

nipsa

The Leading Public Service Union

**Northern Ireland
Public Service Alliance**

**Annual Report
of
Financial Statements**

**For the year ended
31st December 2008**

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NORTHERN IRELAND PUBLIC SERVICE ALLIANCE

Annual report of Financial Statements

For the year ended 31st December 2008

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NORTHERN IRELAND PUBLIC SERVICE ALLIANCE

Report of the General Council for the year ended 31st December 2008

The General Council submits their report together with the audited accounts for the year ended 31st December 2008.

Financial results

The net movements in funds for the period are set out in the general account statement on pages 7 to 9 and in the related notes.

The accounts as set out on pages 7 to 18 refer only to incoming resources and resources expended under the direct control of the General Council.

Members of General Council

A Allaway		
C Arkinson		
D Bannon		
B Booth		
L Collins		
M Crothers		
P Donaghy		
C Flanagan		
C Gates		
T Killen	-	Honorary Treasurer
B Lynn		
C McCarthy		
P McGinley		
K McKeating		
M McKeown		
H McKinsty		
B Moore	-	President
M Morgan		
S Morton		
P Mulholland		
J Murdock	-	Vice President
R Reid		
M Rooney		
W Stewart		
J Toal		

NORTHERN IRELAND PUBLIC SERVICE ALLIANCE

Report of the General Council for the year ended 31st December 2008 (cont)

Statement of General Council responsibilities

The General Council is required to prepare accounts that give a true and fair view of the state of affairs of the Union and of its income and expenditure for the financial period. In doing so the General Council is required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the accounts on a going concern basis unless it is inappropriate to presume that the Council will continue in operation.

The General Council is responsible for maintaining proper accounting records that disclose with reasonable accuracy at any time the financial position of the Union. The Council is also responsible for safeguarding the assets of the Northern Ireland Public Service Alliance and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Signed on behalf of the General Council



General Secretary



Honorary Treasurer

Date 7th May 2009

NORTHERN IRELAND PUBLIC SERVICE ALLIANCE

Report of the auditors to the members of NIPSA for the year ended 31st December 2008

We have audited the financial statements of NIPSA for the year ended 31st December 2008 which comprises the Income and Expenditure Accounts, the Statement of Recognised Gains and Losses, the Balance Sheet and the notes as included on pages 7 to 18. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to NIPSA members, as a body. Our audit work has been undertaken so that we might state to the Union's members those matters we are required to state to NIPSA in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Union and the Union's members as a body, for our audit work, for this report, or for the opinion's we have formed.

Respective responsibilities of General Council and auditors

The General Council is responsible for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) issued by the Accounting Standards Board and published by the Institute of Chartered Accountants in Ireland.

Our responsibility, as independent auditors, is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice.

In addition we report to you if, in our opinion, proper accounting records have not been kept and if we have not received all the information and explanations we require for our audit.

We read the Report of the General Council and consider the implications for our report if we become aware of any apparent misstatement.

Basis of Opinion

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

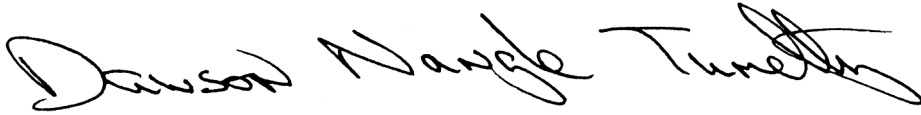
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity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

NORTHERN IRELAND PUBLIC SERVICE ALLIANCE

**Report of the auditors to the members of NIPSA for the year ended 31st
December 2008 (cont)**

Opinion

In our opinion the financial statements give a true and fair view of the state of the Union's affairs at 31st December 2008 and of its operating deficit of income over expenditure for the year then ended.

A handwritten signature in black ink, reading "Dawson Nangle Tumelty". The signature is written in a cursive style with a large initial 'D' and a long horizontal stroke at the end.

**Dawson Nangle Tumelty
Registered Auditors and
Chartered Accountants**

Date 7th May 2009

NORTHERN IRELAND PUBLIC SERVICE ALLIANCE

General account

For the year ended 31st December 2008

	2008	2007
	£	£
Income		
CS group subscriptions	1,990,853	1,944,713
PO group subscriptions	1,787,814	1,704,751
Bank deposit interest	74,841	75,907
Building society interest	20,041	16,455
NIPSA News advertisements	2,938	588
Investment income	6,513	17,950
	<hr/>	<hr/>
Total income	3,883,000	3,760,364
	<hr/>	<hr/>
Expenditure		
Personnel costs	2,233,356	2,094,683
Premises costs	171,716	168,702
General costs	1,285,629	1,094,235
Finance costs	58,644	5,008
Depreciation	129,326	154,866
Taxation	20,496	21,273
	<hr/>	<hr/>
Total expenditure	3,899,167	3,538,767
	<hr/>	<hr/>
Operating (deficit)/surplus for year	(16,167)	221,597
	<hr/> <hr/>	<hr/> <hr/>
Fund transfers		
Fighting fund	93,929	568,010
Contingency fund	73,742	72,990
	<hr/>	<hr/>
(Deficit)/Surplus for year	(183,838)	(419,403)
	<hr/> <hr/>	<hr/> <hr/>

NORTHERN IRELAND PUBLIC SERVICE ALLIANCE
Statement of Recognised Gains and Losses

For the year ended 31st December 2008

	2008	2007
	£	£
(Deficit)/Surplus for year	(183,838)	(419,403)
Actuarial (Loss)/Gain on Defined Benefit Pension Scheme	734,000	(239,000)
Total Gains and Losses recognised since last Annual Report	<u>550,162</u>	<u>(658,403)</u>

NORTHERN IRELAND PUBLIC SERVICE ALLIANCE
Notes to General account

For the year ended 31st December 2008

	Notes	2008 £	2007 £
Personnel costs			
Salaries		1,622,070	1,630,091
Current Service Cost for Pension Scheme		403,000	414,000
Pension costs		805,910	336,592
Pension Levy	8	103,376	0
Less Employer Contributions		(701,000)	(286,000)
		<u>2,233,356</u>	<u>2,094,683</u>
Premises costs			
Heat and light		21,794	24,480
Rates		100,684	97,854
Maintenance costs		21,453	19,559
Derry premises costs		11,240	10,213
Security		3,610	3,185
Insurance – general		12,935	13,411
		<u>171,716</u>	<u>168,702</u>
General costs			
Travel and subsistence		181,856	165,861
Maintenance office equipment		92,432	68,776
Postage and telephone		123,081	124,594
Printing and stationery		78,416	102,076
Publications		19,044	22,743
Branch costs		8,394	9,065
Annual conference	9	170,486	149,183
Departmental committees and panels	10	7,636	2,283
Liaison and affiliation		128,280	114,008
Donations		3,104	3,492
NIPSA news/NIPSA Reports	11	176,111	133,416
Education and training		8,684	7,533
Welfare		11,055	11,658
Professional, legal and audit fees	12	145,597	69,314
Personal accident insurance		2,620	2,620
Ballot costs		23,893	23,719
General costs		41,705	35,383
Members discount scheme and diaries		63,235	48,511
		<u>1,285,629</u>	<u>1,094,235</u>
Finance costs			
Other finance costs re pension – Note E (V)		55,000	2,000
Bank charges		3,664	3,008
		<u>58,664</u>	<u>5,008</u>
Taxation			
Corporation tax - year ended 31 st December 2008		20,496	21,273

NORTHERN IRELAND PUBLIC SERVICE ALLIANCE
Fighting Fund account

For the year ended 31st December 2008

	2008 £
Opening balance at 1st January 2008	500,000
Income	
Subscription income	<u>0</u>
Total funds	<u>500,000</u>
Expenditure	
Fighting fund	74,575
Selective strike payments	1,467
General dispute costs	13,401
Hire of venue	3,775
Professional costs	0
General costs	<u>711</u>
Total expenditure	<u>93,929</u>
	406,071
Fund transfers	
General fund	<u>93,929</u>
Closing balance as at 31st December 2008	<u><u>500,000</u></u>

NORTHERN IRELAND PUBLIC SERVICE ALLIANCE

Balance sheet

As at 31st December 2008

	Notes	2008 £	2007 £
Fixed assets			
Tangible assets	2	1,111,725	1,218,107
Investments	3	20,000	20,000
		<u>1,131,725</u>	<u>1,238,107</u>
Current assets			
Debtors and prepayments		455,088	399,932
Bank balances		1,728,457	2,037,700
		<u>2,183,545</u>	<u>2,437,632</u>
Current liabilities			
Creditors and accruals		87,214	90,703
Provision current tax		37,065	37,879
		<u>124,279</u>	<u>128,582</u>
Net current assets		<u>2,059,266</u>	<u>2,309,050</u>
Pension Scheme		<u>642,000</u>	<u>(335,000)</u>
Total net assets		<u>3,832,991</u>	<u>3,212,157</u>
Represented by:			
General fund	4	2,285,268	1,735,106
Fighting fund		500,000	500,000
Fee fund	5	28,317	31,387
Contingency fund	6	864,406	790,664
Personal Accident Scheme fund	7	155,000	155,000
		<u>3,832,991</u>	<u>3,212,157</u>



General Secretary



Honorary Treasurer

Date 7th May 2009

NORTHERN IRELAND PUBLIC SERVICE ALLIANCE

Notes to the financial statements for the year ended 31st December 2008

1. Principal accounting policies

As in previous years the financial statements have been prepared under the historical cost convention. A summary of the more important accounting policies adopted by the Union is set out below:-

(a) Depreciation

Depreciation is calculated so as to write off the cost of fixed assets on a straight-line basis over the expected useful lives of the assets concerned. The annual rates used for this purpose are:

	%
Premises	4
Fixture & fittings	10
Computers	20

(b) Subscriptions

Membership subscription income is included in the financial statements on a receivable basis.

(c) Corporation tax

Provision is made for corporation taxation on interest receivable during the financial year at a rate of 20% for the period from 1st January 2008 to 31st March 2008, and at a rate of 21% for the remainder of the year in accordance with Corporation Tax requirements in the year.

(d) Salaries

From 1 August 2008 the pay range of Headquarters staff was as follows:-

	HQ Post	Pay Scales
1	General Secretary	£46,400 - £62,407
1	Deputy General Secretary	£39,823 - £50,796
2	Assistant General Secretary	£30,231 - £40,441
6	Assistant Secretary	£30,142 - £37,018
15	Higher Executive Officer	£24,089 - £30,520
8	Executive Officer (<i>2 part time</i>)	£24,387 - £26,086*
1	Senior Personal Secretary	£22,060 - £23,864
9	Personal Secretary (<i>3 part time</i>)	£17,668 - £21,132*
17	Administrative Officer (<i>2 part time</i>)	£14,890 - £17,099*
1	General Assistant Buildings	£14,890 - £17,099
3	General Assistant (<i>part time</i>)	£13,130 - £14,420*

* Full time rate is used to calculate part time hours on a pro-rata basis.

NORTHERN IRELAND PUBLIC SERVICE ALLIANCE

Notes to the financial statements for the year ended 31st December 2008 (cont)

(e) Pensions

The NIPSA Pension Scheme provides benefits based on a final pensionable salary. The assets of the Scheme are held separately from those of NIPSA, being invested with insurance companies, Scottish Life and Standard Life. Contributions to the scheme are charged to the Income & Expenditure Account so as to spread the cost of pensions over employees' working lives with NIPSA. The contributions are determined by a qualified actuary on the basis of triennial valuations using the projected unit method.

The most recent valuation was at 31st December 2006. The actuary assessed a shortfall in the Pension Scheme funding against liabilities of some £2.265m. NIPSA accepted the actuary's recommendation that the employer contribution rate should be increased to 40.8% plus an employer contribution of £270,000 per annum to recover the funding shortfall. These revised contributions were implemented during 2007 and are reflected in the 2008 annual financial statements.

In accordance with an agreement with GMB, SIPTU and UNITE, the Trade Unions for Headquarters staff, the Scheme provides benefits comparable to those of the Northern Ireland Civil Service. As is the case of the NICS, employees are required to pay a contribution of 1.5% towards the cost of dependents' benefits.

Separate financial statements are prepared and audited for the NIPSA Retirement and Death Benefit Plan.

The financial statements for the year ended 31st December 2008 have been prepared in order to comply with Financial Reporting Standard 17 - Retirement Benefits. This enables increases/decreases in the scheme assets to be shown in the financial statements.

The service cost of the scheme, the employer contributions, and the interest cost are shown on the face of the Income and Expenditure Account and the surplus / (deficit) on the face of the Balance Sheet. The actuarial gain/loss has been shown on the Statement of Recognised Gains and Losses as per Page 8 of the financial statements.

(I) Assumptions used by actuary

	At 31.12.08	At 31.12.07	At 31.12.06
Discount rate	6.5%	5.6%	5.1%
Retail Price Inflation	2.6%	3.4%	3.2%
Revaluation of early leavers benefits	2.6%	3.4%	3.2%
Salary growth	3.6%	4.4%	4.2%
Increases to pensions in payment			
- pre 1988 GMP	0%	0%	0%
- post 1988 GMP	2.6%	3.0%	3.0%
- pension earned before 06.04.97 in	2.6%	3.4%	3.2%
Excess of GMP			
- pension earned after 06.04.97	2.6%	3.4%	3.2%

NORTHERN IRELAND PUBLIC SERVICE ALLIANCE
Notes to the financial statements for the year ended 31st December 2008

(e) Pensions cont'd

(II) Valuation of Scheme Assets and Liabilities

	At 31.12.08	At 31.12.07	At 31.12.06
	£	£	£
Value of scheme liabilities	6,756,000	8,867,000	8,345,000
Value of scheme assets	7,398,000	8,532,000	8,379,000
(Deficit)/Surplus in Scheme	642,000	(335,000)	34,000

(III) Pension Expenses

	2008	2007
	£	£
Analysis of the amount charged to operating profit		
Current service cost	403,000	414,000
Past service cost	0	0
Gains on settlements and curtailments	0	0
Total operating charge	403,000	414,000
Analysis of the amount credited to other financial income		
Expected return on pension scheme assets	442,000	423,000
Interest on pension scheme liabilities	(497,000)	(425,000)
Net return	(55,000)	(2,000)

(IV) Statement of Total Recognised Gains and Losses

	2008	2007
	£	£
Actual return less expected return on pension scheme assets	(1,888,000)	(118,000)
Experience gains and losses arising on scheme liabilities	(476,000)	(353,000)
Changes in assumptions underlying the present value of the scheme liabilities	3,098,000	232,000
Actuarial gain/ (loss) recognised in the STRGL	734,000	(239,000)

NORTHERN IRELAND PUBLIC SERVICE ALLIANCE
Notes to the financial statements for the year ended 31st December 2008

(e) Pensions cont'd

(V) Movement in Deficit during the year

	2008	2007
	£	£
Surplus/(Deficit) in Scheme at beginning of the year	(335,000)	34,000
Movement in year:		
Current service cost	(403,000)	(414,000)
Gains on settlements and curtailments	0	0
Employer contributions	701,000	286,000
Past service costs	0	0
Other financial income	(55,000)	(2,000)
Actuarial (loss)/gain	734,000	(239,000)
	<hr/> 642,000 <hr/>	<hr/> (335,000) <hr/>
(Deficit)/Surplus in scheme at end of year		

(f) General Council

The General Council decided to publish details of the travel and subsistence expenses claimed for General Council business. A new form to record this was introduced for General Council members thus the following covers the period October 2008 to December 2008.

Name	Total claimed on General Council Business 01/10/08 to 31/12/2008 £
P Donaghy	64.05
P McGinley	8.40
K McKeating	21.95
H McKinsty	98.25
J Murdock	31.30
J Toal	21.25

NORTHERN IRELAND PUBLIC SERVICE ALLIANCE

Notes to the financial statements for the year ended 31st December 2008

2. Fixed assets

	Extension	Premises	Fixtures and Fittings	Computers	Total
	£	£	£	£	£
Cost					
At 1 st January 2008	526,816	1,364,387	483,947	254,099	2,629,249
Additions during year	0	8,455	3,779	10,710	22,944
At 31st December 2008	526,816	1,372,842	487,726	264,809	2,652,193
Depreciation					
At 1 st January 2008	367,744	439,563	483,947	119,888	1,411,142
Charge for the year	21,073	54,913	378	52,962	129,326
At 31st December 2008	388,817	494,476	484,325	172,850	1,540,468
Net book value					
At 31st December 2008	137,999	878,366	3,401	91,959	1,111,725
At 31 st December 2007	159,072	924,824	-	134,211	1,218,107

3. Investments

	Cost	Market Value
	£	£
Unity Trust PLS 'A' Shares	10,000	10,000
New Star	10,000	24,889
	<u>20,000</u>	<u>34,889</u>

4. General fund

	2008	2007
	£	£
Balance at 1 st January 2008	1,735,106	2,393,509
Actuarial Gain/(Loss) on Pension Scheme Assets for year	734,000	(239,000)
(Deficit)/ Surplus for year	(183,838)	(419,403)
Balance at 31st December 2008	2,285,268	1,735,106

NORTHERN IRELAND PUBLIC SERVICE ALLIANCE

Notes to the financial statements for the year ended 31st December 2008 (cont)

5. Fee fund

	2008 £	2007 £
Balance at 1 st January 2008	31,387	28,570
Fees received	7,274	8,817
Expenditure/donations	<u>(10,344)</u>	<u>(6,000)</u>
Balance at 31st December 2008	<u>28,317</u>	<u>31,387</u>

6. Contingency fund

	2008 £	2007 £
Balance at 1 st January 2008	790,664	717,674
Transfers from General fund	<u>73,742</u>	<u>72,990</u>
Balance at 31st December 2008	<u>864,406</u>	<u>790,664</u>

7. Personal Accident Scheme fund

The fund relates to personal accident cover for members and employees of NIPSA up to an agreed limit by the insurance company. The Union is insured for claims above £155,000.

8. Pension Protection Fund Levy (PPF) Levy

The annual levy calculated and charged to NIPSA in 2008 by the PPF was £103,376 and because of the amount was paid from general funds and reported on the face of the accounts. This was a substantial increase from the 2007 Levy of £4,772, which was paid from the pension scheme funds (hence the 2007 figure is shown as £0 against the general fund). The 2008 levy was challenged, however, the PPF have insisted their calculation was correct. Efforts are on-going to have the 2008 levy reviewed.

9. Annual Conference

The increase reported was mainly attributable to the increased hotel accommodation costs incurred at Newcastle as the venue for the 2008 Annual Conference.

10. Departmental Committees and panels

This reflected an increase in the number of meetings and conferences held in 2008 posted to this heading compared to 2007.

NORTHERN IRELAND PUBLIC SERVICE ALLIANCE
Notes to the financial statements for the year ended 31st December 2008 (cont)

11. NIPSA News/NIPSA Reports

The increase reflected a greater number of issues produced and circulated in 2008.

12. Professional, Legal and Audit Fees

The increase in expenditure reflected the payment of two substantial amounts in 2008, the legal fee for the Labour Relations Agency equal pay claim was £33,053 and the fee for the PPP/PFI report from Edinburgh University was £35,250.

13. Provision of other services by Auditors

In common with many other organisations of our size and nature we use our auditors to prepare and submit returns to the tax authorities and assist with the preparation of the financial statements.

We also used our auditors to train members of staff on the use of accounting software packages.

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