

nipsa

The Leading Public Service Union

**Northern Ireland
Public Service Alliance**

**Annual Report
of
Financial Statements**

**For the year ended
31st December 2007**

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NORTHERN IRELAND PUBLIC SERVICE ALLIANCE

Annual report of Financial Statements

For the year ended 31st December 2007

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NORTHERN IRELAND PUBLIC SERVICE ALLIANCE

Report of the General Council for the year ended 31st December 2007

The General Council submits their report together with the audited accounts for the year ended 31st December 2007.

Financial results

The net movements in funds for the period are set out in the general account statement on pages 7 to 10 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
B Crawford
P Donaghy
C Flanagan
C Gates
T Killen - Honorary Treasurer
B Lynn - President
C McCarthy
K McKeating
M McKeown
J McNulty
B Moore
M Morgan - Vice President
S Morton
P Mulholland
J Murdock
R Reid
M Robinson
W Stewart
J Toal
T Wright

NORTHERN IRELAND PUBLIC SERVICE ALLIANCE

Report of the General Council for the year ended 31st December 2007 (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:

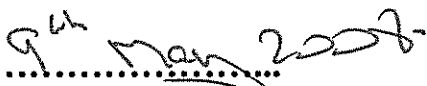
- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the accounts on a going concern basis unless it is inappropriate to presume that the Council will continue in operation.

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


.....
JOHN COREY
General Secretary


.....
TANYA KILLEN
Honorary Treasurer


.....
Date

NORTHERN IRELAND PUBLIC SERVICE ALLIANCE

Report of the auditors to the members of NIPSA for the year ended 31st December 2007

We have audited the financial statements on pages 7 to 18, which have been prepared under the historical cost convention and 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 them 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 required to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the Union at the end of the financial year and of the surplus/(deficit) for that period. In preparing the financial statements appropriate accounting policies have been used and applied consistently, and reasonable and prudent judgements and estimates have been made. The financial statements have been prepared on the going concern basis and in accordance with applicable Accounting Standards.

The General Council is responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Union. They are also responsible for safeguarding the assets of the Union and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

It is our responsibility to form an independent opinion, based on our audit, on those financial statements and to report our opinion to you.

Basis of Opinion

We conducted our audit in accordance with Auditing Standards 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.

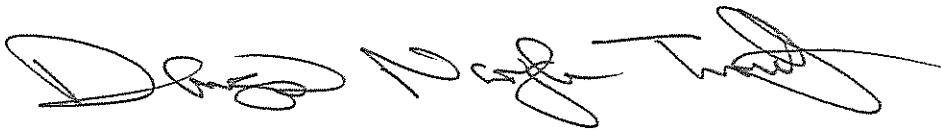
NORTHERN IRELAND PUBLIC SERVICE ALLIANCE

Report of the auditors to the members of NIPSA for the year ended 31st December 2007 (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 2007 and of its operating surplus of income over expenditure.

We have undertaken the audit in accordance with the requirements of APB Ethical Standards including APB Ethical Standard - Provisions Available for Small Entities, in the circumstances set out in Note 8.



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

Date 9th Nov 2008 -

NORTHERN IRELAND PUBLIC SERVICE ALLIANCE

General account

For the year ended 31st December 2007

	2007	2006
	£	£
Income		
CS group subscriptions	1,944,713	1,889,198
PO group subscriptions	1,704,751	1,624,116
Bank deposit interest	75,907	38,484
Building society interest	16,455	12,878
Profit on sale of investments	17,950	48,547
NIPSA News advertisements	588	0
Investment income	0	42,289
	<hr/>	<hr/>
Total income	3,760,364	3,655,512
	<hr/>	<hr/>
Expenditure		
Personnel costs	2,094,683	1,884,997
Premises costs	168,702	149,831
General cost	1,094,235	948,048
Finance costs	5,008	1,463
Depreciation	154,866	157,760
Taxation	21,273	16,951
	<hr/>	<hr/>
Total expenditure	3,538,767	3,159,050
	<hr/>	<hr/>
Operating surplus for year	221,597	496,462
	<hr/>	<hr/>
Fund transfers		
Fighting fund	568,010	92,705
Contingency fund	72,990	70,252
	<hr/>	<hr/>
(Deficit)/Surplus for year	(419,403)	333,505
	<hr/>	<hr/>

NORTHERN IRELAND PUBLIC SERVICE ALLIANCE

Statement of Recognised Gains and Losses

For the year ended 31st December 2007

	2007	2006
	£	£
(Deficit)/Surplus for year	(419,403)	333,505
Actuarial (Loss)/Gain on Defined Benefit Pension Scheme	(239,000)	708,000
Total Gains and Losses recognised since last Annual Report	<u>(658,403)</u>	<u>1,041,505</u>

NORTHERN IRELAND PUBLIC SERVICE ALLIANCE

Notes to General account

For the year ended 31st December 2007

	2007	2006
	£	£
Personnel costs		
Salaries	1,630,091	1,435,731
Current Service Cost for Pension Scheme	414,000	425,000
Pension costs	336,592	301,266
Less Employer Contributions	<u>(286,000)</u>	<u>(277,000)</u>
	<u>2,094,683</u>	<u>1,884,997</u>
Premises costs		
Heat and light	24,480	16,902
Rates	97,854	98,217
Maintenance costs	19,559	10,345
Derry premises costs	10,213	9,784
Security	3,185	1,196
Insurance – general	13,411	13,387
	<u>168,702</u>	<u>149,831</u>
General costs		
Travel and subsistence	165,861	167,215
Maintenance office equipment	68,776	52,079
Postage and telephone	124,594	78,359
Printing and stationery	102,076	44,388
Publications	22,743	14,067
Branch costs	9,065	10,046
Annual conference	149,183	157,841
Departmental committees and panels	2,283	8,754
Liaison and affiliation	114,008	91,725
Donations	3,492	15,290
NIPSA news/NIPSA Reports	133,416	100,299
Education and training	7,533	5,606
Welfare	11,658	12,730
Professional, legal and audit fees	69,314	78,610
Personal accident insurance	2,620	2,092
Ballot costs	23,719	22,727
General costs	35,383	34,951
Members discount scheme and diaries	48,511	51,269
	<u>1,094,235</u>	<u>948,048</u>
Finance costs		
Other finance costs re pension – Note E (V)	2,000	(2,000)
Bank charges	3,008	3,463
	<u>5,008</u>	<u>1,463</u>

NORTHERN IRELAND PUBLIC SERVICE ALLIANCE

Notes to General account (cont)

For the year ended 31st December 2007

	2007	2006
	£	£
Taxation		
Corporation tax - year ended 31 st December 2007	<u>21,273</u>	<u>16,951</u>

NORTHERN IRELAND PUBLIC SERVICE ALLIANCE

Fighting Fund account

For the year ended 31st December 2007

	2007 £
Opening balance at 1 st January 2007	500,000
Income	
Subscription income	0
	<hr/>
Total funds	500,000
Expenditure	
Fighting fund	496,215
Selective strike payments	3,820
General dispute costs	57,887
Hire of venue	9,308
Professional costs	559
General costs	221
	<hr/>
Total expenditure	568,010
	(68,010)
Fund transfers	
General fund	568,010
	<hr/>
Closing balance as at 31st December 2007	<u>500,000</u>

NORTHERN IRELAND PUBLIC SERVICE ALLIANCE

Balance sheet

As at 31st December 2007

	Notes	2007 £	2006 £
Fixed assets			
Tangible assets	2	1,218,107	1,211,237
Investments	3	<u>20,000</u>	<u>20,000</u>
		1,238,107	1,231,237
Current assets			
Debtors and prepayments		399,932	415,546
Bank balances		<u>2,037,700</u>	<u>2,384,280</u>
		2,437,632	2,799,826
Current liabilities			
Creditors and accruals		90,703	235,644
Provision current tax		<u>37,879</u>	<u>34,666</u>
		128,582	270,310
Net current assets		2,309,050	2,529,516
Pension Scheme		(335,000)	34,000
Total net assets		<u>3,212,157</u>	<u>3,794,753</u>
Represented by:			
General fund	4	1,735,106	2,393,509
Fighting fund		500,000	500,000
Fee fund	5	31,387	28,570
Contingency fund	6	790,664	717,674
Personal Accident Scheme fund	7	<u>155,000</u>	<u>155,000</u>
		3,212,157	3,794,753



.....
JOHN COREY
 General Secretary



.....
TANYA KILLEN
 Honorary Treasurer

Date 

NORTHERN IRELAND PUBLIC SERVICE ALLIANCE

Notes to the financial statements for the year ended 31st December 2007

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 19% for the period from 1st January 2007 to 31st March 2007 and at a rate of 20% for the remainder of the year in accordance with Corporation Tax requirements in the year.

(d) Salaries

From 1 August 2007 the pay range of Headquarters staff was as follows:-

	HQ Post	Pay Scales
1	General Secretary	£43,600 - £61,183
1	Deputy General Secretary	£37,322 - £49,800
2	Assistant General Secretary	£28,285 - £39,648
6	Assistant Secretary	£28,153 - £35,489 (1 retired in September 07)
12	Higher Executive Officer (2 fixed term/1 temporary)	£22,621 - £29,922
9	Executive Officer (2 part time)	£23,463 - £25,574*
1	Senior Personal Secretary	£21,627 - £23,431
9	Personal Secretary (3 part time)	£16,863 - £20,717* #
12	Administrative Officer (2 part time)	£14,060 - £16,764* (AA/AO grades merged)
1	Desk Top Publishing Operator	£14,060 - £16,764#
3	Word Processor Operator (1 part time)	£12,520 - £13,997#
1	General Assistant Buildings	£13,050 - £16,435
2	General Assistant (part time)	£12,520 - £13,997*

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

Appropriate allowances are also payable.

NORTHERN IRELAND PUBLIC SERVICE ALLIANCE

Notes to the financial statements for the year ended 31st December 2007 (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 being implemented during 2008 and will be reflected in the next annual financial statements.

In accordance with an agreement with the Trade Union representing 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 2007 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 31.12.07	At 31.12.06	At 31.12.05
Discount rate	5.6%	5.1%	4.7%
Retail Price Inflation	3.4%	3.2%	2.8%
Revaluation of early leavers benefits	3.4%	3.2%	2.8%
Salary growth	4.4%	4.2%	3.8%
Increases to pensions in payment			
- pre 1988 GMP	0%	0%	0%
- post 1988 GMP	3.0%	3.0%	2.8%
- pension earned before 06.04.97 in	3.4%	3.2%	2.8%
Excess of GMP			
- pension earned after 06.04.97	3.4%	3.2%	2.8%

NORTHERN IRELAND PUBLIC SERVICE ALLIANCE
Notes to the financial statements for the year ended 31st December 2007

(e)Pensions contd

(II) Valuation of Scheme Assets and Liabilities

	At 31.12.07 £	At 31.12.06 £	At 31.12.05 £
Value of scheme liabilities	8,867,000	8,345,000	7,958,000
Value of scheme assets	8,532,000	8,379,000	7,430,000
(Deficit)/Surplus in Scheme	<u>(335,000)</u>	<u>34,000</u>	<u>(582,000)</u>

(III) Pension Expenses

	2007 £	2006 £
Analysis of the amount charged to operating profit		
Current service cost	414,000	425,000
Past service cost	0	0
Gains on settlements and curtailments	0	0
Total operating charge	414,000	425,000
Analysis of the amount credited to other financial income		
Expected return on pension scheme assets	423,000	381,000
Interest on pension scheme liabilities	(425,000)	(379,000)
Net return	<u>(2,000)</u>	<u>2,000</u>

(IV) Statement of Total Recognised Gains and Losses

	2007 £	%age	2006 £	%age
Actual return less expected return on pension scheme assets	(118,000)	1%	483,000	6%
Experience gains and losses arising on scheme liabilities	(353,000)	4%	207,000	2%
Changes in assumptions underlying the present value of the scheme liabilities	232,000	3%	18,000	0%
Actuarial loss recognised in the STRGL	<u>(239,000)</u>	<u>8%</u>	<u>708,000</u>	<u>8%</u>

NORTHERN IRELAND PUBLIC SERVICE ALLIANCE

Notes to the financial statements for the year ended 31st December 2007

(e)Pensions contd

(V) Movement in Deficit during the year

	2007	2006
	£	£
Surplus/(Deficit) in Scheme at beginning of the year	34,000	(528,000)
Movement in year:		
Current service cost	(414,000)	(425,000)
Gains on settlements and curtailments	0	0
Employer contributions	286,000	277,000
Past service costs	0	0
Other financial income	(2,000)	2,000
Actuarial (loss)/gain	(239,000)	708,000
(Deficit)/Surplus in scheme at end of year	<u>(335,000)</u>	<u>34,000</u>

NORTHERN IRELAND PUBLIC SERVICE ALLIANCE

Notes to the financial statements for the year ended 31st December 2007

2. Fixed assets

	Extension	Premises	Fixtures and Fittings	Computers	Total
	£	£	£	£	£
Cost					
At 1 st January 2007	526,816	1,280,726	465,375	194,596	2,467,513
Additions during year	0	83,661	18,572	59,503	161,736
At 31st December 2007	526,816	1,364,387	483,947	254,099	2,629,249
Depreciation					
At 1 st January 2007	346,671	384,988	455,549	69,068	1,256,276
Charge for the year	21,073	54,575	28,398	50,820	154,866
At 31st December 2007	367,744	439,563	483,947	119,888	1,411,142

Net book value

At 31st December 2007	159,072	924,824	-	134,211	1,218,107
At 31 st December 2006	180,145	895,738	9,826	125,528	1,211,237

3. Investments

	Cost	Market Value
	£	£
Unity Trust PLS 'A' Shares	10,000	10,000
New Star	10,000	37,840
	<u>20,000</u>	<u>47,840</u>

4. General fund

	2007	2006
	£	£
Balance at 1 st January 2007	2,393,509	1,352,004
Actuarial Gain/(Loss) on Pension Scheme Assets for year	(239,000)	708,000
(Deficit)/ Surplus for year	<u>(419,403)</u>	<u>333,505</u>
Balance at 31st December 2007	<u>1,735,106</u>	<u>2,393,509</u>

NORTHERN IRELAND PUBLIC SERVICE ALLIANCE

Notes to the financial statements for the year ended 31st December 2007(cont)

5. Fee fund

	2007	2006
	£	£
Balance at 1 st January 2007	28,570	30,632
Fees received	8,817	4,354
Expenditure/donations	(6,000)	(6,416)
	<hr/>	<hr/>
Balance at 31st December 2007	<u>31,387</u>	<u>28,570</u>

6. Contingency fund

	2007	2006
	£	£
Balance at 1 st January 2007	717,674	647,422
Transfers from General fund	72,990	70,252
	<hr/>	<hr/>
Balance at 31st December 2007	<u>790,664</u>	<u>717,674</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. 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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