from the 22.2kg recorded in the previous year. As a result of the increase in local lamb/hogget throughput, the number of lambs/hoggets exported to ROI for direct slaughter decreased by 14 per cent to 287,097 head during 2020-21 financial year.

The average deadweight lamb/hogget price in Northern Ireland for the financial year 2020-21 was 481.8p/kg, 77p/kg above the 404.7p/kg reported in the previous financial year. This strong increase equates to an uplift of £16/head on a 21kg lamb/hogget year on year.

Deadweight Cattle Price Reporting Services

LMC continued to deliver statutory price reporting obligations for DAERA for deadweight cattle price reporting. The ISAMM upload function to the EU commission has been rescinded, effective from 01 January 2021. Deadweight cattle price reporting has continued with the ongoing weekly delivery of price reports in a range of formats to inform the wider red meat industries.

Market Analysis and Research

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

making by providing accurate and timely information that creates a better understanding of the trade.

Publications

LMC continued to deliver a comprehensive range of statistical publications in 2020-21. The weekly LMC Bulletin published every Saturday in the Farming Life newspaper remains the primary distribution method for the provision of impartial market information to the NI red meat industry. The Bulletin is also available on the LMC website and distributed via email to subscribers.

The LMC text message service is a popular and effective vehicle for providing weekly beef and sheep base quotes to producers with over 8,000 subscribers to the service. LMC continues to provide daily beef and sheep price updates on the LMC answerphone service and to BBC Radio Ulster.



Ian Stevenson
Accounting Officer

2 July 2021

Accountability Report

Corporate Governance Report

Directors Report

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

Commission Membership

The Minister for Agriculture, Environment and Rural Affairs appoints the chairman and members of the LMC Board for three-year terms. As of 31 March 2021 there are six members on the Commission ("the Board"). Board appointments and committee membership are set out below:

Name	Date Appointed	Date Term Expires	Committee Membership
Gerard McGivern	06 Nov 2015	*06 May 2022	Chairman Remuneration (Chair)
Patrick McElroy	01 Feb 2014	**31 Jan 2021	Audit and Risk Assurance (Chair)
Harry Sinclair	01 Jul 2015	*06 May 2022	Audit and Risk Assurance
Oonagh Chesney	01 Jul 2015	*06 May 2022	Audit and Risk Assurance Remuneration
Jim Lennon	01 Jul 2015	*06 May 2022	Audit and Risk Assurance
Gerry Maguire	22 Oct 2015	*06 May 2022	Remuneration
Joseph Stewart	01 Feb 2021	31 Jan 2024	*** Audit and Risk Assurance (Chair)

*Members appointed for a second term of three years with effect from 07 May 2019. Appointments for the second term were made by the Secretary of State for Northern Ireland under the Northern Ireland (Executive Formation and Exercise of Functions) Act 2018.

** On 27 July 2020, the Minister for Agriculture, Environment and Rural Affairs extended the appointment of Mr. Patrick McElroy for a period of six months to 31 January 2021.

*** Mr. Joseph Stewart took over the role of Audit and Risk Assurance Committee Chair on 01 February 2021.

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

Conflict of Interests

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

Gerard McGivern (Chairman)

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

Patrick McElroy

Mr. Patrick McElroy was appointed to the LMC Board in February 2014. He is currently a Director of Artillery One Limited, Artillery Two Limited and Refineblend Limited. From 1997 to 2007 he was Company Accountant at Omagh Meats. He has significant financial experience at a senior level in the meat processing industry and, in addition to his financial skills, brings experience and a good understanding of the issues facing the red meat processing sector to the work which the LMC does.

Harry Sinclair

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

Oonagh Chesney

Mrs. Oonagh Chesney was appointed to the LMC Board in July 2015. Mrs Chesney is Group Company Secretary for Fane Valley Co-Op Society Ltd and all its subsidiary companies. She has an active involvement in the family beef farming business. She combines corporate governance experience and knowledge with a good understanding of the challenges facing LMC and the Red Meat industry. Mrs Chesney was appointed to the Board of AI Services during 2019. Mrs Chesney holds no other public appointments.

Jim Lennon

Mr. Jim Lennon was appointed to the LMC Board in July 2015. Mr Lennon is a beef farmer specialising in the production of Aberdeen Angus cattle. He is also involved in the Derrynoose Farming Community Group which promotes investment and training in livestock production. He has significant wider senior public sector experience shown in both his current role as Head of Corporate Service for Middletown Centre for Autism and various senior roles in the National Health Service. He has also been involved in local economic and social regeneration matters. He was Chair of the Blood Transfusion Service until 31 March 2019.

Gerry Maguire

Mr. Gerry Maguire was appointed to the LMC Board in October 2015. Mr Maguire has 37 years' experience in the Red Meat processing industry. He is currently Managing Director of Linden Foods. He is directly responsible for the Linden Foods Group which has an annual turnover of £400million. He is also Director of Slaney Foods and has previously served three years on Bord Bia's Meat and Livestock Board.

Joseph Stewart

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

Pension Liabilities

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

Auditors

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

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

The audit of the financial statements for 2020-21 resulted in an audit fee of £15,365 and this

is included in the other operating charges in the Statement of Comprehensive Net Expenditure. The C&AG did not provide any non-audit services during the year.

Financial Risk Management

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

Data Protection

LMC has robust policies and procedures in place in relation to data protection which have been reviewed in line with UK GDPR in January 2021 following the UK exit from the EU. There were no personal data related incidents in 2020-21.

Complaint Handling

LMC is committed to providing the highest possible standards of service to all its customers, and has a Staff Code of Conduct that details the core standards of service our staff are expected to deliver. Central to these is the facility for customers to lodge formal complaints if things go wrong. LMC's Complaints Procedure is publicly accessible on the LMC website and informs customers how to make a complaint if they are unhappy with the level of service received. All staff in LMC have been briefed and issued with written guidance which outlines the clear procedures for complaint handling by the organisation. The overall managerial responsibility for complaints rests with the Chief Executive. In line with our Complaints Procedures, and our equality commitments, we monitor complaints received and our handling of them. There were no complaints raised in 2020-21.

Significant Issues

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

Statement of the Commission and Accounting Officer's Responsibilities

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

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

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

The Accounting Officer of DAERA has designated the LMC Chief Executive as the LMC Accounting Officer. The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for the keeping of proper records and for safeguarding the LMC's assets, are set out in Managing Public Money NI, issued by DoF.

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

Annual Report and Accounts and the judgements required for determining that it is fair, balanced and understandable.

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

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

Governance Statement 2020-21

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

Scope of Responsibility

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

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

The Governance Framework

The governance framework comprises the systems and processes, culture and values by which LMC is directed and controlled. It enables LMC to monitor the achievement of its strategic outcomes and to consider whether those outcomes have led to the delivery of appropriate services and value for money for its stakeholders. LMC's governance framework adapts, to the extent appropriate for an organisation of LMC's size, scope and risk, the

principles of the Corporate Governance in Central Government Departments: Code of Good Practice (NI) 2013.

The Minister for Agriculture, Environment and Rural Affairs is accountable to the Northern Ireland Assembly for the activities and performance of the LMC. DAERA ALB Corporate Sponsor Branch is responsible for managing the overall relationship between DAERA and LMC. ALB Corporate Sponsor Branch holds quarterly Accountability Meetings with LMC as part of its governance oversight. The Management Statement and Financial Memorandum (MSFM) defines the accountability arrangements of LMC to DAERA. In 2019-20 year the Partnership Agreement template was formally launched. Partnership Agreements when completed, will replace the MSFM. DAERA and LMC have been working together to discuss their relationship and agree their Partnership Agreement. This work is ongoing.

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

The strategic plan provides an overview of the statutory purpose of LMC. It identifies the major factors influencing LMC's strategy and formalises the major inputs from its stakeholder consultation process. The strategic plan outlines LMC's strategic outcomes over a rolling three year period and associated business outcomes for the next year. The business plan is formed from the strategic plan and includes key targets and milestones. Financial budgets are produced annually for the forthcoming 12 month period. The LMC Strategic Plan 2018-2021 was approved by the Minister for Agriculture, Environment and Rural Affairs in October 2020. The LMC Business plan and Budget for 2020-21 were approved by the DAERA Departmental Board in October 2020 and the Minister in February 2021.

The governance framework has been in place at LMC for the year ended 31 March 2021 and up to the date of approval of the Annual Report and Statement of Accounts.

LMC Board

The LMC Board comprises a chairman and five non-executive members, appointed by the Minister for Agriculture, Environment and Rural Affairs for three year terms. Throughout the course of the 2020-21 year, the Minister extended the appointment of Mr. Patrick McElroy for a further six months to 31 January 2021. In December 2020 the Minister announced the appointment of Mr. Joseph Stewart as a LMC Board Member (with responsibility as Audit and Risk Assurance Committee Chair). Mr. Joseph Stewart has been appointed for a three year term effective from 01 February 2021 to 31 January 2024.

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

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

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

Evaluation of Board Performance

Table 1 sets out the attendance of Commission Members for the financial year 2020-21 at Board and Audit and Risk Assurance Committee (ARAC) meetings where applicable:

Table 1

NAME	BOARD MEETING	ARAC
Gerard McGivern Appointed 06/11/2015	11/11	-
Patrick McElroy Appointed 01/02/2014	9/9	2/2
Harry Sinclair Appointed 01/07/2015	11/11	3/3
Oonagh Chesney Appointed 01/07/2015	9/11	3/3
Jim Lennon Appointed 01/07/2015	11/11	3/3
Gerry Maguire Appointed 22/10/2015	11/11	-
Joseph Stewart Appointed 01/02/2021	2/2	1/1

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

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

In April 2021 the Board completed a self-assessment performance checklist reflecting on the 2020-21 financial year. The checklist focuses on the following principles:

- Discharging the Board's roles and responsibilities effectively;
- Operating effectively as a Board; and
- Building, developing and evaluating the Board.

All members stated the compliance of the Board in each of the three sections with all

responses deemed excellent including:

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

The self-assessment was reviewed and discussed at the April 2021 Board meeting, and the overall results of the checklist are shown in Table 2.

Table 2

Excellent	Good but can do better	Generally satisfactory but improvement possible	Considerable scope for improvement
100%	0%	0%	0%

Committees of the Board

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

Audit and Risk Assurance Committee (ARAC)

The principal focus of the Audit and Risk Assurance Committee during the year was on providing oversight of the financial reporting process, the audit process, the system of internal controls and compliance with laws and regulations while effectively supporting the Board and the Accounting Officer.

Mr. Patrick McElroy has been Committee Chair since February 2014. Mr McElroy's term as a LMC Board Member and Chair of the Audit and Risk Assurance Committee expired on 31 January 2021. From 01 February 2021 Mr. Joseph Stewart commenced in this role.

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

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

- The strategic processes for risk, control and governance and the Governance Statement;
- The accounting policies, the accounts, and the Annual Report of LMC, including the process for preparation of the accounts for audit, levels of error identified, and management's letter of representation to the External Auditors;

- The planned activity and results of both Internal and External Audit;
- Adequacy of management response to issues identified by audit activity, including External Audit's Report to Those Charged with Governance;
- Assurances relating to the management of risk and corporate governance requirements for LMC
- Anti-fraud policies, whistle-blowing processes, and arrangements for special investigations;
- The approval of internal LMC business cases for expenditure of £30,001 up to £200,000 on goods and non-construction services; and
- The Audit and Risk Assurance Committee also periodically reviews its own effectiveness and its chair reports the results of that review to the chair of the Commission.

The Audit and Risk Assurance Committee met formally three times during the 2020-21 financial year, reporting to the Board after each meeting. The Audit and Risk Assurance Committee provides the Board and Accounting Officer with an Annual Statement, summarising its conclusions from the work it has done during the year. A report was presented by the Chairman Mr. Patrick McElroy (up to 31 January 2021). Highlights from the report include:

- The Chairman (Mr. Patrick McElroy) stated that has been a privilege to serve as Chair of the committee for the past seven years and wishes to put on record his gratitude to all the members of, not just the present committee, but also those who served on the previous committee. Mr. Patrick McElroy thanked Mrs. Oonagh Chesney, Mr. Jim Lennon and Mr. Harry Sinclair for their contribution to the Committee over the last year, particularly their ability to work effectively and co-operatively to achieve the objectives of the Committee;
- A number of policies were reviewed and updated throughout the year and these were duly approved by the Board;
- The Final Internal Audit and Annual Opinion Report for the 2019-2020 year was issued on 09 June 2020. An overall opinion of 'satisfactory' was recorded. This report was considered by the members of the ARAC on 07 September 2020 and approved for recommendation to the Board;

- The draft Internal Audit Plan for 2020-2021 was presented to the meeting of 07 September 2020 and was approved accordingly;
- The draft Internal Audit Terms of Reference 2020-2021 and was approved by the ARAC on 26 October 2020.
- Risk Management is a standing agenda item at each monthly meeting of the Commission and is reviewed at each ARAC meeting. The Risk Register identified significant risks in the areas of uncertainty with the outworkings of the UK departure from the EU; the loss of specialist staff and difficulties in recruitment due to LMC's inability to offer terms competitive with other sectors; succession planning of the Board; and Covid-19.
- In August 2016 the sponsor branch approved, on a pilot basis, an increase of the delegated spending limit. This continues to operate and during the reporting year one business case was considered and approved internally; and
- In March 2020 the Covid-19 global pandemic forced Northern Ireland into a lockdown situation. The LMC acted swiftly to implement procedures in line with prevailing recommendations from Government and Public Health Agency to protect staff. New working methods and procedures were brought into effect on 23 March 2020. Appropriate devices and facilities were sourced to enable staff to work from home wherever possible.

In summation the Chairman states "The Committee is satisfied that the LMC as a whole is aware of the importance of risk management and that the Corporate Risk Register is an effective reflection of the risks facing the organisation. The finance management and accounting systems are in full compliance with the Government Financial Reporting Manual. The Accounts and Annual Report have been subject to robust review by the Accounting Officer and the Board. The planned activities of Internal and External Audit have been conducted in a timely fashion, albeit with minor disruption due to Covid-19 guidelines, and as always with a high level of cooperation between Internal and External Auditors. All recommendations made by Internal Audit have been accepted or an alternative proposal made by LMC management and all audits conducted during the period have concluded with a 'clean' audit opinion."

Following appointment of Mr. Joseph Stewart an ARAC meeting took place on 24 March 2021. At this meeting the following was highlighted:

- LMC's Internal Audit commenced in November 2020 and the final Internal Audit Report for 2020-21 was presented to the ARAC meeting. Once again the findings of Internal Audit confirmed a 'satisfactory' opinion on the LMC's governance, risk management and control arrangements;
- The ARAC approved the Internal Audit Strategy 2021-2024;
- The ARAC approved the External Audit Strategy for 2020-21; and
- The final Report to Those Charged with Governance (RTTCWG) 2019-20 was presented by NIAO at the meeting and considered by the ARAC. An unqualified audit opinion had been recorded and management responses received.

In April 2021 the Audit and Risk Assurance Committee completed an Audit and Risk Assurance Committee effectiveness self-assessment checklist with regard to the 2020-21 financial year using the five principles as detailed in the HM Treasury's Audit and Risk Assurance Committee Handbook. All members stated the compliance of the ARAC in each of the five sections of the checklist including:

- The ARAC have a clear understanding of their terms of appointment, expectations and performance;
- The ARAC are satisfied that collectively they have the range of skills required to ensure that the Accounting Officer and Board gain the assurance needed on governance, risk management, control environment and integrity of Annual Report and Accounts;
- The ARAC have sufficient understanding of the organisation's overall control environment, including its governance and any outsourcing arrangements, and review its effectiveness regularly to provide assurance that arrangements are responding to risks within the organisation;
- The ARAC sufficiently challenge the work of Internal and External Audit;
- The ARAC critically review the comprehensiveness and reliability of assurances that they receive from across the organisation; and
- Relationships and communications are sufficiently well developed.

Account of Corporate Governance

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

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors and the executive managers within LMC who have responsibility for the development and maintenance of the internal control framework, and comments made by the external auditors in their Report to Those Charged with Governance.

The Internal Audit Branch of DAERA (IA) gave an overall ‘Satisfactory’ assurance, in its 2020-21 Annual Report and Opinion of the Livestock and Meat Commission for Northern Ireland, concluding that LMC have an established adequate system of governance, risk management and control in relation to financial management and corporate governance.

IA noted the following processes were in place:

- Internal Audit were satisfied that controls over procurement are adequate and audit testing confirmed that they are operating effectively;
- Contract management arrangements are in place for all contracts (with the exception of lower value spend for one off items), audit testing confirmed that procedures were followed appropriately;
- Contract management arrangements are in place for all contracts (with the exception of lower value spend for one off items), audit testing confirmed that procedures were followed appropriately;
- When a contract term comes to an end, Post Project Evaluations (PPE) are completed by the Contract Manager in all cases so LMC can evaluate how well the contract has operated against its initial objectives;
- Audit testing confirmed that LMC has a Strategic Plan for 2018-2021 which was approved by the LMC and Departmental Boards. This is linked to a Business Plan and KPIs; and
- A Risk Management Strategy is in place and approved.

Two recommendations were identified where improvement could be made to enhance the control framework: a review date to be included on Procurement Policy and one KPI status to be reviewed.

Conflicts of Interest

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

Account of Assurances and Evidence

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

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

LMC's performance in helping to deliver DAERA policies, including the achievement of key outcomes, is reported to DAERA on a quarterly basis. In line with DAERA's Arm's Length Bodies Sponsorship Manual quarterly Accountability meetings take place between the Senior Sponsor, members of the sponsorship team, the Chairman and the LMC Accounting Officer. Prior to these meetings signed Assurance Statements are forwarded by the LMC Accounting Officer to the Sponsor Branch for review and consideration of any action points raised. The Minister or his/her nominated representative meets the Board formally as appropriate to discuss LMC's performance, its current and future activities, and any policy developments relevant to those activities. No Ministerial Directions were given to LMC during 2020-21. On an annual basis the LMC Board meets with the DAERA Departmental Board.

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

Internal Audit

The Internal Audit 2020-21 commenced in November 2020. The audit scope for the annual Internal Audit of LMC included Financial Management (including Procurement, Contract Management and Post Project Evaluations) and Corporate Governance (including Strategic Objectives and Outcomes – including development, monitoring, reporting, Key Performance Indicators (KPIs), EU Exit and Covid-19 implications).

External Audit

The Comptroller and Auditor General (C&AG) audits and certifies LMC's annual accounts, after which LMC gains ministerial approval to lay them before the Northern Ireland Assembly. The C&AG certified the 2020-21 financial statements with an unqualified audit opinion, without modification.

Quality of Information

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

The Risk and Control Framework

The system of internal control is a significant part of the governance framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of LMC's policies, aims and objectives, to evaluate the likelihood and potential impact of those risks being realised, and to manage them efficiently, effectively and economically.

Risk Management

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

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

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

Risk Appetite

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

Risk Register

The Corporate Risk Register was reviewed by the Audit and Risk Assurance Committee in May 2021 and was subsequently approved by the Board. Risk issues and their management are routinely discussed at each Senior Management Team meeting.

During 2020-21, the main and significant risk areas identified included:

1. Relationship with stakeholders is weakened
2. External event or decisions which may have implications for approved LMC business and strategic plans
3. Information loss and security
4. Loss of staff and specialist skills
5. Absence of succession planning for membership of the Board
6. Breach of physical security of Lissie House and Lissie Walk premises
7. Impact of Covid-19 (Coronavirus) Pandemic on LMC business activities

Figure 1 LMC Risk Profile

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

Information Risk

LMC recognises risks associated with data security and all staff have been instructed appropriately in regard to information held by them and accessible to them. All members of staff were issued with additional Homeworking Guidance during the Covid-19 pandemic to ensure data protection policies were adhered to when working remotely. All members of the Senior Management Team are fully aware of their responsibilities regarding information security. They have provided assurances to the Accounting Officer in their Stewardship Reports for 2020-21 that a culture of awareness exists among the staff in their departments regarding information security and dealing with information loss incidents. Record management practices are in place that ensures the appropriate creation, maintenance and disposal of important information held in paper and electronic formats. Information and information systems as assets are carefully controlled with segmented access provided as required to undertake tasks. LMC undertook a review of these practices following the introduction of the General Data Protection Regulations (GDPR) and Data Protection Act 2018. Policies were further reviewed and updated in January 2021 following the retention of GDPR within domestic law (UK GDPR).

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

In the 2020-21 LMC engaged with the Public Record Office of Northern Ireland (PRONI) to review and identify records which may require transfer. Discussions also took place to assist LMC in reviewing the Retention and Disposal Schedule in line with the current NICS template. A final version has been submitted to PRONI for laying the Schedule at the NI Assembly on behalf of LMC. There were no data related incidents that would constitute breaches in the financial year 2020-21.

Significant Governance Issues

There are no significant governance issues to report in the 2020-21 Governance Statement.

Conclusion

As Accounting Officer, based on assurances provided to me by DAERA Internal Audit, the NIAO in their Report to Those Charged with Governance and stewardship reports provided to me by LMC's Senior Managers I consider that the overall system of risk management, internal control and governance provides satisfactory assurance to me in relation to the ability of LMC to effectively discharge its governance responsibilities.

Remuneration and Staff Report

Remuneration Report

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

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

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

Service Contracts

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

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

Salary and Pension Entitlements (audited)

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

	2020-21				2019-20			
Name	Salary £'000	Benefits in kind (to nearest (£100)	Pension benefits* (to nearest (£1000)	Total £'000	Salary £'000	Benefits in kind (to nearest (£100)	Pension benefits * (to nearest (£1000)	Total £'000
Mr G McGivern Chairman	15-20	-	-	15-20	15-20	-	-	15-20
Mr P McElroy Board Member Until 31 Jan 21	5-10	-	-	5-10	5-10	-	-	5-10
Mrs O Chesney Board Member	5-10	-	-	5-10	5-10	-	-	5-10
Mr J Lennon Board Member	5-10	-	-	5-10	5-10	-	-	5-10
Mr H Sinclair Board Member	5-10	-	-	5-10	5-10	-	-	5-10
Mr G Maguire Board Member	5-10	-	-	5-10	5-10	-	-	5-10
Mr J Stewart Board Member From 1 Feb2021	0-5	-	-	0-5	-	-	-	-
Mr I Stevenson Chief Executive	55-60	-	23,000	75-80	55-60	-	17,000	70-75

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

Salary

'Salary' includes gross salary and any allowances to the extent that it is subject to UK taxation. This report is based on payments made by the Commission during the year and thus recorded in these accounts.

The remuneration of the highest paid employee in the financial year 2020-21 was £57,300 (2019-20: £56,003). This was 2.33 times (2019-20: 2.49 times) the median remuneration of the workforce, which was £24,618 (2019-20: £22,509). The range of staff remuneration was £15,990 to £57,300 (2019-20: £15,015 to £56,003).

Benefits in Kind

The monetary value of benefits in kind covers any benefits provided by the employer and treated by the Her Majesty's Revenue and Customs (HMRC) as a taxable emolument.

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

Name	Accrued pension at pension age as at 31/3/21 and related lump sum	Real increase in pension and related lump sum at pension age	CETV at 31/3/21	CETV at 31/3/20	Real increase in CETV	Employer contribution to partnership pension account
	£'000	£'000	£'000	£'000	£'000	Nearest £100
Mr I Stevenson Chief Executive	10-15 plus lump sum 0-5	0-5 plus lump sum of 0-2.5	163	143	15	-

Pension benefits are detailed in Note 14 to the accounts.

No pension benefits accrue to Board Members.

Cash Equivalent Transfer Values

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a

scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies. The CETV figures and the other pension details, include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the NILGOSC pension arrangements and for which the NILGOSC has received a transfer payment commensurate with the additional pension liabilities being assumed. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries.

Real Increase in CETV

This reflects the increase in CETV effectively funded by the employer. It takes account of the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period. However, the real increase calculation uses common actuarial factors at the start and end of the period so that it disregards the effect of any changes in factors and focuses only on the increase that is funded by the employer.

Staff Report

Human Resources

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

Organisational Breakdown at 31 March 2021		
Level	Total Number	Male: Female Ratio
Directors/Board Members	6	5:1
Senior Managers (SCS level equivalent)	0	0:0
Employees (permanent)	13	5:8
Employees (temporary)	2	0:2

Staff Costs (audited)

Staff costs are captured in the table below:

	Permanently employed staff	Others	Commission members	2020-21 Total	2019-20 Total
	£	£	£	£	£
Wages and salaries	461,258	45,159	51,728	558,145	503,887
Social security costs	30,088	2,545	1,382	34,015	29,754
Pension costs – defined benefit plans	121,716	2,730	-	124,446	146,585
	613,062	50,434	53,110	716,606	680,226

Included in the above costs is £125,000 relating to employer pension costs as detailed in Note 14.

Staff Absence

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

	2020-21	2019-20
Percentage days lost through sickness absence	1.13%	0.91%
Cost of absence	£6,554	£3,365
Percentage of annual staff costs	0.91%	0.49%

LMC's absence level is well below current levels associated with the Northern Ireland economy of 5.9% ("Sickness Absence in the Northern Ireland Civil Service" NISRA June 2020).

Equality and Good Relations

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

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

The exemption relates to the duty to produce an equality scheme and disability action plan and not to the Section 75 duties and Disability Duties respectively. Therefore, although the Livestock and Meat Commission for Northern Ireland may be exempt from producing an equality scheme, it will still be subject to the Section 75 duties and the duties of Section 49A of the Disability Discrimination Act 1995.

LMC staff receive Equality and Diversity training on a regular basis. In 2020-21 LMC reviewed the Equal Opportunities Policy and developed an Equality Policy for Service Providers which is available on the website. LMC continue to engage with the Equality Commission as and when required.

Staff Policies

LMC has a range of policies that are subject to regular review in line with best practice and statutory obligations. Staff are trained on any policies that are updated or introduced, and are given copies of each policy as part of their Staff Handbook. In line with our Equality commitments policies are subject to consultation if required. LMC employees received various policy training updates throughout the course of the year such as:

Homeworking Guidance, Eye Test Policy, Fire Procedures, Time off for Jury Service, Mobile Telephone Use Whilst Driving, Equal Opportunities, Equality Policy for Service Providers and Anti-Fraud Policy.

As a result of the Covid-19 pandemic and associated lockdown measures in March 2020, LMC staff were equipped with appropriate technology and support to enable remote working when required. To complement this, a Homeworking Guidance document and risk assessment was issued to support staff when working remotely as well as helping to ensure all LMC staff were aware of their responsibilities with regards to data protection, IT security and health and safety (including display screen equipment, workstations and mental health). As Government guidelines evolved throughout the course of the year, LMC worked to develop Covid-19 Risk Assessments to allow a small number of staff on site. These risk assessments are constantly under review in line with the current advice.

Other Employee Matters

All staff receive three yearly Health and Safety Essentials online training and training on the Health and Safety Policy as it is updated. Regular updates are provided on first aid and fire procedures. During the Covid-19 pandemic in 2020-21 LMC did not hold any face to face meetings or have any members of the public in the office premises. In the event a contractor or visitor needed to come on site, this was strictly by appointment only and additional information was drawn up for visitors to the office premises to ensure they are fully aware of the Health and Safety procedures when on site with regards to Covid-19.

All staff received Health and Safety for Homeworkers online training to re-iterate the importance of working safely at home during the pandemic.

LMC invests in training for its staff as part of continuous professional development of staff to develop their skills and to support the delivery of its strategic/business outcomes. Training needs analysis is undertaken in line with the completion of appraisals and training is organised from the requirements gathered. Due to pressures on staff time, remote working and vacancies in some key roles within the organisation it was not possible to complete staff appraisal reviews and personal development plans during the business year. However, staff training continues to be prioritised with some members of staff taking part

in various training such as: fire warden training, tender evaluation training and leadership and management training. Various virtual webinars were also attended throughout the year.

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

Consultancy

There was no expenditure on consultancy services during the period 2020-21.

Exit Packages and Compensation for Loss of Office (audited)

There were no exit packages or compensation for loss of office during the period 2020-21.

Off Payroll Engagements

	2020-21	2019-20
No. of off-payroll engagements of Board Members and senior officials with significant financial responsibility, during the financial year	-	-
Total no. of individuals on payroll and off-payroll that have been deemed “Board Members and senior officials with significant financial responsibility” during the financial year. This figure should include both on payroll and off-payroll engagements.	7	7

Assembly Accountability and Audit Report

Regularity of Expenditure (audited)

There were no special payments or losses made by LMC in 2020-21 (2019-20: None)

Remote Contingent Liabilities (audited)

LMC has no remote contingent liabilities to report at 31 March 2021 (31 March 2020: None)

Fees and Charges (audited)

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

	Levy Funded Activities	NIBLFQAS
Income for year (excluding interest)	£1,079,711	£1,205,664
Expenditure for year (excluding notional costs)	£1,123,066	£1,282,387



Ian Stevenson
Accounting Officer

2 July 2021

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

Opinion on financial statements

I certify that I have audited the financial statements of the Livestock and Meat Commission for Northern Ireland for the year ended 31 March 2021 under the Livestock Marketing Commission Act (Northern Ireland) 1967. The financial statements comprise: the Statements of Comprehensive Net Expenditure; Financial Position; Cash Flows; Changes in Taxpayers' Equity; and the related notes including significant accounting policies. These financial statements have been prepared under the accounting policies set out within them. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRS) as adopted by the European Union and interpreted by the Government Financial Reporting Manual.

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

In my opinion the financial statements:

- give a true and fair view of the state of the Livestock and Meat Commission for Northern Ireland's affairs as at 31 March 2021 and of its net operating expenditure for the year then ended; and
- have been properly prepared in accordance with Livestock Marketing Commission Act (Northern Ireland) 1967 and Department of Agriculture Environment and Rural Affairs directions issued thereunder.

Opinion on regularity

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

Basis for opinions

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

My staff and I are independent of Livestock and Meat Commission for Northern Ireland in accordance with the ethical requirements of the Financial Reporting Council's Revised Ethical Standard 2019, and have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Conclusions relating to going concern

In auditing the financial statements, I have concluded that Livestock and Meat Commission for Northern Ireland's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

Other Information

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

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Opinion on other matters

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

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

Matters on which I report by exception

In the light of the knowledge and understanding of the Livestock and Meat Commission for Northern Ireland and its environment obtained in the course of the audit, I have not identified material misstatements in the Accountability Report, except for the possible effects of the matter described in the basis for qualified audit opinion on financial statements and opinion on regularity. I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept; or
- the financial statements and the parts of the Accountability Report to be audited are not in agreement with the accounting records; or
- certain disclosures of remuneration specified by the Government Financial Reporting Manual are not made; or
- except for the possible effects of the matter described in the basis for qualified opinion on financial statements and opinion on regularity, we have not received all of the information and explanations we require for our audit; or
- the Governance Statement does not reflect compliance with the Department of Finance's guidance.

Responsibilities of the Accounting Officer for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

My procedures included:

- obtaining an understanding of the legal and regulatory framework applicable to the Livestock and Meat Commission for Northern Ireland through discussion with management and application of extensive public sector accountability knowledge. The key laws and regulations we considered included the Health and Safety regulations, Environmental laws and regulations, the Fair Employment (Northern Ireland) Act 1989 and other relevant tax laws;
- making enquires of management and those charged with governance on the Livestock and Meat Commission for Northern Ireland's compliance with laws and regulations;
- making enquiries of internal audit, management and those charged with governance as to susceptibility to irregularity and fraud, their assessment of the risk of material misstatement due to fraud and irregularity, and their knowledge of actual, suspected and alleged fraud and irregularity;
- completing risk assessment procedures to assess the susceptibility of the Livestock and Meat Commission for Northern Ireland's financial statements to material misstatement, including how fraud might occur. This included, but was not limited to, an engagement director led engagement team discussion on fraud to identify particular areas, transaction streams and business practices that may be susceptible to material misstatement due to fraud. As part of this discussion, we identified potential for fraud in the following areas: revenue recognition, posting of unusual journals and unreasonable management estimates;

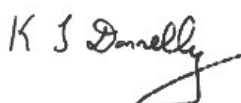
- engagement director oversight to ensure the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with the applicable legal and regulatory framework throughout the audit;
- designing audit procedures to address specific laws and regulations which the engagement team considered to have a direct material effect on the financial statements in terms of misstatement and irregularity, including fraud. These audit procedures included, but were not limited to, reading board and committee minutes, and agreeing financial statement disclosures to underlying supporting documentation and approvals as appropriate and inquiries of management and those charged with governance; and
- addressing the risk of fraud as a result of management override of controls by:
 - performing analytical procedures to identify unusual or unexpected relationships or movements;
 - testing journal entries to identify potential anomalies, and inappropriate or unauthorised adjustments;
 - assessing whether judgements and other assumptions made in determining accounting estimates were indicative of potential bias; and
 - investigating significant or unusual transactions made outside of the normal course of business.

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

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

Report

I have no observations to make on these financial statements.



*KJ Donnelly
Comptroller and Auditor General
Northern Ireland Audit Office
1 Bradford Court
Upper Galwally
Belfast
BT8 6RB*

9 July 2021

Financial Statements

Statement of Comprehensive Net Expenditure for the year ended 31 March 2021

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

	Note	2020-21 £	2019-20 £
Revenue from contracts with customers	2	1,189,738	1,188,131
Other operating income	2	1,205,664	1,192,594
Total Operating Income		2,395,402	2,380,725
Staff and related costs	3	(716,606)	(680,226)
Depreciation (net of deferred grant release)	7	(17,388)	(16,317)
Other operating charges	3	(1,902,631)	(1,827,569)
Total operating expenditure		(2,636,625)	(2,524,112)
Net Operating Expenditure		(241,223)	(143,387)
Finance income	4	2,716	11,249
Net expenditure for the year before income tax		(238,507)	(132,138)
Income tax charge	5	(599)	(3,658)
Net expenditure for the year after tax	6	(239,106)	(135,796)
Other comprehensive net income			
Items that will not be reclassified to net operating costs:			
Actuarial loss on retirement benefits obligations	14	(205,000)	(1,489,000)
Comprehensive net expenditure for the year		(444,106)	(1,624,796)

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

Statement of Financial Position as at 31 March 2021

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

	Note	2020-21 £	2019-20 £
Assets			
Non-current assets			
Property, plant and equipment	7	367,226	479,275
Total non-current assets		367,226	479,275
Current assets			
Trade and other receivables	8	453,457	509,571
Cash and cash equivalents	9	742,855	551,584
Short term bank deposits	10	1,521,017	1,517,121
Total current assets		2,717,329	2,578,276
Total assets		3,084,555	3,057,551
Current liabilities			
Trade and other payables	11	590,270	342,246
Income tax liabilities	5	599	3,658
Total current liabilities		590,869	345,904
Total assets less current liabilities		2,493,686	2,711,647
Non-current liabilities			
Pension liabilities	14	2,707,000	2,387,000
Total non-current liabilities		2,707,000	2,387,000
Total assets less total liabilities		(213,314)	324,647
Taxpayers' Equity and Other Reserves			
Income and expenditure account		(183,366)	177,872
Revaluation Reserve		(100,000)	-
Designated reserves		70,052	146,775
		(213,314)	324,647

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



Ian Stevenson
Accounting Officer
2 July 2021

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

Statement of Cash Flows for the year ended 31 March 2021

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

	Note	2020-21 £	2019-20 £
Cash flows from operating activities			
Net expenditure before income tax		(238,507)	(132,138)
Adjustments for:			
Depreciation of property, plant and equipment	7	17,388	16,317
Decrease/(Increase) in trade and other receivables	8	56,114	(195,795)
Actuarial loss recognised	14	(205,000)	(1,489,000)
Increase/(Decrease) in trade and other payables	11	248,024	(144,706)
Movement in pension liabilities	14	320,000	1,579,000
Notional charges	3	6,145	5,905
Income tax paid		(3,658)	(1,568)
Net cash generated from/(used in) operating activities		200,506	(361,985)
Cash flows from investing activities			
Purchases of property, plant and equipment	7	(5,339)	(4,523)
Net investment in short-term deposits	10	(3,896)	(10,809)
Net cash used in investing activities		(9,235)	(15,332)
Net increase/(decrease) in cash and cash equivalents in the year		191,271	(377,317)
Cash and cash equivalents at the beginning of the year	9	551,584	928,901
Cash and cash equivalents at the end of the year	9	742,855	551,584

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

Statement of Changes in Taxpayers' Equity for the year ended 31 March 2021

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

	Designated reserves Farm quality assurance scheme £	Revaluation Reserve £	Income and expenditure account £
Balance at 1 April 2019	12,908	-	1,930,630
Net expenditure after tax	-	-	(135,796)
Other notional charges	-	-	5,905
Other comprehensive net expenditure	-	-	(1,489,000)
Other reserves movements including transfers	133,867	-	(133,867)
Balance at 31 March 2020	146,775	-	177,872
Net expenditure after tax	-	-	(239,106)
Other notional charges	-	-	6,145
Other comprehensive net expenditure	-	-	(205,000)
Other reserves movements including transfers	(76,723)	(100,000)	76,723
Balance at 31 March 2021	70,052	(100,000)	(183,366)

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

Notes to the financial statements for the year ended 31 March 2021

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

General information

The entity's principal activities during the year are detailed on pages 24-38. The entity is domiciled in Northern Ireland. The financial statements are presented in Sterling. All of the entity's assets and liabilities are denominated in Sterling.

Statement of accounting policies

These financial statements have been prepared in accordance with the 2020-21 Government Financial Reporting Manual (FReM) issued by DoF Northern Ireland. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the entity for the purpose of giving a true and fair view has been selected. The particular policies adopted by the Commission for the reportable activity are described below. They have been applied consistently in dealing with items that are considered material to the accounts. These accounts have been prepared on the going concern basis, under the historical cost convention modified to account for the revaluation of assets and liabilities to fair value as determined by the relevant accounting standards. The Board believes that the going concern basis continues to be appropriate.

Notes to the financial statements for the year ended 31 March 2021

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

Income

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

Segment reporting

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

Property, plant and equipment

In line with the LMC policy to have valuations of land and buildings, the freehold property was valued externally on 31 March 2021 at existing use value by Land and Property Services. In intervening years these valuations are subject to annual indexation using relative price indices. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount of the asset. All other property, plant and equipment, with the exception of freehold property, is stated at cost less depreciation and accumulated impairment losses due to the short life and low value of the individual assets. The initial cost of an asset comprises cost plus any costs directly attributable to bringing the asset into operation and an estimate of any decommissioning costs.

Notes to the financial statements for the year ended 31 March 2021

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

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

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

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

Impairment of non-financial assets

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

Notes to the financial statements for the year ended 31 March 2021

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

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

Loans and receivables (financial instruments)

(a) Trade and other receivables

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

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

(b) Cash and cash equivalents

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

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

Notes to the financial statements for the year ended 31 March 2021

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

Other financial liabilities at amortised costs (financial instruments)

(c) Trade and other payables

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

Income tax

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

Pension liabilities

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

Notes to the financial statements for the year ended 31 March 2021

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

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

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

Contingent Liabilities

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

Designated reserves

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

Notes to the financial statements for the year ended 31 March 2021

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

Financial risk factors

(a) Market risk

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

(b) Credit risk

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

(c) Liquidity risk

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

Capital risk management

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

Fair value estimation

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

Notes to the financial statements for the year ended 31 March 2021

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

Critical accounting estimates and judgements

Pension obligations

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

Impending application of newly issued accounting standards not yet effective

IFRS 16 Leases

The standard has been issued but will not be effective in the public sector until 1 April 2022.

Notes to the financial statements for the year ended 31 March 2021

2 Income

	2020-21	2019-20
	£	£
Revenue from contracts with customers		
Levy	1,044,711	1,041,345
Services provided to external customers	145,027	146,786
	1,189,738	1,188,131
Other operating income		
NIBLFQAS income	1,205,664	1,192,594
	1,205,664	1,192,594

3 Expenditure

	2020-21	2019-20
	£	£
Staff Costs*		
Wages and salaries	558,145	503,887
Social security costs	34,015	29,754
Pension costs	124,446	146,585
	716,606	680,226
Other operating charges		
Information services	22,644	44,545
Market development and advertising	1,579,907	1,289,533
Administration costs:		
Actuarial costs of pension scheme	54,000	19,000
Office expenses	242,139	456,523
Aggregate travelling and subsistence	3,941	17,968
	1,902,631	1,827,569
Office expenses include:	2020-21	2019-20
	£	£
Notional charges	6,145	5,905
Auditors' remuneration - for external audit	15,365	14,500

* Further analysis of staff costs is located in the Staff Report on page 67.

Notes to the financial statements for the year ended 31 March 2021

4 Finance income

	2020-21 £	2019-20 £
Interest income:		
Short-term bank deposits	2,716	11,249
Finance income	2,716	11,249

Short-term bank deposits

Short-term bank deposits earned interest at a rate of 0.175% over the financial year.

5 Income tax charge

	2020-21 £	2019-20 £
Current income tax:		
Current UK corporation tax at 19% (2019-20: 19%)	599	3,658
Income tax charge	599	3,658

The income tax charge in the income and expenditure account for the year differs from the small companies' rate of corporation tax in the UK of 19% (2019-20: 19%). The differences are reconciled below:

	2020-21 £	2019-20 £
Deficit before income tax	(238,507)	(132,138)
Tax calculated at the UK small companies' rate of corporation tax of 19% (2019-20: 19%)	(45,316)	(25,106)
Effect of:		
Tax over accrued	-	-
Deficit not taxable	44,717	21,448
Income tax charge	599	3,658

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

Notes to the financial statements for the year ended 31 March 2021

6 Segment information

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

The segment information provided to the Board for the reportable segments for the year ended 31 March 2021 is as follows:

	Levy Funded Activities	NIBLFQAS	Other Services provided	Total
	£	£	£	£
Income from external parties	1,044,711	1,205,664	145,027	2,395,402
Interest Received	2,716	-	-	2,716
Expenditure (excluding notional costs)	1,088,500	1,282,387	144,593	2,515,480
Operating deficit before tax	(41,073)	(76,723)	434	(117,362)
Income tax expense	(599)	-	-	(599)
Deficit before notional costs and after tax	(41,672)	(76,723)	434	(117,961)
Adjustments in respect of notional costs:				
Internal audit	-	-	-	(6,145)
Actuarial costs and notional charges of pension scheme	-	-	-	(115,000)
Total deficit reported for year	-	-	-	(239,106)
Total assets less liabilities	(283,366)	70,052	-	(213,314)
Depreciation	10,208	5,105	2,075	17,388

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

Notes to the financial statements for the year ended 31 March 2021

7 Property, plant and equipment

	Freehold Land £	Property Buildings £	Exhibition equipment, fixtures, fittings and office furniture £	Computers £	Totals £
Cost or valuation					
At 1 April 2019	450,000	-	22,036	55,038	527,074
Additions	-	-	-	4,523	4,523
At 31 March 2020	450,000	-	22,036	59,561	531,597
Depreciation					
At 1 April 2019	-	-	11,910	24,095	36,005
Provided during the year	-	-	4,407	11,910	16,317
At 31 March 2020	-	-	16,317	36,005	52,322
Net book amount					
At 31 March 2020	450,000	-	5,719	23,556	479,275
At 31 March 2019	450,000	-	10,126	30,943	491,069
Cost or valuation					
At 1 April 2020	450,000	-	22,036	59,561	531,597
Additions	-	-	-	5,339	5,339
Revaluation	(100,000)	-	-	-	(100,000)
At 31 March 2021	350,000	-	22,036	64,900	436,936
Depreciation					
At 1 April 2020	-	-	16,317	36,005	52,322
Provided during the year	-	-	4,408	12,980	17,388
At 31 March 2021	-	-	20,725	48,985	69,710
Net book amount					
At 31 March 2021	350,000	-	1,311	15,915	367,226
At 31 March 2020	450,000	-	5,719	23,556	479,275

Notes to the financial statements for the year ended 31 March 2021

7 Property, plant and equipment (continued)

Depreciation expense of £17,388 (2019-20: £16,317) has been fully charged to expenditure.

The entity's freehold land was revalued externally on 31 March 2021 by Land and Property Services. This valuation was made on the basis of existing use value and in intervening years this would normally be subject to annual indexation using relative price indices. No indexation was applied in 2020-21 due to the destruction of the premises and its contents in June 2016.

8 Trade and other receivables

	2020-21	2019-20
	£	£
Levies (statutory)	172,002	229,905
Farm quality assurance scheme receivables	87,988	122,580
Prepayments and accrued income	110,013	110,004
Trade debtors	83,454	47,082
	453,457	509,571

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

9 Cash and cash equivalents

	2020-21	2019-20
	£	£
Commercial banks and cash on hand	742,855	551,584

10 Short term bank deposits

	2020-21	2019-20
	£	£
Short term bank deposits	1,521,017	1,517,121

Notes to the financial statements for the year ended 31 March 2021

11 Trade and other payables

	2020-21	2019-20
	£	£
Accruals	398,959	159,235
Trade creditors	148,211	135,602
Other taxation and social security	43,100	47,409
	590,270	342,246

12 Related party transactions

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

LMC is a one-eighth owner of Northern Ireland Food Chain Certification (NIFCC). During the year LMC provided accounting, administration and human resources services to NIFCC valued at £110,027 (2019-20: £111,786). NIFCC provided LMC with inspection services and marketing information during the year valued at £1,028,156 (2019-20: £760,895). The amount due to NIFCC at 31 March 2021 was £249,102 (2019-20: £47,570). NIFCC is operated as a not-for-profit organisation and therefore no NIFCC reserves are recorded in LMC's financial statements.

Notes to the financial statements for the year ended 31 March 2021

12 Related party transactions (continued)

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

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

Notes to the financial statements for the year ended 31 March 2021

12 Related party transactions (continued)

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

13 Financial instruments

The entity's financial instruments are classified as follows:

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

14 Pension liabilities

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

A full actuarial valuation of the scheme was carried out as at 31 March 2019 which indicated

Notes to the financial statements for the year ended 31 March 2021

14 Pension liabilities (continued)

that the scheme had moved into surplus. The majority of employers, including LMC, participate in the grouped employers' contribution rates with individual deficit recovery contributions. The employer contribution rates for LMC set by the Actuary for the next year will be 19.5% of payroll and a nil deficit recovery contribution.

An actuarial valuation of the scheme using the projected unit basis was carried out at 31 March 2021 by Aon Hewitt Ltd. The impact of the McCloud judgement has also been factored into the valuation. The principal assumptions used were as follows:

	2021	2020	2019
		%	%
Future salary increases	4.2	3.5	3.7
Discount rate	2.1	2.3	2.4
Inflation rate	2.7	2.0	2.2
Future pension increases	2.7	2.0	2.2

The mortality assumptions used were as follows:

	2021	2020	2019
	Years	Years	Years
Longevity at age 65 for current pensioners			
- Men	21.9	21.8	22.6
- Women	25.1	25.0	24.9
Longevity at age 65 for future pensioners			
- Men	23.3	23.2	24.3
- Women	26.5	26.4	26.7

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

	Value at 2021	Value at 2020	Value at 2019
	£	£	£
Equity	5,165,200	3,986,900	6,825,000
Bonds	3,982,700	3,621,900	2,695,000
Property	992,900	935,900	1,285,000
Cash	591,300	439,900	310,000
Other	423,900	374,400	355,000
Total market value of assets	11,156,000	9,359,000	11,470,000
Present value of scheme obligations	13,863,000	11,746,000	12,278,000
Deficit in scheme	(2,707,000)	(2,387,000)	(808,000)

Notes to the financial statements for the year ended 31 March 2021

14 Pension liabilities (continued)

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

	2021	2020
	£	£
At 1 April	9,359,000	11,470,000
Interest Income on scheme assets	213,000	273,000
Contributions by members	22,000	24,000
Contributions by employer	64,000	77,000
Re-measurement of (losses)/gains on assets	1,815,000	(2,173,000)
Benefits paid	(317,000)	(312,000)
At 31 March	11,156,000	9,359,000

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

	2021	2020
	£	£
At 1 April	11,746,000	12,278,000
Current service cost	125,000	148,000
Interest cost	267,000	292,000
Contributions by members	22,000	24,000
Actuarial (gains)/losses	2,020,000	(684,000)
Past Service Costs	-	-
Losses on Curtailments	-	-
Benefits paid	(317,000)	(312,000)
At 31 March	13,863,000	11,746,000

Analysis of amount recognised in the income and expenditure account

	2021	2020
	£	£
Current service cost	125,000	148,000
Interest cost	267,000	292,000
Expected return on pension scheme assets	(213,000)	(273,000)
Past Service Costs	-	-
Losses on Curtailments	-	-
Total operating charge	179,000	167,000

Notes to the financial statements for the year ended 31 March 2021

14 Pension liabilities (continued)

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

	2021 £	2020 £
Actual return less expected return on pensions scheme assets	1,815,000	(2,173,000)
Changes in assumptions underlying the present value of the scheme liabilities	(2,020,000)	684,000
Actuarial (loss) recognised in the statement of recognised income and expenses	(205,000)	(1,489,000)
Cumulative actuarial losses recognised in the statement of recognised income and expenses	(2,454,000)	(2,249,000)

History of experience gains and losses

	2021 £	2020 £	2019 £	2018 £	2017 £
Defined benefit obligation	(13,863,000)	(11,746,000)	(12,278,000)	(11,922,000)	(11,663,000)
Plan assets	11,156,000	9,359,000	11,470,000	10,854,000	10,473,000
Deficit	(2,707,000)	(2,387,000)	(808,000)	(1,068,000)	(1,190,000)
Experience adjustments on plan assets	1,815,000	(2,173,000)	500,000	274,000	1,312,000
Experience adjustments on plan liabilities	(157,000)	(12,000)	30,000	96,000	(298,000)
Total amount recognised in the statement of recognised income and expenses	(205,000)	(1,489,000)	322,000	189,000	(994,000)

Analysis of projected amount to be charged to operating profit for the year to 31 March 2021

	£	% of pay
Projected Current Service Cost	184,000	53.8
Net Interest on the Net Defined Benefit Liability (Asset)	56,000	16.4
Past Service Cost	-	-
Losses/(Gains) on Curtailments and Settlements	-	-
Total	240,000	70.2

Notes to the financial statements for the year ended 31 March 2021

15 Contingent Liability

There were no contingent liabilities.

Date of authorisation for issue

The Accounting Officer authorised the issue of these financial statements on 2 July 2021.