

Livestock and Meat Commission for Northern Ireland

**Annual Report and Accounts
for the year ended 31 March 2022**

*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*

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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 2022. 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 55th Annual Report and Accounts of the Livestock and Meat Commission for Northern Ireland (LMC). This report covers the period 1 April 2021 to 31 March 2022. This Annual Report and Accounts details the work of the Commission throughout the year, and I invite you to read about our work and to provide us with your constructive feedback to help inform our future strategy, business planning, service delivery and related priorities.

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

Last year I noted how the world was deeply affected by the ravages of the Covid 19 Pandemic. As we began to move on and to embark on living with the pandemic, significant disruption to health, social and economic life has remained a challenge. Many challenges persist including labour force shortages, supply chain disruption, increasing input costs and inflation.

With the outbreak of war in eastern Europe following the invasion by Russia of Ukraine in February 2022, the already serious supply chain cost and availability issues have multiplied

exponentially leading to spiralling cost pressures. Notwithstanding the harrowing human suffering being experienced in that region, of immediate and ongoing concern to the local agri-food sector are the continuing upward pressures on energy, feed, grain and fertiliser costs.

Against a backdrop of the evolving impact of the pandemic on day to day working, we endeavoured to remain in open dialogue with our producer and processor stakeholders to address the needs of the sector and to ensure the activities of LMC continued to reflect industry's strategic priorities. We were delighted to participate in the reconvened Balmoral Show in September which provided a refreshing opportunity to engage directly with stakeholders and with the general public again. In addition, LMC led and participated in a number of working groups and fora to assist industry to meet various challenges facing the sector. LMC also attended an evidence session at the NI Affairs Committee on the UK's free trade agreement with Australia and New Zealand, a climate change rally at Stormont, Northern Ireland Food and Drink Association (NIFDA) awards and the Irish Farmers Journal Climate Change summit.

We engaged directly with industry stakeholders, Department of Agriculture Environment and Rural Affairs (DAERA) and Department of Environment Food and Rural Affairs (DEFRA) officials as well as colleagues at Bord Bia and the Irish Department of Agriculture Food and Marine (DAFM) to explore how best to secure Northern Ireland's inclusion in a Bord Bia application to the European Union (EU) for Protected Geographical Indication (PGI) Status for Irish grass-fed beef. This involved working through a detailed technical process to get a grass-fed beef verification system developed in Northern Ireland as well as the formal notification of opposition and reasoned statement which was submitted by DEFRA on behalf of the NI industry to the European Commission by 8 March 2022.

A pressing concern facing the red meat sector throughout the year was the consideration by the NI Assembly of the Climate Change Private Members Bill. LMC worked closely with industry stakeholders to develop and present robust evidence-based arguments to Assembly members to effect amendments to reduce the very detrimental impact on the industry that the Private Member's Bill (PMB) would cause if allowed to proceed. In March this year the Assembly ultimately approved an amended Bill from the DAERA Minister

committing the region to less stringent targets on methane than those contained in the PMB.

LMC continued to work with industry colleagues to support the roll-out of a Northern Ireland Genetic Improvement programme. This will, in time, require the establishment of a new company to deliver the programme for Northern Ireland. The concept of a much broader sustainability body emerged during the year. The concept was developed further in a Strategic Review commissioned by the DAERA and Department for the Economy Ministers. 'The independent strategic review of NI Agri-food', published by Sir Peter Kendall in November 2021 makes a number of recommendations including the creation of an industry-led sustainability body to include marketing but with a remit beyond red meat to encompass other Agri food sectors. The proposed body could have direct implications for LMC in the future as a repurposing of bodies supporting the beef and lamb sector is envisaged as part of the development. The Board is broadly supportive of the concept of a sustainability body and has indicated that the beef and lamb sector must be front and centre of its development as the proposal progresses.

LMC continued to engage with consumers to promote the benefits of eating NI Farm Quality Assured beef and lamb and developing our presence on social media with a key focus of LMCs Education and Promotion activity on expanding the Truth about Beef campaign. Our schools programme continues to grow apace with a record 375 post primary school demonstrations delivered throughout the year. Also, for the first time LMC, this year, delivered 4 primary school cookery demonstrations. Educating the future generations on the positive benefits of consuming NI beef and lamb remains an important priority. I am also pleased to record that, at the time of writing, LMC along with our Scottish and Welsh counterparts have signed up to a common framework agreement to maintain equivalence of our Northern Ireland Beef and Lamb Farm Quality Assurance Scheme (NIBL FQAS) with Red Tractor within the valuable UK market.

Details of our work in these areas and the many other LMC's services and activities are set out in the Strategic Report 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. Along with my colleagues we ensure that high standards of corporate governance are observed at all times, including using the independent Audit and Risk Assurance Committee to help the Board in assessing and managing the key financial and other risks facing the organisation, and ensuring that Risk Management is routinely discussed at Board meetings. Sadly, this year a former Board member and Chairman of the Commission's Audit Risk and Assurance Committee, Paddy Mc Elroy, passed away. I wish to pay tribute to our late esteemed colleague who helped guide LMC through challenging times in the past and who played a vital role in providing assurance to the Board. We are indebted to Paddy for his years of service to the red meat industry and to LMC.

I wish to acknowledge and 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 was a challenging year for our staff, as they worked within the evolving restrictions of Covid 19, in addition to the pressures caused by staff shortages during the year. Our staff continue to go the extra mile to ensure the continued delivery of services to industry in challenging times. I am pleased to report that as the year progressed, we successfully filled five out of six vacancies. On behalf of the Board and the stakeholders whom the Commission serves, I would take this opportunity to formally record our sincere gratitude to our dedicated staff.

In conclusion, I wish 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

The Livestock and Meat Commission for Northern Ireland

29 June 2022

Strategic Report

Introduction

The Commission presents its Annual Report and Accounts for the 2021-22 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.

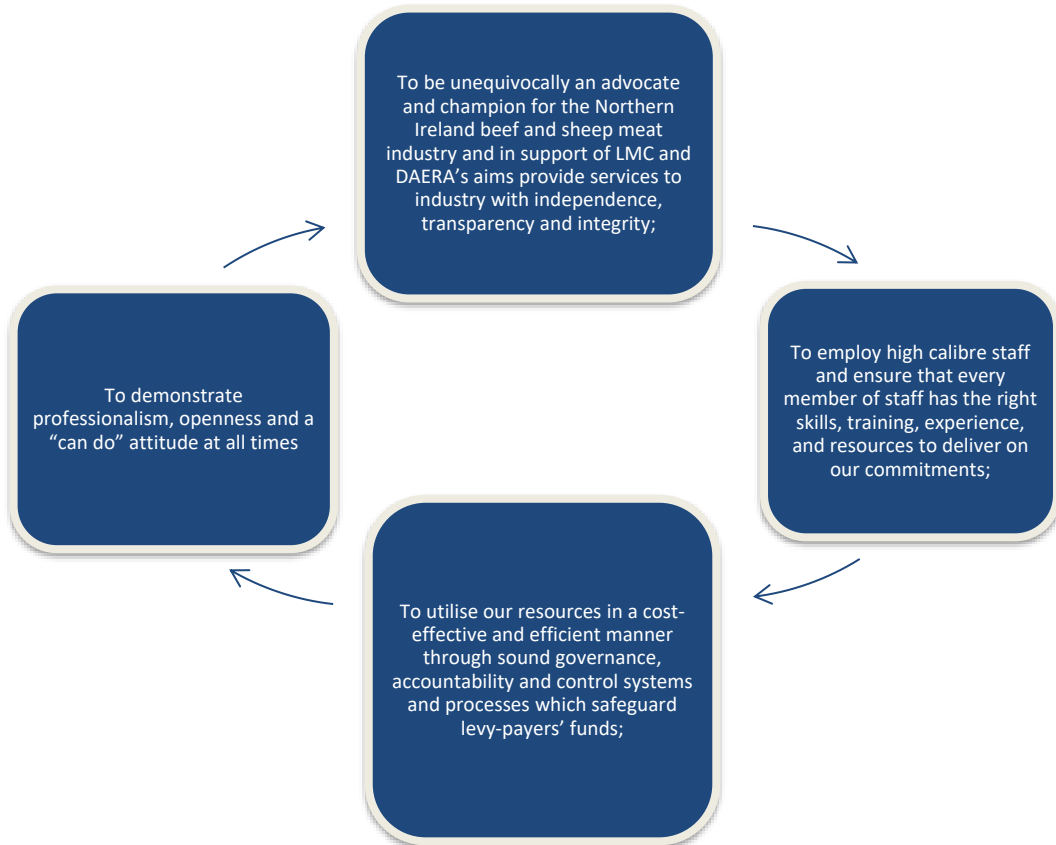
Our Purpose

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 2021-22.

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 2021-22 business plan).

Under each of the business outcomes detailed business activities with individual targets were undertaken. Progress against the business outcomes was monitored throughout 2021-22 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 2021-22, 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 2021-22, 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 2021-22 business plan year for LMC was another very busy one and despite the challenges posed by the Covid-19 Pandemic eight of the eleven business outcomes in the approved business plan for the year have been fully achieved with two 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 2021-22 LMC business plan and budget was approved by Agriculture Environment and Rural Affairs Minister Edwin Poots MLA on 02 November 2021. The Business Plan for 2021-22 amplified the first year of LMC's 3-year Strategic Plan for 2021 to 2024.

Covid-19

The 2021-22 reporting year for LMC was another full year that was influenced by the Covid-19 Pandemic. At the beginning of the year society was starting to emerge from lockdown as vaccination programmes were being actively rolled out across Northern Ireland and restrictions on non-essential business gradually started to ease. LMC's operating model during the entirety of the reporting year was to retain a small complement of staff working safely in the office (to support tasks that could not be done remotely) and for the remainder

of staff to work from home. The operating model worked well for LMC as no service provisions were disrupted because of Covid-19 infections within the LMC workforce. As the year progressed and the Omicron Variant of Covid-19 emerged the most notable impact of this for LMC was on Farm Quality Assurance Scheme inspection numbers as many farmers cancelled inspections due to infections already in their households or concerns about infections being potentially brought onto their farm holdings (even with strict Covid-19 protocols in place with the Certification Body inspectors).

As key workers, most operatives in every part of the Northern Ireland agriculture and food industry worked tirelessly to keep food supply chains functioning and customers supplied with fresh, quality, safe and nutritious food products sufficient to sustain 10 million consumers in domestic and export markets. As the year progressed and as economies started to reopen across the UK, European Union and globally the demand for beef and lamb in markets started to pick up strongly. Finished cattle and sheep prices at the factories and for those sold live through the local auction markets were for the most part well ahead of those recorded in 2020-21. All operators in local food supply chains did however face a significant uplift in costs as 2021-22 progressed with feed, fuel, fertiliser, transport and labour costs all increasing sharply and putting real pressures on margins.

The Balmoral Show at the end of September 2021 was a great showcase for the agri-food industry and provided an excellent opportunity for LMC to reengage with stakeholders on a face-to-face basis. Business relationships with clients and customers can only be developed so far on digital platforms and social interactions really started to take off in the Autumn with many physical meetings, events and functions scheduled that were not possible for much of 2020 and 2021.

In Quarter 4 of 2021-22 the LMC Board returned to face-to-face meetings. Significant changes are due to take place in the Chairmanship and Membership of the LMC Board in the 2022-23 Business Plan year. Five of six members who commenced their appointments to the LMC Board in 2015 are scheduled to complete their terms. These members have helped to steer LMC and its work for industry stakeholders through the outworking of the EU Exit referendum; through the Covid-19 Pandemic; through a three-year period of Northern

Ireland Assembly suspension and through the establishment of a new Department of Agriculture Environment and Rural Affairs.

EU Exit

EU Exit related matters continued to feature heavily on the agenda of the beef and lamb industries throughout 2021-22. LMC worked closely with key stakeholder organisations through the reporting period to help inform discussions on Future Agricultural Support Policy for Northern Ireland. LMC submitted a response to the December 2021 DAERA consultation on Future Agricultural Policy Proposals for Northern Ireland and, coupled with earlier submissions and presentations to the DAERA Policy Transition Team and Minister Edwin Poots, the Policy positions announced by the Minister in March 2022 align very closely with LMC views.

At the Westminster Government level LMC was invited to give evidence to the Northern Ireland Affairs Committee in January 2022 on the impact of the UK's new free trade deals with Australia and New Zealand on Northern Ireland's economy. Production agriculture is a major driver of both the Australian and New Zealand economies. Australia alone produces 2.3m tonnes of carcass beef annually. This is equivalent to the output of some 7m cattle. Australia exports 60% of its total beef output with Japan and USA the main export destinations currently. In comparison the UK imports about 360k tonnes of beef annually. The vast bulk of this product comes from the Republic of Ireland. Given the scope of the Australian beef industry, there is little doubt that the country could make real inroads within the British beef market, if it chose to do so at some future stage.

Another EU exit related matters high on the agenda of beef and sheep producers throughout the period was the importation of breeding livestock and other essential raw materials from Great Britain. LMC has not been directly involved in the lobbying efforts of industry with negotiators of the Northern Ireland Protocol, but it has been keeping a very close watching brief on critical matters such as the availability of veterinary medicinal products to Northern Ireland producers once grace periods come to an end.

Northern Ireland Assembly

Perhaps one of the biggest face-to-face events held in November 2021 and which will influence the shape of things to come for all of society was the United Nations Climate Change Conference of the Parties (COP 26) in Glasgow. Transformative change for the big milestone years of 2030, 2040 and 2050 will be required across every aspect of society and the agri-food industry will not be immune to that transformation. The beef and lamb industry is already very focused on sustainability and with the right enablers through evidence based legislation, public and private sector investment, government support schemes, research and knowledge exchange the journey to UK Net Zero by 2050 does not have to be a painful one.

Throughout the 2021-22 financial year the Northern Ireland Assembly and in particular the Agriculture Environment and Rural Affairs (AERA) Committee, had a huge amount of work to do in scrutinising, considering, amending and agreeing to new Climate Change Legislation for Northern Ireland. LMC was invited to engage with the AERA Committee on a number of occasions throughout the reporting period (as it scrutinised two separate climate bills which came before the NI Assembly) and took up every opportunity to do so to help inform and discuss key industry concerns with Members of the Legislative Assembly (MLA's) on the Committee.

Stakeholder Engagement

As an organisation funded almost entirely by the private sector through levy payments and fees for participation in the Northern Ireland Beef and Lamb Farm Quality Assurance Scheme (FQAS) LMC works hard to foster close working relationships with beef and sheep farming and processing sector representatives. Throughout the reporting period LMC facilitated and attended a wide range of virtual meetings with stakeholders using remote meeting technologies. Face to face meetings and hybrid events also started to become more frequent in the final two quarters of 2021-22. The last 12 months have been marked by the development of an ever-closer working relationship between LMC and other industry stakeholder bodies. LMC joined forces with the Ulster Farmers' Union, the Northern Ireland

Meat Exporters' Association and the Dairy Council for Northern Ireland to fund an economic impact analysis of a Private Members Climate Change Bill for Northern Ireland. This piece of work was central to informing debate on this important matter and delivering a much more sustainable final outcome for the Northern Ireland farming and food sectors. LMC is a key organisation for supporting the marketing and development of the local beef and sheep industry and it must evolve as a critical central player in any new Sustainability Body which is to be considered for development for Northern Ireland following the recent Independent Strategic Review of Agriculture and Food by Sir Peter Kendall.

DAERA Sponsorship

The Sponsorship Team in DAERA's Corporate Sponsor Branch has engaged daily with LMC throughout the reporting period and there are good working relationships between LMC and DAERA. During the reporting period LMC provided DAERA with timely returns, sought guidance and approvals of relevant business cases, met with the sponsorship team on a regular basis to discuss internal controls and other important matters, and engaged in a wide range of DAERA stakeholder meetings and consultative processes. LMC is looking forward to discussing future arrangements for LMC and DAERA sponsorship particularly in the area of autonomy as a new Partnership Agreement approach is rolled out across the Northern Ireland public sector.

LMC Workforce

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

organisation and those new staff who have joined LMC for their excellent contribution to the work of the organisation on behalf of stakeholders. I also want to thank those staff who left during the year for new opportunities for choosing to work for LMC and making an important contribution in their time with the organisation.

Communications

Cross cutting across all of LMC's work areas is the important issue of timely, accurate and effective communications. LMC continues to review on an on-going basis how we communicate across all of the platforms available to us and a specific and ongoing business objective for LMC is to enhance its communications with internal and external stakeholders. LMC appointed a new Communications Manager in January 2022 and the profile of the organisation has been greatly enhanced in the media since that important recruitment. 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 greater public awareness of LMC's activity more communications and promotional content is being channelled through LMC's social media platforms on Facebook, Twitter, Instagram, TikTok and YouTube. LMC is a weekly contributor to the Farming Matters and Farm Gate Programmes on BBC Radio Ulster and over the course of the reporting period LMC has been able to inform listeners on a wide range of topics relating to the beef and lamb industry from market developments to climate change and livestock traceability. In the 12 months from April 2021 to March 2022 LMC has recorded over 220 occasions in our publications record where LMC press releases and communications content has 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.

Environmental Sustainability

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

Funding

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

Levies

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

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

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

Under 2021-22 funding arrangements for NIBL FQAS, producers pay a £75 joining and a £75 annual membership fee. Processors who wish to participate in the scheme pay a throughput fee of £1.20 per bovine animal and £0.10 per sheep slaughtered, plus an annual membership fee of £400 for a slaughterer/processor and £250 for a secondary processor.

Financial Review

The accounts for the year are set out on pages 78 to 101. The number of cattle and sheep slaughtered within Northern Ireland on an annual basis is the current main determining factor in LMC income. Prior to the commencement of each financial year, we calculate our balanced budget on projected cattle and sheep slaughterings for the financial year ahead. Throughout the financial year we monitor our actual income and expenditure on an on-going basis and if pressures or easements arise in particular areas of staff costs, general overheads or department costs we will maintain budgetary balance by reallocating expenditure as appropriate with the agreement of the LMC Board. LMC's Balanced Budget for the year 2021-22 was based on a projected income and expenditure of £2.69 million.

During the course of the financial year local cattle and sheep slaughterings were slightly higher than forecasted resulting in an additional income of £34k for the year. Expenditure on running of LMC and on essential business activity was £375k less than budgeted at the start of the year resulting in an end of year surplus of approximately £409k (before depreciation and notional costs). Seventy per cent of the underspend on planned programmes of activity in support of business outcomes related to provision of the Northern Ireland Beef and Lamb Farm Quality Assurance Scheme (NIBL FQAS). This underspend within the NIBL FQAS programme was largely a consequence of fewer farm inspections being completed than anticipated (due to Covid-19) and also from additional NIBL FQAS funding being provided by industry to help prepare for the collection of data at farm inspections to support important sustainability initiatives which are under development. This end of year surplus is reflected in the reserves position in the financial statements. As NIBL FQAS is a voluntary membership scheme with fees for participation

collected from members for the purposes of managing and running the scheme it is not appropriate (without industry agreement) to reallocate any in year underspend to other programmes of activity traditionally funded by statutory levy. 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.

Human Rights

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

Anti-Bribery and Corruption

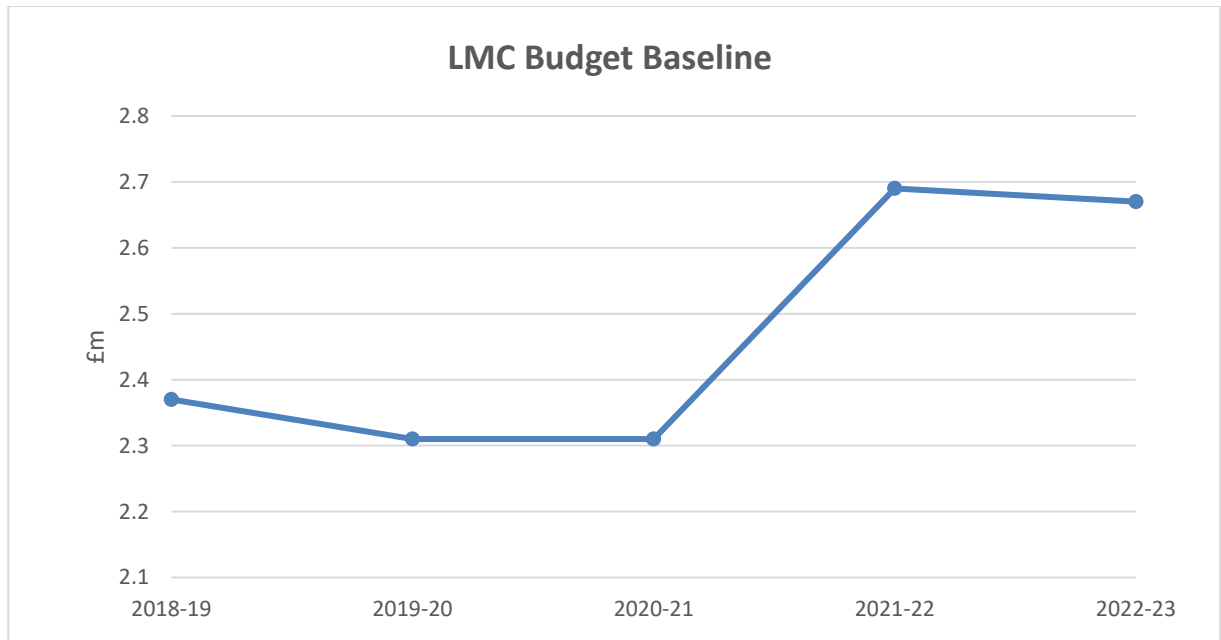
LMC's Anti-Fraud Policy and Fraud Response Plan sets out how LMC complies with the Bribery Act 2010. All staff are provided with a copy of this policy and training is given at induction and as policy is reviewed. LMC's Staff Code of Conduct indicates that all staff should always conduct themselves with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

Diversity

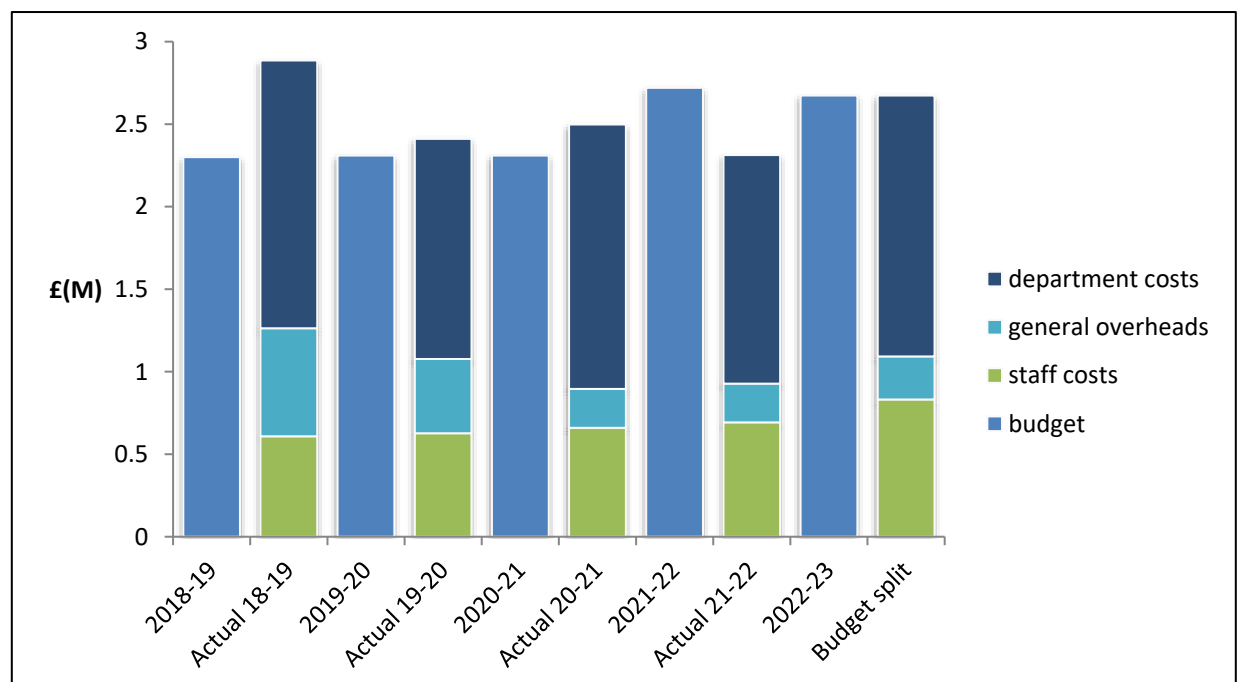
LMC have Equal Opportunity Policies in place and staff are trained on Equality and Diversity in the Northern Ireland Workplace. LMC continues to carry out its statutory obligations under fair employment legislation, including the annual monitoring return to the Equality Commission for Northern Ireland.

Long-term Expenditure Trends

The chart below captures the long-term summary expenditure profile of the LMC budget over the period 2018-19 to 2022-23.



The chart below shows the LMC budget split by major expense heading over the period 2018-19 to 2022-23.



Forward Planning

LMC's 3-year Strategic Plan for 2021 to 2024 will inform the development of LMC's Business Plan for 2022-23. At the LMC Board meeting on 28 February 2022 the Board agreed the priorities for Business Outcomes in the 2022-23 LMC Business Plan. The Board agreed that the six Strategic Outcomes underpinning the LMC Strategic Plan for 2021-2024 remained appropriate for the 2022-23 Business Plan. The baseline budget for development of the 2022-23 LMC Business Plan is forecast to be broadly similar to 2021-22 and the number and structure of staff positions within LMC required to deliver business activities in support of organisational outcomes are anticipated to remain similar to those recorded on 31 March 2022.

Performance Analysis 2021-22

Business Plan Monitoring and Reporting Arrangements

LMC has established monitoring and reporting arrangements in place in relation to its Business Plan targets. In the first instance, each Business Outcome and associated business activities are assigned to the Senior Manager responsible for that department. This Senior Manager has responsibility for monitoring progress on a regular basis. During the financial year, detailed progress against each Business Outcome and Key Performance Indicators (KPIs) was reported to the LMC Board at the end of each quarter (June, September, December and March). Progress is reported in the format of the LMC Business Monitor. The Performance Analysis Section below identifies the achievement at 31 March 2022 in relation to each of the Business Outcomes and KPIs included in the LMC 2021-22 Business Plan under each of the Six Strategic Outcomes. Of the total 17 KPIs, 14 were fully achieved and three partially achieved.

Aligned Programme for Government (PfG) Outcome	Strategic Outcome (SO)	Business Outcome	Key Performance Indicator (KPI)	Performance Assessment at 31 March 2022
<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) at least one business development initiative in the financial year relevant to the sector</p>	Achieved
			<p>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 2022.</p>	Achieved
		<p>3. Provision of an effective and efficient FQAS membership scheme</p>	<p>KPI 5 By 31 March 2022 to have a functioning system in place for verifying the eligibility of FQAS cattle for marketing as grass fed beef</p>	Partially achieved
			<p>KPI 6 Host a minimum of four FQAS industry stakeholder meetings within the financial year and implement agreed actions</p>	Achieved
			<p>KPI 7 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.</p>	
<p>PfG Outcome 1- We prosper through a strong, competitive,</p>	<p>SO2 A better informed industry and general public</p>	<p>4. Provision of strategic education services</p>	<p>KPI 8 Deliver at least 350 school cookery demonstrations before the end of March 2022 ensuring pupil and teacher resources</p>	Achieved

regionally balanced economy			are up to date and relevant.	
			KPI 9 Deliver at least two initiatives to support and upskill Food and Nutrition teachers before the end of March 2022.	Achieved
		5.Communication of market information to stakeholders	KPI 10 By 31 March 2022 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 11 By 31 March 2022 implement agreed LMC communication plan for the year, reviewing progress at the end of each quarter in LMC's Business Monitor.	Achieved
KPI 12 By 31 March 2022 design, develop and deploy a new LMC website which amalgamates the three existing websites	Partially 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 13 By 31 March 2022 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 14 Participate in scheduled meetings of UKECP and support at least two initiatives before the end of March 2022 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 15 Successfully manage contract with advertising agency to deliver, by the end of March 2022, 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 16 All staff appraisal reviews and personal development plans to be completed by end of March 2022 and training needs for all staff identified.	Partially Achieved
		11. Staff engagement with key stakeholders	KPI 17 Participate in relevant stakeholder engagements. All engagements recorded in Senior Management Team Meeting Minutes.	Achieved

Summary of KPI status by 31 March 2022

Status	2021-22	Comparison 2020-21
Red (Outstanding/Not Achieved)		1
Amber (Progress Less than Planned/ Partially Achieved)	3	2
Amber / Green (Substantially Achieved)		
Green (On Track /Achieved)	14	12
Not applicable		
Total	17	15

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 2021-22 (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 2021-22

Industry Development Department Report

LMC is a recognised facilitator and honest broker in the industry and is engaged in the strategic development of a sustainable & profitable beef & sheep meat sector in Northern Ireland through provision of a range of Industry Development services. The Industry Development Department is responsible for developing and implementing LMC's Industry Development services which also include the operation and development of the Northern Ireland Beef and Lamb Farm Quality Assurance Scheme (NIBL FQAS) and the operation and development of LMC's Education and Consumer Promotion programmes. In Q1 LMC's Education and Consumer Promotion programmes were transferred to LMC's newly formed Marketing and Communications Department.

Highlights of LMC's Industry Development activity for 2021-22 include the following:

Antimicrobial Resistance

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

Genetic Improvement Systems for Northern Ireland

LMC continues to participate in a project steering group with the objective to progress the rate of genetic improvement within Northern Ireland's dairy, beef and sheep sectors. With a coordinated and industry led approach to genetic improvement Northern Ireland could quickly position itself among the international leaders in the application of genetics in these sectors. This remains a key priority for industry and government stakeholders as an essential driver of productivity improvements in ruminant livestock sectors in the years ahead. Future agricultural policy will also have strong linkages to this important workstream.

European Roundtable for Beef Sustainability

LMC is a member of the Sustainable Agriculture Initiative (SAI) Platform and has been actively participating in the Platform's work on global agricultural supply chain sustainability since 2011. The SAI Platform provides the secretariat for the European Roundtable for Beef Sustainability (ERBS). LMC's Chief Executive is an ERBS Board member 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.

Climate Change Bill

During the reporting period LMC worked closely with industry stakeholders to analyse the potential impact of two Climate Change Bill's that were tabled in the Northern Ireland Assembly. LMC helped to fund an independent impact assessment of the Private Members' Climate Change Bill and assisted with the communications efforts of industry to inform public debate on the issue. Crucial amendments were passed in the late stages of the Assembly's consideration of the Executive Climate Change (No.2) Bill that ensured the legislative targets that would impact on agriculture, whilst challenging, are achievable and closer to the original targets set by the UK Committee on Climate Change.

Greenhouse Gas Implementation Partnership

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 Subgroup of the Partnership. During the year LMC has continued to work with other members on delivery of the second Action Plan of Efficient Farming Cuts Greenhouse Gases and on the development of a new action plan for the next period of operation.

Protected Geographical Indication (PGI) for Irish Grass Fed Beef

LMC has been working closely with industry and government in Northern Ireland and the Republic of Ireland to engage with the 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 is working closely with Bord Bia to align standards and to gather information on the technical aspects of the project. The Bord Bia Irish Grass Fed Beef PGI application draft specification was published in the Official Journal of the EU on 8th December 2021. LMC on behalf of the Northern Ireland beef industry requested DEFRA to submit a constructive opposition to the application primarily on the basis that the application did not include Northern Ireland within the geographical scope of the specification. During April 2022 the European Commission formally advised that the opposition was considered admissible and invited both parties (RoI and NI) to engage in appropriate consultations and to inform the Commission of the results of these consultations.

Quantification of Net Greenhouse Gas Emissions from the Northern Ireland Ruminant Livestock Sector

LMC has been working closely with industry and government stakeholders to create a platform to help quantify the net greenhouse gas emissions from the Northern Ireland ruminant livestock sector. In September 2021 the NIBL FQAS Industry Board agreed that it should be made mandatory for active participants to complete a survey, in addition to that required for the standard NIBL FQAS inspection, to allow a carbon footprint to be completed. To make this a reality automation of data flow is required where possible; an efficient method of collecting data from NIBL FQAS members, and calculators that can

integrate with external databases to allow the timely output of a carbon footprint and associated data for the NIBL FQAS membership. With the exploratory work being completed during this reporting period the next phase of the project will be to implement a pilot and establish a proof of concept.

Research & 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 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 the Invest NI-funded project led jointly by Queen's University Belfast (QUB) and the Agri Food Biosciences Institute (AFBI). The Food Futures project 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 a reporting tool for Agri-Food supply chains. LMC is a member of a European Innovation Partnership project called FIRM (Farm Infection Risk Management). The project involves pooling of data from existing sources to allow for informed animal health planning. The tool could help reduce the paperwork required for NIBL FQAS inspections by replacing the need for a written animal health plan, hence LMC's interest in the project. LMC attended meetings of the steering group throughout the year. LMC continues to collaborate closely with AFBI, AgriSearch and CAFRE on knowledge transfer opportunities such as the work of the Northern Ireland Sheep Programme.

Beef Conference (Webinar) 2021

LMC participated in the organising committee for the 2021 beef conference. The conference was delivered via 4 webinars between May and October with over 300 participants attending each webinar. LMC chaired and presented at the fourth and final webinar on 21st October 2021. Attendance was excellent and feedback extremely positive. The webinar gave LMC the opportunity to update stakeholders on the Grass Fed Beef and Carbon Footprint projects.

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. From 1 June 2020 LMC implemented an amended NIBL FQAS standard in relation to BVD whereby farmers who retain Persistently Infected animals (PIs) lose their herd Farm Quality status. The impact of this measure unfortunately appears to have reached its limit. DAERA must take steps to implement restrictions in line with the legislation and introduce phase 2 legislation if eradication is going to be achievable. LMC are represented on the BVD Eradication Programme Implementation Group and LMC's Industry Development Manager is also a member of the AHWNI Board.

Assisting Export Marketing

LMC owns and manages the European Union Trademark 'Greenfields' (for class 29 meat and meat extracts) on behalf of the beef and sheep meat industry. Greenfields is predominately used as a consumer facing brand in the Benelux countries by Dutch retailer Albert Heijn and is supplied by meat processing companies operating in Northern Ireland and the Republic of Ireland. LMC retains the services of European Trademark Attorneys to ensure that any new trademark applications which are submitted across the European region do not infringe upon the Greenfields Trademark.

Market Access and Retention

During the year LMC carried out a wide range of activities to support export market access for and knowledge 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). After extensive risk evaluations, US authorities removed in December 2021 the small ruminant rule, which was introduced more than 20 years ago banning imports of lamb from countries where scrapie had been identified. Work has been ongoing to finalise this important piece of legislation in the US, effectively allowing UK processors to be eligible to ship lamb following final agreement on the Export Health Certificate. LMC also participated

in meetings of the DAERA / NI Agri food Industry Meat Export Working Group throughout the year. 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, SAI Platform, Gira Meat Club 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.

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

Impact of Covid-19 Pandemic

The effects of Covid -19 global pandemic were still felt during the 2021-22 financial year. The Covid-19 pandemic in 2020 resulted in Northern Ireland Beef and Lamb Farm Quality Assurance Scheme inspections being deferred on 18 March 2020 and therefore no on-farm inspections took place between this date and 8 June 2020. The deferral of inspections has continued to have a knock-on effect during the 2021-22 year with NIBL FQAS participants being slower to pay membership renewal fees and submit evidence. All inspections completed since 8 June 2020 whether on-farm or remotely were carried out in line with an agreed Covid-19 inspections policy.

Participation

In the 2021-22 financial year producer numbers participating in the Northern Ireland Beef and Lamb Farm Quality Assurance Scheme have decreased by approx. 1.6%. In the 2021-22 financial year there was a 10.9% decrease in NIBL FQAS applications to join the scheme in comparison to the financial year 2020-21. At the end of the 2021-22 financial year, producer participation in NIBL FQAS stood at 11,873 active participants, a decrease of 193 relative to the end of the last financial year. Overall, the percentage of price reported prime cattle that were farm assured at time of slaughter was 98.7% at the end of the 2021-22 financial year. Steers represented the highest category for assurance proportion at 99% with cull cows reaching 92.7% at the year end.

Certification

In the 2021-22 financial year 6,793 surveillance inspections were conducted by the Certification Body, Northern Ireland Food Chain Certification (NIFCC), which represents an average surveillance inspection interval of 20.2 months against a maximum target of 18 months. There were 786 spot-check inspections, representing 6.9% of scheme members against a minimum target of 5%. Ongoing monitoring of performance against contract is undertaken by LMC and reported to the NIBL 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 in 2020, up to 31 March 2022 allow to NIFCC to address the deficit of inspections caused by Covid-19 disruption to normal business activity.

NIBL FQAS Industry Board/Standard Setting Committee

In 2021-22 LMC continued to facilitate meetings of the Industry Board and Standard Setting Committee (SSC) to ensure that NIBL FQAS continues to operate effectively and efficiently in line with industry needs.

Provision of Certification Services to NIBL FQAS

In February 2022, following a public tender in conjunction with Construction and Procurement Delivery (CPD), NIFCC were awarded the contract to provide Certification Services to NIBL FQAS for an initial contract period of three years, with the option to extend for two further one-year periods, subject to contract performance. This contract commenced on 1 April 2022.

Earned Recognition

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

Standards Review

Every three years LMC undertakes an in-depth review of scheme Standards and Rules. Standards can be amended at any point during the review cycle depending on industry needs, retailer requirements, legislative or policy changes. During the 2021-22 year the NIBL FQAS Standard Setting Committee in conjunction with LMC carried out a comprehensive

review of Standards and Rules, with new Standards due to be implemented in Summer 2022. All stakeholders had the opportunity to participate in the review. It is vital that NIBL FQAS continues to develop with the needs of the industry and the marketplace it supplies.

NIBL FQAS Customer Relationship Management (CRM) Database Development

Throughout 2021-22 the NIBL FQAS CRM database has been working efficiently. Change controls were deployed 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. NIBL FQAS and RTA Beef and Lamb are considered equivalent assurance schemes therefore LMC meets with AFS throughout the course of the year to discuss scheme developments. LMC has worked closely with Quality Meat Scotland (QMS), Welsh Lamb and Beef Producers (WLBP) and AFS to formalise a Common Framework Agreement that all UK assurance schemes (which are allowed to use the Red Tractor Logo) would work collectively to ensure that differing regional approaches to assurance are formally recognised whilst delivering to the same agreed outcomes. This Common Framework has now been agreed and signed.

Communications

LMC continued to update NIBL FQAS participants on scheme developments. Press releases have been sent out along with text messages and LMC bulletin articles to communicate scheme developments.

Farm Liaison

The NIBL FQAS Farm Liaison Service continued to provide valuable assistance before and after inspections to participants during the 2021-22 reporting period. The Liaison Service continued to actively call members 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 NIBL FQAS Helpline and referrals from the Certification Body.

The Farm Liaison Officer dealt with on average 173 calls per month from and to members of the NIBL FQAS.

Scheme Funding

The current funding streams that are in place for NIBL FQAS are based on contributions from both producers and processors. With no significant reserves to rely on and an increase in scheme operating costs, the NIBL FQAS Industry Board had to review and increase scheme income during the year to ensure its long-term sustainability. Fees were revised from 4 May 2021. Initial application and annual renewal fees for producer members increased by £15 to £75 (excluding VAT). The increase in producer membership fees has been accompanied by a 20% increase in the NIBL FQAS processor throughput fee for bovine animals. The additional membership income will be used to help with essential supply chain development work where gathering of data is needed to help evidence and monitor the industry's strong sustainability credentials.

Marketing and Communications Department Report

LMC educates, engages and informs consumers about the nutritional, environmental and versatility 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 Marketing and Communications activity for 2021-22 include the following

Cookery Demonstrations

Post Primary Schools

LMC's team of eight freelance cookery demonstrators played an important role in the delivery of 375 beef and lamb cookery demonstrations in post primary school, Food and Nutrition classes throughout Northern Ireland. Demand for this service remained high, with all demonstrations being booked within 10 days of launch. Demonstrations began in

September and were completed by March 2022. The demonstrations continued to play an important role in the provision of practical cookery lessons and interactive study, which is still limited in many schools because of the pandemic.

Primary schools

A pilot programme of cookery demonstrations was carried out in a number of primary schools in Northern Ireland throughout the year. The positive experience cemented the planned expansion of LMC's education programme in 2022-2023 to include 100 primary school demonstrations. There is a reported lack of practical resources available to primary schools, and the demonstrations have been encouragingly welcomed by many. During the pilot programme, it was identified that learning about Northern Ireland Farm Quality Assured (NIFQA) Beef and Lamb fits comfortably with the learning outcomes of Key Stage 2 within topics of the environment around us and personal health. Pupils will learn about our farming industry, where our food comes from, the role of farming for the environment and the importance of good nutrition for personal development.

Education Website – Food4Life

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. LMC demonstrators have been able to direct attention to the site and to encourage students and teachers to access resources digitally. During the period of booking launch, September 2021 – March 2022, there was a 51.9% increase in users of the Food4Life website. During this period there were almost 12,800 users, with over 88.5% new users.

ABP Food Group (ABP) Angus Youth Challenge

LMC proudly provided Angus Youth Challenge finalists with the opportunity to host a demonstration event for pupils in their schools. Demonstrations highlighted the importance of looking for the NIBL FQAS logo when purchasing beef, the role of the scheme in maintaining the three pillars of sustainability and role of red meat as part of a healthy

balanced diet. LMC's education programme values and aims align with the ABP Angus Youth Challenge and LMC resources will be made available to competitors.

Meat4Schools

Meat4schools returned in September 2021, following its absence in September 2020 due to logistical issues associated with the pandemic. It was welcomed back by teachers in Northern Ireland who were given opportunity to win NIFQA beef and lamb to be used in practical cookery lessons. Winning schools included De La Salle, Loreto Grammar and Kilkeel High School. All schools received multiple cuts of NIFQA beef and lamb kindly supplied by ABP Newry, following successful entry by students from these schools.

Consumer Promotions

LMC Media Campaign

LMC's Good Honest Food Campaign launched its third burst of activity in January 2022 which ran until the end of March 2022. The campaign works to highlight the positive story and factual credentials of Northern Ireland's world class sustainable beef and lamb. The campaign focusses on the nutritional, environmental and versatility attributes of Northern Ireland Farm Quality Assured (NIFQA) beef and lamb, communicated through a host of exciting, innovative and engaging advertising materials. Local chef James Devine presents the 'travel blog' style series, while making a journey around Northern Ireland meeting experts in the fields of nutrition, environment, agriculture, and the wider food industry. The campaign secured a variation of high value slots on local, regional and national television, radio and outdoor sites. The media neutral campaign encourages viewers to find out more about NIFQA beef and lamb with a call to action to www.beefandlambni.com. LMC utilised previous tracking research to inform media planning, in which LMC targeted new demographics and tested further media channels including TikTok, Sky View and Spotify. The design of the campaign favours further expansion of assets in the form of numerous infographics, information videos and recipes, some of which have been displayed on LMC's social media channels. The campaign continues to lead the conversation on our world class beef and lamb.

Stakeholder Engagement

Open Farm Weekend

LMC proudly sponsored the Open Farm Weekend (OFW) 2021 virtually hosted event once again. Although visitors could not physically visit the farms a host of interactive online activities allowed the public to connect with a host of farms across the country. LMC was able to deliver messaging about the versatility and nutritional benefits of NIFQA beef and lamb throughout the event as part of broadcast cookery demonstration. LMC fronted content delivered by OFW reached almost 2000 people in addition to the live engagement of the cookery demonstration event.

Love Lamb Week

During Love Lamb Week 2021 LMC partnered with Ulster Farmers' Union to deliver a weeklong programme of content, highlighting the many positive attributes of the industry. Sustainability was the overarching theme of the initiative with the aim of informing consumers on the role of NIBL FQAS in eco-conscious farming, with a further focus on the versatility of lamb and skills for cooking. The campaign had a digital focus on both the consumer facing Beef and Lamb NI Facebook page and the LMC Industry facing Facebook page which played host to infographics and creative content. A radio package was secured with U105 to include a series of radio and digital advertising opportunities with presenter Carolyn Stewart, LMC Chef Presenter James Devine and local guest chef appearances which included interviews, competitions and cookery videos (average 223,400 listeners per week). There was a very strong engagement from consumers in Northern Ireland with the content, which was a positive sign for lamb promotion.

Beef Week

During Beef Week 2021, LMC delivered a collaborative programme of events with the Ulster Farmers Union across social media. The theme of the event was to promote the sustainability of NI beef production, as well as the nutritional and versatility attributes. Social media was used to promote infographics, the Truth about Beef campaign and a series of recipes. For further social reach, LMC worked with Belfast Live on a series of content on their Instagram stories, IGTV and online news articles.

Meat Matters

LMC remained a partner of MeatMatters, which worked 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 ensured negative press coverage is responded to by appropriate experts in the red meat industry (formerly the Food Advisory Board) in a timely manner. Following review of the initiative, a unanimous decision was made to disband MeatMatters as of 31 March 2022. Following conversation with the other UK levy bodies, a collaboration committee was set up to strengthen relations and improve communications in the non-competitive market. This new voluntary initiative will improve horizon scanning and distribution of aligned messaging to stakeholders.

Balmoral Show

Balmoral Show returned in September 2021 and LMC experienced a successful show, using the opportunity to engage with stakeholders and consumers. The LMC stand boasted The Truth About Beef campaign messaging and creative design, utilising a freshwater dispenser and distributing re-useable water bottles to help cement the environmental messaging. LMC was pleased to sponsor multiple livestock classes within the show and be involved in the promotion of the event. The LMC stand achieved an award of Reserve Best Overall Stand for the show.

Communications

Website Development

LMC undertook a project to review and re-launch three websites; www.lmcni.com, www.beefandlambni.com and www.food4life.org.uk. With the aim to improve stakeholder awareness of LMC's breadth of activities and resources, the project began in 2022 to improve accessibility and usability of the sites.

Industry Carbon Collaboration Group

Towards the beginning of 2022 LMC joined with members of the agri-food supply chain to urge MLAs to back expert science-based advice when making decisions on climate change legislation. As part of this campaign LMC contributed press releases, audio clips for radio, shot an awareness raising video and shared factual infographics on social media. This collaborative initiative resulted in a review of the proposed legislation and an amended proposal which was achievable for industry while remaining sustainable.

Communications Policy

LMC has recently reviewed its internal and external communications policies. The aim of this review was to highlight how best to target resources and maximise the impact of communications with all stakeholders. These communications streams comprise of a mix of digital and traditional methods.

Social Media

The LMC marketing and communications team manage four social media accounts, Twitter, @LMCNI; Facebook, Livestock and Meat Commission NI; Facebook, Beef and Lamb NI; and Instagram, beefandlamb.ni. The latter two pages are consumer focused while the others have a corporate outlook. Communications plans are drafted monthly for these pages, scheduled and adhoc posts are monitored daily for engagement. Monthly analytical analysis is undertaken to inform future content planning. Social media reach continues to grow with an annual increase of 35% for the LMC NI Facebook page alone. Social media provides an immediate platform for LMC to engage with consumers and stakeholders on a regular basis, continually informing followers on industry news and initiatives. Social media presence continues to grow for LMC and evaluation of upcoming sites such as Tik Tok has been undertaken as part of the communication plan review.

Press

During the calendar year 2022 to date, LMC has issued on average 6 press releases per month in addition to providing content for one off publications, such as, the Neighbourhood Retailer, the Sheep Farmer, and Meat Management.

Press releases have been well received by local agri-press and further afield. Farming Life and Farm Week have been supportive of LMC press content and afforded it decent space in their respective publications and online. Regional publications have also promoted LMC content, particularly when photographs are issued relevant to the publication's circulation area. LMC will continue to engage with local, regional and agri-press as well as investigate new press opportunities in line with consumer promotion.

Market Information Department Report 2021-2022

LMC's Market Information department continued to deliver services to support the NI red meat industry throughout the 2021-22 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.

Highlights of LMC Market Information activity for 2021-22 include the following

Beef Market Overview 2021-22

For the financial year 2021-22 there were 358,986 prime cattle killed in local beef processing plants, an increase of 18,579 head from the previous financial year. The average carcase weight of prime cattle also recorded an increase of 2.6kg from the previous financial year to 348.4kg during 2021-22. Cow throughput in Northern Ireland totalled 109,551 head during 2021-22, an increase of 6.2 per cent from the 103,115 cows processed in 2020-21. However, the average carcase weight of cows decreased 2.7kg to 310kg in the 2021-22 period. Beef production from prime cattle increased by 6.2 per cent to 125,135 tonnes while the volume of cow beef processed increased by just over five per cent to 33,879 tonnes.

Imports and exports of cattle for direct slaughter have continued to operate at relatively low

levels in the 2021-22 financial year. A total of 14,219 prime cattle were imported from the Republic of Ireland for direct slaughter during 2021-22, a four per cent decrease when compared to the 14,810 prime cattle exported the previous year. Imported cattle from Ireland accounted for just four per cent of total prime cattle throughput in Northern Ireland in the 2021-22 financial year. Meanwhile 803 prime cattle and 3,045 cows were exported out of NI to ROI and GB during 2021-22 financial year with 80 per cent exported to ROI for direct slaughter.

During the 2021-22 financial year there were 368,535 beef sired calves registered on Northern Ireland farms, an increase of just over 3,900 head from the previous year. Aberdeen Angus calf registrations continue to increase year on year with an increase of 3.4 per cent from 2020-21 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 2021-22.

The average R3 steer price in Northern Ireland for the financial year 2021-22 was 401.3p/kg, a strengthening of 34.6p/kg from 366.7p/kg during the 2020-21 period. Cow prices in Northern Ireland also improved in 2021-22 with the average O3 cow price up 33.3p/kg from 2020-21 levels to 307.7p/kg.

Sheep Market Overview 2021-22

Lamb/hogget throughput in local plants totalled 426,705 head in 2021-22, a 5.4 per cent decrease on the previous year when 451,075 lambs/hoggets were killed in local plants. The average carcass weight of lambs/hoggets processed locally during 2021-22 was 22.1kg, a slight increase from the 21.8kg recorded in the previous year. Exports of lambs/hoggets to ROI for direct slaughter slightly decreased by one per cent to 284,408 head during 2021-22 financial year.

The average deadweight lamb/hogget price in Northern Ireland for the financial year 2021-22 was 538.2p/kg, 56.4p/kg above the 481.8p/kg reported in the previous financial year. This strong increase equates to an uplift of £12/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. Deadweight cattle price reporting has continued with the on-going weekly delivery of price reports in a range of formats to inform the wider red meat industries.

Market Analysis and Research

The Market Information department has continued to conduct bespoke analysis using a range of data sources. Through the data request service, the Market Information department has provided the NI beef and sheep meat industries with a wide range of bespoke market information reports including analysis of specifications, prices and supplies of cattle and sheep. This service helps support producers and processors with their decision making by providing accurate and timely information that creates a better understanding of the trade.

Publications

LMC continued to deliver a comprehensive range of statistical publications in 2021-22. The weekly LMC Bulletin published every Saturday in the Farming Life newspaper remains the primary distribution method for the provision of impartial market information to the NI red meat industry. A mid-week publication of the LMC Weekly Update is produced and published each Wednesday in the Irish Farmers Journal and Farm Week newspaper. Both publications are also available on the LMC website and distributed via email to subscribers.

The LMC text message service is a popular and effective vehicle for providing weekly beef and sheep base quotes from the major NI processors to producers with almost 8,500 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

29 June 2022

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 2022, 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	6 Nov 2015	*6 August 2022	Chairman Remuneration (Chair)
Harry Sinclair	1 Jul 2015	*6 August 2022	Audit and Risk Assurance
Oonagh Chesney	1 Jul 2015	*6 August 2022	Audit and Risk Assurance Remuneration
Jim Lennon	1 Jul 2015	*6 August 2022	Audit and Risk Assurance
Gerry Maguire	22 Oct 2015	*6 August 2022	Remuneration
Joseph Stewart	1 Feb 2021	31 Jan 2024	Audit and Risk Assurance (Chair)

*These positions were extended by 3 further months by DAERA Minister Edwin Poots MLA

The role of the Board is to act effectively as Non-Executive Directors of LMC and to exercise the ultimate control on policy. Management of LMC is delegated by the Board to the Chief Executive and a management team. The Chief Executive, having responsibility also as Accounting Officer, is responsible to the Board for the proper conduct of LMC affairs and the

development and implementation of the policies determined by the Board. The Board meets routinely once per month, with additional meetings on an ad hoc basis when circumstances require.

Conflict of Interests

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

Gerard McGivern (Chairman)

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

Harry Sinclair

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

Board of the LMC. Mr Sinclair is a board member of the Health and Safety Executive for Northern Ireland (HSENI) and is Chairman of the Farm Safety Partnership.

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

Joseph Stewart

Mr. Joseph M Stewart OBE, LLB, JP was appointed to the Board in February 2021. Mr Stewart is currently a Non-Executive Director of the Public Health Agency (including Chair of its Governance and Audit Committee). He is also the Council Member/Director of the Suffolk Sheep Society GB. He is retired, following a wide-ranging career including the Engineering

Employers Federation, Harland & Wolff, Police Authority of NI (PANI) and PSNI (non-police role). Mr Stewart has significant finance and governance experience in the private and public sectors. Mr Stewart was appointed an OBE for Public Service in 1994.

Pension Liabilities

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

Auditors

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

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

The audit of the financial statements for 2021-22 resulted in an audit fee of £13,100 and this is included in the other operating charges in the Statement of Comprehensive Net Expenditure. The C&AG did not provide any non-audit services during the year.

Financial Risk Management

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

Data Protection

LMC has robust policies and procedures in place in relation to data protection which have been reviewed in line with UK General Data Protection Regulations (GDPR) in January 2021 following the UK exit from the EU. There were no personal data related incidents in 2021-22.

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 2021-22.

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 2021-22

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

Scope of Responsibility

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

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

The Governance Framework

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

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

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

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

The strategic plan provides an overview of the statutory purpose of LMC. It identifies the major factors influencing LMC's strategy and formalises the major inputs from its stakeholder consultation process. The strategic plan outlines LMC's strategic outcomes over a rolling three-year period and associated business outcomes for the next year. The business plan is formed from the strategic plan and includes key targets and milestones. Financial budgets are produced annually for the forthcoming 12-month period. The LMC Strategic Plan 2021-2024 was approved by the Minister for Agriculture, Environment and Rural Affairs in November 2021. The LMC Business plan and Budget for 2021-22 were approved by the DAERA Departmental Board in June 2021 and the Minister in November 2021.

The governance framework has been in place at LMC for the year ended 31 March 2022 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.

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 2021-22 at Board and Audit and Risk Assurance Committee (ARAC) meetings where applicable:

Table 1

NAME	BOARD MEETING	ARAC
Gerard McGivern Appointed 06/11/2015	9/9	-
Harry Sinclair Appointed 01/07/2015	9/9	4/4
Oonagh Chesney Appointed 01/07/2015	7/9	4/4
Jim Lennon Appointed 01/07/2015	9/9	4/4
Gerry Maguire Appointed 22/10/2015	8/9	-
Joseph Stewart Appointed 01/02/2021	9/9	4/4

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 2022 the Board completed a self-assessment performance checklist reflecting on the 2021-22 financial year. The checklist focuses on the following principles:

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

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

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

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

Table 2

Excellent	Good but can do better	Generally satisfactory but improvement possible	Considerable scope for improvement
94%	6%	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. Joseph Stewart has undertaken the role of chairman of the committee since 1 February 2021.

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

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

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

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

In April 2021 the Audit and Risk Assurance Committee completed an Audit and Risk Assurance Committee effectiveness self-assessment checklist with regard to the 2021-22 financial year using the five principles as detailed in the HM Treasury's Audit and Risk Assurance Committee Handbook. All members stated the compliance of the ARAC in each of the five sections of the checklist including:

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

The Audit and Risk Assurance Committee met on four occasions during the 2021-22 financial year, reporting to the Board after each meeting. The Audit and Risk Assurance Committee provides the Board and Accounting Officer with an Annual Statement, which is outlined below

- A number of policies were reviewed and updated throughout the year and these were duly approved by the Board;
- The Internal Audit Final Opinion and Report for the 2020-21 year was issued on 19 May 2021. An overall opinion of 'satisfactory' was recorded. The Opinion and Report was presented to ARAC at a virtual meeting on 15 June 2021 and following noting and approval was reported to the LMC Board meeting on 28 June 2021;
- At a virtual meeting on 1 July 2021 the ARAC Committee members approved the Governance Statement in the draft Annual Report and Accounts and the draft Report to Those Charged with Governance;
- The final Report to Those Charged with Governance (RTTCWG) 2020-21 was issued by NIAO on 27 October 2021. An unqualified audit opinion had been recorded and there was one lower priority recommendation arising from the audit;
- The draft Internal Audit Terms of Reference for the 2021-22 review of LMC was approved by ARAC members at the LMC Board meeting on 25 October 2021;
- LMC's Internal Audit commenced remotely in November 2021 with auditors' field work completing in February 2022;
- The draft Internal Audit report and management responses were considered by the members of the ARAC on 29 March 2022 and approved for recommendation to the Board;
- The Final Internal Audit and Annual Opinion Report for the 2021-22 year was issued on 31 March 2022. An overall opinion of 'satisfactory' was recorded. The findings of Internal Audit confirmed a 'satisfactory' opinion on the LMC's governance, risk management and control arrangements;
- The ARAC members approved the External Audit Strategy for 2021-22 on 29 March 2022;
- Risk Management is a standing agenda item at each meeting of the Commission and is

reviewed at each ARAC meeting. The Risk Register identified significant risks in the areas of uncertainty with the outworking 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 four business cases were considered and approved internally.

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. On behalf of the ARAC Committee I wish to acknowledge the passing of Mr Paddy McElroy in July 2021, a former Board member and ARAC Chairman."

Account of Corporate Governance

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

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors and the executive managers within LMC who have responsibility for the development and maintenance of the internal control framework, and

comments made by the external auditors in their Report to Those Charged with Governance.

Conflicts of Interest

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

Whistleblowing

LMC has a comprehensive Whistleblowing Policy in place which is regularly reviewed and updated. Version 5.0 of the Whistleblowing Policy was approved by the LMC Board at its meeting in June 2021 and the updated policy is publicly available on the LMC website. All updated policies are communicated to staff for inclusion and reference in their staff handbooks. No whistleblowing incidents occurred in the 2021-22 reporting period.

Account of Assurances and Evidence

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

to any Board recommendations.

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

LMC's performance in helping to deliver DAERA policies, including the achievement of key outcomes, is reported to DAERA on a quarterly basis. In line with DAERA's Arm's Length Bodies Sponsorship Manual quarterly Accountability meetings take place between the Senior Sponsor, members of the sponsorship team, the Chairman and the LMC Accounting Officer. Prior to these meetings signed Assurance Statements are forwarded by the LMC Accounting Officer to the Sponsor Branch for review and consideration of any action points raised. The Minister or his/her nominated representative meets the Board formally as appropriate to discuss LMC's performance, its current and future activities, and any policy developments relevant to those activities. No Ministerial Directions were given to LMC during 2021-22. 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 2021-22 commenced in November 2021. The audit scope for the annual Internal Audit of LMC included Corporate Governance (including Risk Management, Succession Planning, Stewardship Reporting and Assurance Statements), Farm Quality Assurance (including Contract Procurement/Management, Supplier Relief provided during Covid-19 and Contract Extensions), IT Security & Information (including Management &

Security of IT Systems, Information Management and Data Protection including Compliance with GDPR requirements) and a Review of the implementation of previous audit recommendations.

The Internal Audit Branch of DAERA (IA) gave an overall 'Satisfactory' assurance, in its 2021-22 Annual Report and Opinion of the Livestock and Meat Commission for Northern Ireland, concluding that LMC have established an adequate system of governance, risk management and control in relation to Corporate Governance, the NIBL FQAS and IT Security and Information Management.

Five recommendations were identified (three Priority 2 and two Priority 3) where improvement could be made to enhance the control framework: these included timeliness of publication of LMC Board Minutes; contract management processes and data sharing agreements.

External Audit

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

Quality of Information

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

The Risk and Control Framework

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

Risk Management

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

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

LMC's Risk Management Strategy constitutes a key element of its internal control and corporate governance framework and covers its approach to risk management, roles and responsibilities, and key aspects of the risk management process. The LMC Risk Management Strategy was reviewed and approved in 2019 with the next review due in 2022.

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 March 2022 and was subsequently approved by the Board. Risk issues and their management are routinely discussed at each Senior Management Team meeting. During 2021-22, the main and significant risk areas identified included:

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

LMC Risk Profile

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

Information Risk

LMC recognises risks associated with data security and all staff have been instructed appropriately in regard to information held by them and accessible to them. All members of staff were issued with additional Homeworking Guidance during the Covid-19 pandemic to ensure data protection policies were adhered to when working remotely. All members of the Senior Management Team are fully aware of their responsibilities regarding information security. They have provided assurances to the Accounting Officer in their Stewardship Reports for 2021-22 that a culture of awareness exists among the staff in their departments regarding information security and dealing with information loss incidents. Record management practices are in place that ensures the appropriate creation, maintenance and disposal of important information held in paper and electronic formats. Information and information systems as assets are carefully controlled with segmented access provided as required to undertake tasks. LMC undertook a review of these practices following the introduction of the General Data Protection Regulations (GDPR) and Data Protection Act 2018. Policies were further reviewed and updated in January 2021 following the retention of GDPR within domestic law (UK GDPR).

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

There were no data related incidents that would constitute breaches in the financial year 2021-22.

Significant Governance Issues

There are no significant governance issues to report in the 2021-22 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.

	2021-22				2020-21			
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
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	5-10	-	-	5-10	0-5	-	-	0-5
Mr I Stevenson Chief Executive	60-65	-	15,000	75-80	55-60	-	23,000	75-80

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

Salary

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

Benefits in Kind

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

Pay Ratios (audited)

The banded remuneration of the highest paid employee in the financial year 2021-22 was £55,000 - £60,000 (2020-21: £55,000 – 60,000). The relationship between the mid-point of this band and the remuneration of the workforce is disclosed below.

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

2020-21	25th percentile	Median	75th percentile
Total remuneration (£)	17,644	24,618	30,614
Pay ratio	3.26:1	2.33:1	1.88:1

For 2021-22, the 25th percentile, median and 75th percentile remuneration values consisted solely of salary payments. The range of staff remuneration was £16,302 to £57,500 (2020-21: £15,990 to £57,500).

Percentage Change in Remuneration

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

Percentage change for:	2021-22 v 2020-21
Average employee salary and allowances	13.4%
Highest paid employee's salary and allowances	1.02%

Northern Ireland Local Government Officers Superannuation Committee (NILGOSC) Pension

(audited)

Name	Accrued pension at pension age as at 31/3/22 and related lump sum	Real increase in pension and related lump sum at pension age	CETV at 31/3/22	CETV at 31/3/21	Real increase in CETV	Employer contribution to partnership pension account
	£'000	£'000	£'000	£'000	£'000	Nearest £100
Mr I Stevenson Chief Executive	10-15plus lump sum 0-5	0-5 plus lump sum (0-2.5)	184	163	11	-

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 2022		
Level	Total Number	Male: Female Ratio
Directors/Board Members	6	5:1
Senior Managers (SCS level equivalent)	0	0:0
Employees (permanent)	18	5:13
Employees (temporary)	1	0:1

Average number of persons employed (audited)

Average numbers of persons employed are shown below:

	2021-22	2020-21
Board Members	6	6
Employees	15	15

LMC's staff turnover percentage was 26.6% for the year ended 31 March 2022.

Staff Costs (audited)

Staff costs are captured in the table below:

	Permanently employed staff	Others	Commission members	2021-22 Total	2020-21 Total
	£	£	£	£	£
Wages and salaries	459,773	50,374	50,386	560,533	558,145
Social security costs	43,062	3,177	1,258	47,497	34,015
Pension costs – defined benefit plans	183,301	3,040	-	186,341	124,446
	686,136	56,591	51,644	794,371	716,606

Included in the above costs is £186,000 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:

	2021-22	2020-21
Percentage days lost through sickness absence	2.09%	1.13%
Cost of absence	£11,368	£6,554
Percentage of annual staff costs	1.40%	0.91%

LMC's absence level is well below current levels associated with the Northern Ireland economy of 4.4% ("Sickness Absence in the Northern Ireland Civil Service" NISRA June 2021).

Equality and Good Relations

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

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

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

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

Staff Policies

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

From the outset of the COVID-19 pandemic in March 2020, LMC staff were equipped with appropriate technology and support to enable remote working when required, which has continued into 2021-22. 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. 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.

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 2021-22.

Exit Packages and Compensation for Loss of Office (audited)

There were no exit packages or compensation for loss of office during the period 2021-22.

Off Payroll Engagements

	2021-22	2020-21
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 2021-22 (2020-21: None)

Remote Contingent Liabilities (audited)

LMC has no remote contingent liabilities to report at 31 March 2022 (31 March 2021: 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)	£1,123,905	£1,484,192
Expenditure for year (excluding notional costs)	£1,077,033	£1,135,096



Ian Stevenson
Accounting Officer

29 June 2022

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 2022 under the Livestock Marketing Commission Act (Northern Ireland) 1967. The financial statements comprise: the Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity; and the related notes including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards as interpreted and adapted by the Government Financial Reporting Manual.

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

In my opinion the financial statements:

- give a true and fair view of the state of the Livestock and Meat Commission for Northern Ireland's affairs as at 31 March 2022 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 Finance directions issued thereunder.

Opinion on regularity

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

Basis for opinions

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

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

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

Conclusions relating to going concern

In auditing the financial statements, I have concluded that 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 Livestock and Meat Commission for Northern Ireland's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

My responsibilities and the responsibilities of the Accounting Officer with respect to going concern are described in the relevant sections of this 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 and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance Report and Accountability Report. I have nothing to report in respect of the following matters which I report to you if, in my opinion:

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

Responsibilities of the Accounting Officer for the financial statements

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

- the preparation of the financial statements in accordance with the applicable financial reporting framework and for being satisfied that they give a true and fair view;
- such internal controls as the Accounting Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error;
- 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 I considered included the Health and Safety Legislation, Environmental laws and regulations, the Fair Employment (Northern Ireland) Act 1989 and relevant tax laws (PAYE and NIC);
- making enquires of management and those charged with governance on Livestock and Meat Commission for Northern Ireland's compliance with laws and regulations;
- making enquiries of internal audit, management and those charged with governance as to susceptibility to irregularity and fraud, their assessment of the risk of material misstatement due to fraud and irregularity, and their knowledge of actual, suspected and alleged fraud and irregularity;
- completing risk assessment procedures to assess the susceptibility of the Livestock and Meat Commission for Northern Ireland's financial statements to material misstatement, including how fraud might occur. This included, but was not limited to, an engagement director led engagement team discussion on fraud to identify particular areas, transaction streams and business practices that may be susceptible to material misstatement due to fraud. As part of this discussion, I identified potential for fraud in the following areas: revenue recognition, expenditure recognition, 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;
- documenting and evaluating the design and implementation of internal controls in place to mitigate risk of material misstatement due to fraud and non-compliance with laws and regulations;

- designing audit procedures to address specific laws and regulations which the engagement team considered to have a direct material effect on the financial statements in terms of misstatement and irregularity, including fraud. These audit procedures included, but were not limited to, reading board and committee minutes, and agreeing financial statement disclosures to underlying supporting documentation and approvals as appropriate and inquiries of management and those charged with governance
- 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; and
- applying tailored risk factors to datasets of financial transactions and related records to identify potential anomalies and irregularities for detailed audit testing

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
Galwally
BELFAST
BT8 6RB

1st July 2022

Financial Statements

Statement of Comprehensive Net Expenditure for the year ended 31 March 2022

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	2021-22 £	2020-21 £
Revenue from contracts with customers	2	1,237,677	1,189,738
Other operating income	2	1,484,192	1,205,664
Total Operating Income		2,721,869	2,395,402
Staff costs	3	(794,371)	(716,606)
Depreciation (net of deferred grant release)	7	(12,701)	(17,388)
Other operating expenditure	3	(1,687,154)	(1,902,631)
Total operating expenditure		(2,494,226)	(2,636,625)
Net Operating Income/(Expenditure)		227,643	(241,223)
Finance income	4	168	2,716
Net income/(expenditure) for the year before income tax		227,811	(238,507)
Income tax charge	5	(32)	(599)
Net income/(expenditure) for the year after tax	6	227,779	(239,106)
Other comprehensive net income			
Items that will not be reclassified to net operating costs:			
Actuarial gain/(loss) on pension scheme liabilities	14	1,481,000	(205,000)
Comprehensive net income/(expenditure) for the year		1,708,779	(444,106)

The notes on pages 82-101 form part of these financial statements.

Statement of Financial Position as at 31 March 2022

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	2021-22 £	2020-21 £
Non-current assets			
Property, plant and equipment	7	378,008	367,226
Total non-current assets		378,008	367,226
Current assets			
Trade and other receivables	8	600,780	453,457
Cash and cash equivalents	9	794,278	742,855
Short term bank deposits	10	1,521,170	1,521,017
Total current assets		2,916,228	2,717,329
Total assets		3,294,236	3,084,555
Current liabilities			
Trade and other payables	11	404,446	590,270
Income tax liabilities		-	599
Total current liabilities		404,446	590,869
Total assets less current liabilities		2,889,790	2,493,686
Non-current liabilities			
Pension liabilities	14	1,388,000	2,707,000
Total non-current liabilities		1,388,000	2,707,000
Total assets less total liabilities		1,501,790	(213,314)
Taxpayers' Equity and Other Reserves			
Income and expenditure account		1,182,642	(183,366)
Revaluation Reserve		(100,000)	(100,000)
Designated reserves		419,148	70,052
		1,501,790	(213,314)

The financial statements on pages 78-81 were authorised for issue by the Board on and were signed on its behalf by:



Ian Stevenson
Accounting Officer
29 June 2022

The notes on pages 82-101 form part of these financial statements.

Statement of Cash Flows for the year ended 31 March 2022

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	2021-22 £	2020-21 £
Cash flows from operating activities			
Net income/(expenditure) before income tax		227,811	(238,507)
Adjustments for:			
Depreciation of property, plant and equipment	7	12,701	17,388
(Increase)/Decrease in trade and other receivables	8	(147,355)	56,114
Actuarial gain/(loss) recognised	14	1,481,000	(205,000)
(Decrease)/Increase in trade and other payables	11	(185,824)	248,024
Movement in pension liabilities	14	(1,319,000)	320,000
Notional charges	3	6,325	6,145
Income tax paid		(599)	(3,658)
Net cash generated from operating activities		75,059	200,506
Cash flows from investing activities			
Purchases of property, plant and equipment	7	(23,483)	(5,339)
Net investment in short-term deposits	10	(153)	(3,896)
Net cash outflow from investing activities		(23,636)	(9,235)
Net increase in cash and cash equivalents in the year		51,423	191,271
Cash and cash equivalents at the beginning of the year	9	742,855	551,584
Cash and cash equivalents at the end of the year	9	794,278	742,855

The notes on pages 82-101 form part of these financial statements.

Statement of Changes in Taxpayers' Equity for the year ended 31 March 2022

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

	Designated reserves		
	Farm quality assurance scheme	Revaluation Reserve	Income and expenditure account
	£	£	£
Balance at 31 March 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)
Net income after tax	-	-	227,779
Other notional charges	-	-	6,325
Other comprehensive net expenditure	-	-	1,481,000
Other reserves movements including transfers	349,096	-	(349,096)
Balance at 31 March 2022	419,148	(100,000)	1,182,642

The notes on pages 82-101 form part of these financial statements.

Notes to the financial statements for the year ended 31 March 2022

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 21-41. 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 2021-22 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 2022

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 2022 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 2022

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 2022

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

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

Notes to the financial statements for the year ended 31 March 2022

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 2022

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 2022

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 2022

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

IFRS 16 Leases replaces IAS 17 Leases and is effective with EU adoption from 1 January 2019. In line with the requirements of the FReM, IFRS 16 will be implemented, as interpreted, and adapted for the public sector, with effect from 1 April 2022.

IFRS 17 Insurance Contracts

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

Notes to the financial statements for the year ended 31 March 2022

2 Income

	2021-22	2020-21
	£	£
Revenue from contracts with customers		
Levy	1,088,905	1,044,711
Services provided to external customers	148,772	145,027
	1,237,677	1,189,738
Other operating income		
NIBLFQAS income	1,484,192	1,205,664
	1,484,192	1,205,664

3 Expenditure

	2021-22	2020-21
	£	£
Staff Costs*		
Wages and salaries	560,533	558,145
Social security costs	47,497	34,015
Pension costs	186,341	124,446
	794,371	716,606
Other operating charges		
Information services	20,091	22,644
Market development and advertising	1,364,853	1,579,907
Administration costs:		
Actuarial costs of pension scheme	56,000	54,000
Office expenses	241,353	242,139
Aggregate travelling and subsistence	4,857	3,941
	1,687,154	1,902,631
Office expenses include:	2021-22	2020-21
	£	£
Notional charges	6,325	6,145
Auditors' remuneration - for external audit	13,100	15,365

* Further analysis of staff costs is located in the Staff Report on page 69.

Notes to the financial statements for the year ended 31 March 2022

4 Finance income

	2021-22	2020-21
	£	£
Interest income:		
Short-term bank deposits	168	2,716
Finance income	168	2,716

Short-term bank deposits

Short-term bank deposits earned interest at a rate of 0.01% over the financial year.

5 Income tax charge

	2021-22	2020-21
	£	£
Current income tax:		
Current UK corporation tax at 19% (2020-21: 19%)	32	599
Income tax charge	32	599

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% (2020-21: 19%). The differences are reconciled below:

	2021-22	2020-21
	£	£
Surplus/(Deficit) before income tax	227,811	(238,507)
Tax calculated at the UK small companies' rate of corporation tax of 19% (2020-21: 19%)	43,284	(45,316)
Effect of:		
Tax over accrued		-
(Surplus)/Deficit not taxable	(43,252)	44,717
Income tax charge	32	599

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 2022

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 2022 is as follows:

	Levy Funded Activities	NIBLFQAS	Other Services provided	Total
	£	£	£	£
Income from external parties	1,088,905	1,484,192	148,772	2,721,869
Interest Received	168	-	-	168
Expenditure (excluding notional costs)	1,039,047	1,135,096	151,758	2,325,901
Operating surplus before tax	50,026	349,096	(2,986)	396,136
Income tax expense	(32)	-	-	(32)
Surplus before notional costs and after tax	49,994	349,096	(2,986)	396,104
Adjustments in respect of notional costs:				
Internal audit	-	-	-	(6,325)
Actuarial costs and notional charges of pension scheme	-	-	-	(162,000)
Total surplus reported for year	-	-	-	227,779
Total assets less liabilities	1,082,642	419,148	-	1,501,790
Depreciation	7,412	3,703	1,586	12,701

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 2022

7 Property, plant and equipment

	Freehold Land	Property Buildings	Exhibition equipment, fixtures, fittings and office furniture	Computers	Totals
	£	£	£	£	£
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
Cost or valuation					
At 1 April 2021	350,000	-	22,036	64,900	436,936
Additions	-	-	1,580	21,903	23,483
At 31 March 2022	350,000	-	23,616	86,803	460,419
Depreciation					
At 1 April 2021	-	-	20,725	48,985	69,710
Provided during the year	-	-	1,385	11,316	12,701
At 31 March 2022	-	-	22,110	60,301	82,411
Net book amount					
At 31 March 2022	350,000	-	1,506	26,502	378,008
At 31 March 2021	350,000	-	1,311	15,915	367,226

Notes to the financial statements for the year ended 31 March 2022

7 Property, plant and equipment (continued)

Depreciation expense of £12,701 (2020-21: £17,388) has been fully charged to expenditure.

The entity's freehold land was revalued externally on 31 March 2022 by Land and Property Services. This valuation was made on the basis of existing use value and did not result in any change in value from the previous year.

8 Trade and other receivables

	2021-22	2020-21
	£	£
Levies (statutory)	209,343	172,002
Farm quality assurance scheme receivables	132,702	87,988
Prepayments and accrued income	87,528	110,013
Trade debtors	170,837	83,454
Other taxation	370	-
	600,780	453,457

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

	2021-22	2020-21
	£	£
Commercial banks and cash on hand	794,278	742,855

10 Short term bank deposits

	2021-22	2020-21
	£	£
Short term bank deposits	1,521,170	1,521,017

Notes to the financial statements for the year ended 31 March 2022

11 Trade and other payables

	2021-22	2020-21
	£	£
Accruals	318,455	398,959
Trade creditors	18,197	148,211
Other taxation and social security	67,794	43,100
	404,446	590,270

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 £113,772 (2020-21: £110,027). NIFCC provided LMC with inspection services and marketing information during the year valued at £807,737 (2020-21: £1,028,156). The amount due to NIFCC at 31 March 2022 was £82,317 (2020-21: £249,102). 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 2022

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
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 2022

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 2022

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 2022 by Aon Hewitt Ltd. The impact of the McCloud judgement has also been factored into the valuation. The principal assumptions used were as follows:

	2022	2021	2020
	%	%	%
Future salary increases	4.5	4.2	3.5
Discount rate	2.7	2.1	2.3
Inflation rate	3.0	2.7	2.0
Future pension increases	3.0	2.7	2.0

The mortality assumptions used were as follows:

	2022	2021	2020
	Years	Years	Years
Longevity at age 65 for current pensioners			
- Men	21.8	21.9	21.8
- Women	25.0	25.1	25.0
Longevity at age 65 for future pensioners			
- Men	23.2	23.3	23.2
- Women	26.4	26.5	26.4

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

	Value at 2022	Value at 2021	Value at 2020
	£	£	£
Equity	5,043,300	5,165,200	3,986,900
Bonds	3,162,400	3,982,700	3,621,900
Property	1,175,600	992,900	935,900
Cash	470,200	591,300	439,900
Other	1,904,500	423,900	374,400
Total market value of assets	11,756,000	11,156,000	9,359,000
Present value of scheme obligations	13,144,000	13,863,000	11,746,000
Deficit in scheme	(1,388,000)	(2,707,000)	(2,387,000)

Notes to the financial statements for the year ended 31 March 2022

14 Pension liabilities (continued)

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

	2022	2021
	£	£
At 1 April	11,156,000	9,359,000
Interest Income on scheme assets	232,000	213,000
Contributions by members	23,000	22,000
Contributions by employer	80,000	64,000
Re-measurement of (losses)/gains on assets	583,000	1,815,000
Benefits paid	(318,000)	(317,000)
At 31 March	11,756,000	11,156,000

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

	2022	2021
	£	£
At 1 April	13,863,000	11,746,000
Current service cost	186,000	125,000
Interest cost	288,000	267,000
Contributions by members	23,000	22,000
Actuarial (gains)/losses	(898,000)	2,020,000
Benefits paid	(318,000)	(317,000)
At 31 March	13,144,000	13,863,000

Analysis of amount recognised in the income and expenditure account

	2022	2021
	£	£
Current service cost	186,000	125,000
Interest cost	288,000	267,000
Expected return on pension scheme assets	(232,000)	(213,000)
Total operating charge	242,000	179,000

Notes to the financial statements for the year ended 31 March 2022

14 Pension liabilities (continued)

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

	2022	2021
	£	£
Actual return less expected return on pensions scheme assets	583,000	1,815,000
Changes in assumptions underlying the present value of the scheme liabilities	898,000	(2,020,000)
Actuarial gain/(loss) recognised in the statement of recognised income and expenses	1,481,000	(205,000)
Cumulative actuarial losses recognised in the statement of recognised income and expenses	(973,000)	(2,454,000)

History of experience gains and losses

	2022	2021	2020	2019	2018
	£	£	£	£	£
Defined benefit obligation	(13,144,000)	(13,863,000)	(11,746,000)	(12,278,000)	(11,922,000)
Plan assets	11,756,000	11,156,000	9,359,000	11,470,000	10,854,000
Deficit	(1,388,000)	(2,707,000)	(2,387,000)	(808,000)	(1,068,000)
Experience adjustments on plan assets	596,000	1,815,000	(2,173,000)	500,000	274,000
Experience adjustments on plan liabilities	51,000	(157,000)	(12,000)	30,000	96,000
Total amount recognised in the statement of recognised income and expenses	1,481,000	(205,000)	(1,489,000)	322,000	189,000

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

	£	% of pay
Projected Current Service Cost	171,000	47.5
Net Interest on the Net Defined Benefit Liability (Asset)	37,000	10.3
Total	208,000	57.8

Notes to the financial statements for the year ended 31 March 2022

15 Contingent Liability

There were no contingent liabilities.

Date of authorisation for issue

The Accounting Officer authorised the issue of these financial statements on 29 June 2022.
