

COMPANY REGISTRATION NUMBER: NI025793
CHARITY REGISTRATION NUMBER: NIC102686

THE NORTHERN IRELAND RURAL DEVELOPMENT COUNCIL

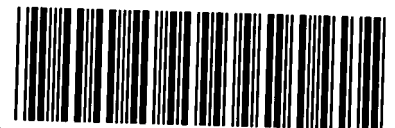
(A company limited by guarantee)

Report and Financial Statements

31 MARCH 2017



TUESDAY



J6FSOLHN
JNI 26/09/2017 #82
COMPANIES HOUSE

FINEGAN GIBSON LTD
Chartered Accountants & Statutory Auditors
Causeway Tower
9 James Street South
Belfast
BT2 8DN

THE NORTHERN IRELAND RURAL DEVELOPMENT COUNCIL

ACCOUNTS

YEAR ENDED 31 MARCH 2017

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THE NORTHERN IRELAND RURAL DEVELOPMENT COUNCIL
(A company limited by guarantee)

REPORT OF THE TRUSTEES (INCORPORATING THE DIRECTORS' REPORT)
FOR YEAR ENDED 31ST MARCH 2017

The trustees are pleased to present their annual directors' report together with the financial statements of the charity for the year ending 31 March 2017 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act (NI) 2008, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

REFERENCE AND ADMINISTRATIVE DETAILS

Registered charity name:	The Northern Ireland Rural Development Council Hereafter referred to as 'RDC'
NIC Charity registration number:	NIC102686
Company registration number:	NI025793
HMRC charity number:	NI00460
Registered office:	17 Loy Street, Cookstown, Co. Tyrone, BT80 8PZ

Advisors

Auditors	Finegan Gibson Ltd, Causeway Tower, 9 James Street South, Belfast, BT2 8DN
Bankers	First Trust Bank, 2-4 James Street, Cookstown, BT80 8LW

Directors and Trustees

The directors of the charitable company (the charity) are its trustees for the purpose of charity law. The Trustees and officers serving during the year and since the year end were as follows:

Tony McCusker
Kimberly Addis
Patrick Casement
Liam Flanigan
Maire Gallagher (resigned 31 May 2017)
Stewart Johnston
Eileen Kelly (resigned 26 September 2016)
Joe McDonald
Edward McVeigh
Alan Hunter
Wesley Aston

Key management personnel

Chief Executive Officer	Teresa Canavan
Director of Corporate Services	Jane Thom
Director of Programmes	Olga Gallagher
Director of Rural Affairs	Michael Kelly

THE NORTHERN IRELAND RURAL DEVELOPMENT COUNCIL
(A company limited by guarantee)

**REPORT OF THE TRUSTEES (INCORPORATING THE DIRECTORS'
REPORT)**
FOR YEAR ENDED 31ST MARCH 2017

OBJECTIVES AND ACTIVITIES

To promote the development of rural and urban areas through assisting and working with individuals, community, voluntary, private and public sectors by delivering a range of economic, social, cultural, farming and environmental projects and programmes in or for the benefit of Northern Ireland or any part of the island of Ireland

In shaping our objectives for the year and planning our activities, the trustees have considered the Charity Commission's guidance on public benefit.

The strategies employed to achieve the charity's aims and objectives are:

- To create practical projects and actions to ensure economic vibrancy and social well-being
- To encourage social and economic entrepreneurship, partnership working and common approaches for all individuals and agencies working in community development
- To make our communities inclusive and attractive places to live by assisting community organisations to develop an interest in local culture, history, arts and traditions

The achievements listed below detail RDC performance for 2016-2017 in advancing its said objectives.

ACHIEVEMENTS AND PERFORMANCE

A full account of the RDC's achievements during the year are listed below.

Strategic Aim 1: Realising the Potential of Rural

- *Objective 1.1 Maintain, Manage and maximise existing programmes*
- *Objective 1.2 Influence and support the development of the new Rural Development Programme 2014-2020*
- *Objective 1.3 Design and deliver programmes that meet local and regional need*
- *Objective 1.4 Build effective partnerships, alliances and consortium in support of new programmes to meet local and regional need*

Outputs

Farm Family Key Skills Programme

- *Design course content for Livestock: Dairying, Beef & Sheep*
- *Recruitment of trainers*
- *Select list of farm venues compiled through open competition*
- *Dedicated Facebook page established*
- *Over 50 communications actions including press releases, radio and television interviews, posters, flyers and roadshows.*
- *38 courses organised of which 19 proceeded*
- *321 trainees*
- *Claim documentation submitted and approved by DAERA*

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REPORT OF THE TRUSTEES (INCORPORATING THE DIRECTORS' REPORT)
FOR YEAR ENDED 31ST MARCH 2017

Rural Youth Entrepreneurship (RYE) Connect programme

- Design and development of promotional material
- Promotion activities with Northern Ireland stakeholders
- Facebook page and Twitter account maintained
- Youth Steering Group 9 new members recruited
- Ezine designed and circulated July 16, November 16 and March 17
- Associate Charter format and content agreed with Communities Creating Jobs in Ireland and University of Faroe Islands signing
- Planning and attendance at conference in Sisimiut Greenland
- Marketing RYE Connect workshops
- 619 participants attended RYE pre-start workshops
- 389 pre-start Business action plans completed
- 23 Start participants attended workshops
- 2 Start Business plans completed
- 8 Growth participants completing Growth plans

IFI Personal Youth Development Programme (PYDP)

- 22 applications assessed and recommendation reports completed
- 21 projects developed, approved and implementing
- Letters of Offer issued totalling £1,854,259
- Attendance at 3 Review Group meetings and 3 Designated Board Members meetings
- 3 Cluster Events held
- Reporting templates designed and implemented
- 5 quarterly monitoring visits completed
- Assist 2 projects with publicity events – 1 launch and 1 celebration event
- Recruitment of Placement & Employability Officer

Adhoc Consultancy

- 3 consultations carried out and reports drafted
- 2 scoping studies completed

Design of programmes

- 6 tenders submitted and secured
- 7 programme applications submitted

Effective partnerships

- Transnational partnership maintained on RYE Connect programme
- Development of business partnerships to explore future opportunities

Strategic Aim 2: Sharing information

- Objective 2.1 Maintain, Manage and develop the Rural Network for Northern Ireland
- Objective 2.2 Create a rural observatory linked to RDC & Rural Network websites
- Objective 2.3 Participate on forums, discussion & working groups in support of the rural agenda
- Objective 2.4 Promote rural development, share practice and disseminate findings

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REPORT OF THE TRUSTEES (INCORPORATING THE DIRECTORS' REPORT)
FOR YEAR ENDED 31ST MARCH 2017

Outputs

Rural Network for Northern Ireland

- Attendance at 3 Stakeholder Group and Monitoring Committee meetings
- Arrange and attend 2 Steering Group meetings
- Service 2,025 members
- 11 monthly claims complied and audited by DAERA
- Contacts database designed and maintained
- Communications plan approved
- Website re-design with 18,710 visitors
- 11 monthly Ezines issued
- Maintain Facebook and Twitter accounts
- 2 Press releases issued
- Attendance at Balmoral show (11-13 May 16)
- 1 Monitoring Committee newsletter issued
- Attendance at 2 UKNRN partner meetings
- Participation in UKNRN telecons
- Organise and attend cross border Launching Co-operation event with over 200 attendees

LAG training

- 16 Assessment & Appeals sessions delivered to 496 participants
- 9 Equality & Good Relations sessions delivered to 172 participants
- 9 Managing Public Money sessions delivered to 192 participants

Sharing of Information linked to RDC & Rural Network websites

- RDC website had 6,416 visitors of which 5,015 were unique visitors and 21,215 page reviews
- Rural Network website had 18,710 visitors of which 5,691 were unique visitors and 16,292 page reviews

Participate on forums, discussion & working groups in support of the rural agenda – meetings attended

- Beyond Belfast
- Rural Development Programme Monitoring Committee
- Rural Development Programme Stakeholder Consultative Partnership 2014-2020
- All Ireland Early Years Advisory Group
- NI Multiple Deprivation Measures Steering Group
- Pathway Fund Regional Selection Panel
- NICVA Departmental Monitoring Group
- Ministerial and Assembly Committee
- Sperrins All Party Working Group
- Rural Society Brexit Stakeholder Group
- Peace IV Steering Group

Promote rural development, share practice and disseminate findings

- Rural Development Programme projects database maintained
- 11 ezines issued

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REPORT OF THE TRUSTEES (INCORPORATING THE DIRECTORS' REPORT)
FOR YEAR ENDED 31ST MARCH 2017

Strategic Aim 3: A Centre for Rural Expertise

- *Objective 3.1 Provide rural proofing training and further develop a comprehensive rural proofing service*
- *Objective 3.2 Respond to policy consultations and participate in key rural policy debates*

Outputs

- *Rural proofing training delivered under the Network contract*
- *Development of an online E-learning resource on Raising Awareness of Rural Needs*
- *4 policy consultations submitted*

Strategic Aim 4: Effective and Efficient Organisation

- *Objective 4.1 To deliver on budget*
- *Objective 4.2 Build staff skills for future project proposals*
- *Objective 4.3 Achieve ISO*
- *Objective 4.4 Embed liP*
- *Objective 4.5 Corporate Governance, Board and Organisational development*
- *Objective 4.6 Develop our corporate social responsibility*

Outputs

Financial Management

- *Monthly management reports and cashflow statements produced for Board*
- *Independent strategic review and business plan completed*
- *Annual accounts presented at AGM*
- *Satisfactory assurance in Internal and External audit reports*
- *2 external verification visits carried out*
- *Budget profiles and expenditure reports prepared for funders*
- *Implementation of financial procedures and procurement guidance*
- *Liaise with pension providers*

Human Resources

- *Review and update policies and procedures*
- *Training & development policy supporting staff development*
- *6 staff meetings held*

ISO

- *Surveillance audit completed*
- *Ongoing monitoring of customer service*

Corporate Governance

- *17 Board and sub-committee meetings serviced*
- *AGM held 26/09/16*
- *Corporate Governance manual reviewed and updated*
- *Review and updated HR policies and procedures*
- *Risk register updated and reviewed by Internal Auditors*

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REPORT OF THE TRUSTEES (INCORPORATING THE DIRECTORS' REPORT)
FOR YEAR ENDED 31ST MARCH 2017

Corporate Social Responsibility

- o *Preference in favour of social enterprise and use of community venues where possible for training purposes*

FINANCIAL REVIEW

The results for the year are set out in the attached financial statements. The total funds held at the end of the year are shown in the notes to the financial statements.

Initial review of the results for the year show a deficit of (£62,877) (2016: deficit of £205,013) before actuarial movements in the pension scheme. The sector has experienced a difficult year regarding funding. Time delays in starting new programmes has resulted in RDC bridging the gap from its own resources. RDC also made a lump sum contribution towards the pension deficit of £110,000 (2016: £80,000).

Investment powers and policy

The trustees, having regard to the liquidity requirements of the charity, have kept available funds in an interest bearing deposit account and seek to achieve a rate on deposit which matches or exceeds inflation measured by the retail prices index.

Reserves policy and going concern

The trustees have approved a reserves policy to establish and maintain an agreed level of unrestricted 'free' reserves in order for the organisation to achieve the objects detailed in its Memorandum & Articles of Association. The reserves policy has been established to assist in the following:

- To bridge the time gap in expenditure leaving the charity's bank account and when income is received from clients/funders;
- To provide cover when programmes end and when new programmes begin;
- To ensure finances are available to cover small unforeseen items of expenditure that may not be eligible under programme activities;
- To provide finances for investment in new Information Technology and upgrading current equipment; and
- To ensure funds exist to facilitate the orderly windup of the organisation.

Following an analysis of the above factors, the trustees have agreed that the necessary required reserves is 6 months salaries and general running costs which equates to £245,500, but excluding any unavoidable pension commitments.

Unrestricted reserves at the year end were (£706,726), however unrestricted reserves (excluding fixed assets, restricted funds, designated funds and defined benefit pension scheme) freely available to spend amounted to £1,028,089. This reserve figure omits the defined benefit pension scheme liability currently valued at £1,926,000 which is classed as long term debt. The trustees have no reason to believe the pension scheme liability will be crystallised in the near future therefore they believe that the going concern assumption is appropriate. They continue to regularly monitor the financial position of the charity and are active in pursuing new and continuing sources of funding to further the charity's charitable purposes.

THE NORTHERN IRELAND RURAL DEVELOPMENT COUNCIL
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REPORT OF THE TRUSTEES (INCORPORATING THE DIRECTORS' REPORT)
FOR YEAR ENDED 31ST MARCH 2017

PLANS FOR FUTURE PERIODS

RDC will continue to deliver agreed outputs on current contracts. It will seek to pursue new opportunities to develop programmes in support of its vision of 'a living, working, sustainable and shared countryside'. It will continue to diversify its funding streams and work in partnership with other organisations to benefit rural people and place and in the promotion of rural and urban linkages and the development of rural and urban areas through a range of projects and programmes. It will seek to maximise the use of its property as an outreach centre for the delivery of training and projects. It will continue its commitment to IIP and work to maintain or improve upon its Bronze accreditation.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The RDC is a company limited by guarantee governed by its Memorandum and Articles of Association dated 30 September 2015. The company currently has 9 company directors each of whom agrees to contribute £1 in the event of the charity winding up. RDC is a registered charity with the Charity Commission for Northern Ireland.

Appointment of trustees

The Chairman and the Trustees recruit and select new Trustees as needed. This is carried out through an open and transparent recruitment process. New Trustees are selected on the relevance of their professional skills, and their potential to be able to make a helpful contribution to the governance of the charity. On appointment all new Trustees are provided induction training which includes Trustees' legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the committee and decision making processes, the business plan, corporate governance arrangements and recent financial performance of the charity.

Trustee induction and training

All Trustees complete induction training which covers:-

- RDC's mission and vision
- RDC's strategic aims and objectives
- RDC's core values
- RDC's Memorandum & Articles of Association
- Corporate Governance Manual
- Risk Management Strategy
- Policies & procedures

Arrangements for setting pay and remuneration of key management personnel

The directors consider the board of directors, who are the charity's trustees, and the senior management team comprise the key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day to day basis. Details of directors' expenses and related party transactions are disclosed in note 9 to the accounts.

RDC follows the Northern Ireland Civil Service pay scales for employee remuneration.

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REPORT OF THE TRUSTEES (INCORPORATING THE DIRECTORS' REPORT)
FOR YEAR ENDED 31ST MARCH 2017

Organisation structure and how charity makes decisions

The board of trustees, which can have up to 12 members, administers the charity. The board normally meets bi-monthly and there are 3 sub-committees Finance & General Purposes, Strategy & Policy and Audit which normally meet bi-monthly. A Chief Executive is appointed by the trustees to manage the day-to-day operations of the charity. To facilitate effective operations, the Chief Executive has delegated authority, within terms of delegation approved by the trustees, for operational matters including finance, employment and direct charitable activities.

Relationships with related parties

None of our trustees receive remuneration or other benefit from their work with the charity.

All trustees complete a register of interests form on an annual basis to avoid any potential conflicts of interest.

Risk management

The trustees have a risk management strategy which comprises:

- A bi-monthly review of the risk register by the Audit Sub-committee;
- the establishment of policies, systems and procedures to mitigate those risks identified in the annual review; and
- the implementation of procedures designed to minimise or manage any potential impact on the charity should those risks materialise.

Risks are weighted on likelihood and impact. These are reviewed by the Audit sub-committee and then actions agreed to manage, reduce or eliminate the risk. Recommendations are then made to the Board on how to address key risks.

TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

The charity trustees (who are also the directors of The Northern Ireland Rural Development Council for the purposes of company law) are responsible for preparing the trustees' annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare accounts for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and the income and expenditure for that period.

In preparing these accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and accounting estimates that are reasonable and prudent;

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REPORT OF THE TRUSTEES (INCORPORATING THE DIRECTORS' REPORT)
FOR YEAR ENDED 31ST MARCH 2017

- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

STATEMENT AS TO DISCLOSURE TO OUR AUDITORS

Each of the persons who is a trustee at the date of approval of this report confirms that:

- so far as each trustee is aware, there is no relevant audit information of which the charity's auditor is unaware; and
- each trustee has taken all steps that they ought to have taken as a trustee to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

AUDITOR

Finegan Gibson Ltd are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

The trustees' annual report was approved on 21 September 2017 and signed on behalf of the board of trustees by:



Chair: Tony McCusker

THE NORTHERN IRELAND RURAL DEVELOPMENT COUNCIL
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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE NORTHERN
IRELAND RURAL DEVELOPMENT COUNCIL**

YEAR ENDED 31 MARCH 2017

We have audited the accounts of The Northern Ireland Rural Development Council for the year ended 31st March 2017 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective January 2016).

This report is made solely to the charity's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITOR

As explained more fully in the Trustees' Annual Report, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of accounts and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors, including APB Ethical Standard – Provisions Available for Small Entities (Revised), in the circumstances set out in note 25 to the financial statements.

SCOPE OF THE AUDIT OF THE ACCOUNTS

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the accounts. In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited accounts. If we become aware of any apparent material misstatements or inconsistencies, we consider the implications for our report.

OPINION ON ACCOUNTS

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2017 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with applicable accounting standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

THE NORTHERN IRELAND RURAL DEVELOPMENT COUNCIL
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE NORTHERN
IRELAND RURAL DEVELOPMENT COUNCIL

YEAR ENDED 31 MARCH 2017

EMPHASIS OF MATTER – GOING CONCERN

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 24 to the financial statements concerning the company's ability to continue as a going concern. As at 31 March 2017, the company had net liabilities of £706,726 and uncertainty exists regarding future funding and the extent of the company's liabilities in relation to the pension scheme deficit. These conditions, along with the matters explained in note 24 to the financial statements, indicate the existence of a material uncertainty however the directors believe the uncertainties are not such as to cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Trustees' Annual Report for the financial year for which the accounts are prepared is consistent with the accounts.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the accounts are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies' exemption in preparing the directors' report.



CONOR DOLAN FCA
(Senior Statutory Auditor)
For and on behalf of
FINEGAN GIBSON LTD
Chartered Accountants & Statutory Auditors
Causeway Tower
9 James Street South
Belfast
BT2 8DN

Date: 21 September 2017

THE NORTHERN IRELAND RURAL DEVELOPMENT COUNCIL
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**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING THE
INCOME AND EXPENDITURE ACCOUNT)**

YEAR ENDED 31 MARCH 2017

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2017 £	Total 2016 £
Income					
Donations & legacies	2	502	-	502	200
<i>Income from charitable activities</i>	3				
Grant funded services		-	450,519	450,519	442,600
Contractual & SLA services		233,743	-	233,743	197,735
Investment income	4	4,772	-	4,772	7,919
Other income	5	-	-	-	5,356
Total Income		239,017	450,519	689,536	653,810
Expenditure					
<i>Expenditure on charitable activities</i>					
Grant funded services	6/7	-	(541,017)	(541,017)	(587,371)
Contractual & SLA services	6/7	(211,396)	-	(211,396)	(271,452)
Total expenditure		(211,396)	(541,017)	(752,413)	(858,823)
Net income/(expenditure)		27,621	(90,498)	(62,877)	(205,013)
Transfers between funds		(90,498)	90,498	-	-
Actuarial gains/losses on defined benefit pension schemes		(643,000)	-	(643,000)	480,000
Net movement in funds		(705,877)	-	(705,877)	274,987
Reconciliation of funds					
Fund balances at 1 April 2015		(849)	-	(849)	(275,836)
Fund balances at 31 March 2016		(706,726)	-	(706,726)	(849)

The Statement of financial activities includes all gains and losses in the year.

All of the above amounts relate to continuing activities.

The notes on pages 17 to 28 form part of these accounts.

THE NORTHERN IRELAND RURAL DEVELOPMENT COUNCIL
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BALANCE SHEET

AT 31 MARCH 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	12	191,185	192,670
Current assets			
Debtors	13	264,446	207,695
Cash at bank		803,318	1,084,553
		<u>1,067,764</u>	<u>1,292,248</u>
Creditors: Amounts falling due within one year	14	<u>(39,675)</u>	<u>(154,767)</u>
Net current assets		1,028,089	1,137,481
Total assets less current liabilities		<u>1,219,274</u>	<u>1,330,151</u>
Creditors: Amounts falling due after more than one year	16	<u>(1,926,000)</u>	<u>(1,331,000)</u>
Net assets		<u>(706,726)</u>	<u>(849)</u>
The funds of the charity:			
Unrestricted income funds	17	<u>(706,726)</u>	<u>(849)</u>
Restricted income funds	18	<u>-</u>	<u>-</u>
Total charity funds		<u>(706,726)</u>	<u>(849)</u>

These accounts have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and constitute the annual accounts required by the Companies Act 2006 and are for circulation to members of the company.

Approved by the board of Directors and signed on its behalf by:



Tony McCusker, Chair of trustees on behalf of the trustees

Approved by the trustees on 21 September 2017

The notes on pages 17 to 28 form part of these accounts.

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STATEMENT OF CASH FLOWS

YEAR ENDED 31 MARCH 2017

	Note	£	2017 £	2016 £
Cash used in operating activities		21	(279,673)	(217,401)
Cash flows from investing activities				
Interest income			4,772	7,919
Purchase of tangible fixed assets			(6,335)	(199,703)
Cash provided by (used in) investing activities			(1,563)	(191,784)
Cash flows from financing activities			-	-
Increase / (decrease) in cash and cash equivalents for the year			(281,236)	(409,185)
Cash and cash equivalents at the beginning of the year			1,084,553	1,493,738
Total cash and cash equivalents at the end of the year			803,318	1,084,553

The notes on pages 17 to 28 form part of these accounts.

THE NORTHERN IRELAND RURAL DEVELOPMENT COUNCIL
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NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2017

1. Accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

Basis of accounting

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the Bank.

In accordance with the Charities SORP (FRS 102), general volunteer time is not recognised.

Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of charity.

Restricted funds are funds which the donor has specified are to be solely used for particular areas of the Charity's work.

Expenditure and irrecoverable VAT

Expenditure is recognised once there is legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds comprise the costs of commercial trading.
- Expenditure on charitable activities includes the costs of activities undertaken to further the purposes of the charity and their associated support costs.
- Other expenditure represents those items not falling into any other heading.

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NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2017

Irrecoverable VAT is charged as a cost against the related activity.

Allocation of support costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include office costs, finance, personnel and governance costs which support the Charity's activities. These costs have been allocated between expenditure on charitable activities. The bases on which support costs have been allocated are set out in note 7.

Operating leases

Costs in respect of operating leases are charged on a straight-line basis over the lease term.

Tangible fixed assets

Individual fixed assets costing £250 or more are capitalised at cost and are depreciated over their estimated useful economic lives on a straight line basis.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Fixtures & Fittings	– 33.3% straight line basis
Freehold property	– 2% straight line basis

Debtors

Trade and other debtors are recognised at the settlement amount due after any discount offered. Prepayments are valued at the amount prepaid net of any discounts due.

Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Creditors and provisions

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

Pension scheme

The charitable company operates a defined benefit pension scheme for its employees. Scheme funds are administered by independent trustees. Following the adoption of FRS102 any asset or liability of the pension scheme is recognised in these accounts in accordance with actuarial valuations. See note 21 for further disclosure.

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2. Donations and legacies

	Unrestricted Funds 2017 £	Unrestricted Funds 2016 £
Subscriptions & other contributions	<u>502</u>	<u>200</u>

3. Income from charitable activities

	Grant funded services	Contractual &SLA services	Total Funds 2017 £	Total Funds 2016 £
DA ERA				
- Rural Network	-	182,269	182,269	5,449
- RYE	33,301	-	33,301	249,197
- Axis 1	-	28,943	28,943	40,223
- LAG formation	25,018	-	25,018	110,000
- Rural Sector Review	9,000	-	9,000	-
International Fund for Ireland				
- PYDP	267,644	-	267,644	30,610
- Admin	20,000	-	20,000	-
- Community Bridges	25,000	-	25,000	-
Department of Learning	5,772	-	5,773	104,457
Council Strategies	-	10,031	10,032	19,315
CFNI	-	5,000	5,000	3,333
Axis 1	-	-	-	18,965
SLA	-	-	-	21,885
European Commission	61,844	-	61,844	34,651
Sperrins Gateway	2,940	-	2,940	-
RDP	-	7,500	7,500	-
Other income	-	-	-	2,250
	<u>450,519</u>	<u>233,743</u>	<u>684,262</u>	<u>640,335</u>

4. Investment income

	Unrestricted Funds 2017 £	Unrestricted Funds 2016 £
Deposit accounts	<u>4,772</u>	<u>7,919</u>

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5. Other income

	Unrestricted Funds 2017	Unrestricted Funds 2016
	£	£
Corporation tax refund	-	5,356
Other income	-	-
	<u>-</u>	<u>5,356</u>

6. Analysis of expenditure on charitable activities

	Grant funded services £	Contractual & SLA services £	Total 2017 £	Total 2016 £
Wages & salaries	355,237	120,586	475,823	469,878
Employer pension contributions	40,352	14,178	54,530	49,742
Pension deficit contributions	71,500	38,500	110,000	80,000
Pension adjustment	(31,200)	(16,800)	(48,000)	(5,003)
Redundancy costs	30,713	-	30,713	-
Agency costs	-	-	-	-
Council attendance allowance	2,350	-	2,350	6,200
Programme Ai Services	-	-	-	10,789
Grants paid out	-	-	-	71,704
Programme promotional costs	3,529	11,106	14,635	6,788
Travel & subsistence	17,883	4,654	22,537	13,685
Printing, publishing & stationery	-	-	-	382
Legal & professional fees	2,160	4,735	6,895	800
Event costs	3,017	6,479	9,496	28,843
External evaluation	2,960	-	2,960	5,353
Training for beneficiaries	2,095	3,822	5,917	8,236
Study visits	-	-	-	10,294
Mentoring support & development	-	-	-	98
Telephone & postage	-	-	-	276
Repairs & maintenance	-	-	-	2,508
Rent & rates	(7,220)	(4,425)	(11,645)	17,501
Light & Heat	3,004	1,841	4,845	3,456
Sundry expenses	-	-	-	1,537
Bank charges	-	-	-	39
Governance costs (see note 7)	6,383	3,710	10,093	30,616
Support costs (see note 7)	38,254	23,010	61,264	45,101
	<u>541,017</u>	<u>211,396</u>	<u>752,413</u>	<u>858,823</u>

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7. Analysis of governance and support costs

The charity initially identifies the costs of its support functions. It then identifies those costs which relate to the governance function. Having identified its governance costs, the remaining support costs together with the governance costs are apportioned between the two key charitable activities undertaken. Refer to the table below for the basis of apportionment and the analysis of support and governance costs.

	General support £	Governance function £	2017 Total £	2016 Total £	Basis of apportionment
Travel & subsistence	-	-	-	3,608	Allocated on staff time
Training & development	239	-	239	863	Allocated on staff time
Telephone & postage	5,335	-	5,335	4,604	Allocated on staff time
Printing, publishing & stationary	4,725	-	4,725	4,357	Allocated on staff time
Cleaning	1,618	-	1,618	1,549	Allocated on staff time
Insurance	4,531	-	4,531	4,020	Allocated on staff time
Dues & Subscriptions	1,385	-	1,385	1,047	Allocated on staff time
Repairs & maintenance	34,572	-	34,572	12,664	Allocated on staff time
Programme promotional costs	-	-	-	2,917	Allocated on staff time
Event costs	-	-	-	115	Allocated on staff time
Sundry expenses	2,583	-	2,583	3,096	Allocated on staff time
Foreign exchange (gain)/loss	(1,543)	-	(1,543)	(2,442)	Allocated on staff time
Depreciation	7,819	-	7,819	8,703	Allocated on staff time
Audit services	-	6,591	6,591	7,223	Allocated on staff time
Legal & professional fees	-	2,771	2,771	22,589	Allocated on staff time
Bank charges	-	731	731	804	Allocated on staff time
	<u>61,264</u>	<u>10,093</u>	<u>71,357</u>	<u>75,717</u>	

8. Net incoming resources for the year

This is stated after charging:

	2017 £	2016 £
Depreciation	7,819	8,703
Auditors' remuneration:		
- audit of the financial statements	<u>6,591</u>	<u>7,233</u>

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9. Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Total staff costs were as follows:

	2017	2016
	£	£
Wages and salaries	459,192	458,860
Social security costs	47,344	32,752
Employer pension contributions	54,530	49,741
Pension deficit	110,000	80,000
Pension adjustment	(48,000)	(5,003)
	<u>623,066</u>	<u>616,350</u>

No employees were in receipt of remuneration exceeding £60,000 (2016: Nil).

The charity trustees were not paid or received any other benefits from employment with the Charity in the year (2016: £nil). They were reimbursed travel expenses and provided with allowances during the year totalling £5,799 (2016: £8,617). No charity trustee received payment for professional or other services supplies to the charity (2016: £nil).

The key management personnel of the charity comprise the Trustees, Chief Executive, Director of Rural Affairs, Director of Corporate Services and Director of Programmes. The total employee benefits of the key management personnel of the charity total £230,245 (2016: £208,763).

10. Staff numbers

The average monthly head count during the year were as follows:

	2017	2016
	No	No
Corporate services	4	4
Programmes and Operations	5	5
Rural and Regional Affairs	7	7
	<u>16</u>	<u>16</u>

11. Related party transactions

None of the board members, members of the key management staff or other related parties has undertaken any material transactions with The Northern Ireland Rural Development Council during the year other than the payment of salaries and reimbursement of expenses as noted in note 9.

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12. Tangible fixed assets

	Freehold Property £	Fixtures & fittings £	Total £
Cost			
At 1 April 2016	190,000	85,584	275,584
Additions	4,106	2,228	6,334
Disposals	-	-	-
At 31 March 2017	194,106	87,812	281,918
Depreciation			
1 April 2016	3,800	79,114	82,914
Charge for the year	3,882	3,937	7,819
Elimination on disposal	-	-	-
At 31 March 2017	7,682	83,051	90,733
Net Book Value			
At 31 March 2017	186,424	4,761	191,185
At 31 March 2016	186,200	6,470	192,670

13. Debtors

	2017 £	2016 £
Trade debtors	247,717	183,823
Prepayments	3,892	3,968
Interest receivable	7,000	7,000
Other debtors	5,837	12,904
	264,446	207,695

14. Creditors: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	4,367	63,237
Other creditors	900	900
Accruals	19,629	45,630
Grants received in advance	-	45,000
VAT	14,779	-
	39,675	154,767

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15. Deferred income

	2017 £	2016 £
Balance at 1 April 2016	45,000	95,417
Amount released in year	(45,000)	(50,417)
Amount deferred in year	-	-
Balance at 31 March 2017	<u>-</u>	<u>45,000</u>

16. Creditors: Amounts falling due after more than one year

	2017 £	2016 £
Defined benefit pension scheme	<u>1,926,000</u>	<u>1,331,000</u>

17. Unrestricted income funds

	Balance at 1 April 2016 £	Income £	Expenditure £	Actuarial gain/(loss) £	Transfers £	Balance at 31 March 2017 £
General Funds	<u>(849)</u>	<u>239,017</u>	<u>(211,396)</u>	<u>(643,000)</u>	<u>(90,498)</u>	<u>(706,726)</u>

18. Restricted income funds

	Balance at 1 April 2016 £	Income £	Expenditure £	Transfers £	Balance at 31 March 2017 £
RYE	-	95,145	(124,159)	29,014	-
LAG Formation	-	25,018	(41,086)	16,068	-
Rural Sector Review	-	9,000	(11,086)	2,086	-
Sperrins Gateway	-	2,940	(2,813)	(127)	-
UCAN	-	5,772	(14,188)	8,416	-
New Programmes	-	-	(27,790)	27,790	-
IFI PYDP	-	312,644	(319,895)	7,251	-
	<u>-</u>	<u>450,519</u>	<u>(541,017)</u>	<u>90,498</u>	<u>-</u>

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19 Analysis of net assets between funds

	General Funds £	Restricted Funds £	Total 2017 £	Total 2016 £
Tangible Fixed Assets	191,185	-	191,185	192,670
Current Assets	1,067,764	-	1,067,764	1,292,248
Liabilities	(1,965,675)	-	(1,965,675)	(1,485,767)
	<u>(706,726)</u>	<u>-</u>	<u>(706,726)</u>	<u>(849)</u>

20. Reconciliation of net movement in funds to net cash flow from operation activities

	2017 £	2016 £
Net movements in funds	(705,877)	253,253
Add back depreciation charge	7,819	8,703
Deduct bank interest receivable	(4,772)	(7,919)
Actuarial (gain)/loss	643,000	(480,000)
Deduct adjustment to pension	(48,000)	(5,003)
Decrease/(increase) in debtors	(56,751)	184,732
Increase/(decrease) in creditors	(115,092)	(171,167)
	<u>(279,673)</u>	<u>(217,401)</u>

21. Pension scheme

The disclosures below relate to the funded liabilities within the Northern Ireland Local Government Officers' Pension Fund ('the fund') which is part of the Local Government Pension Scheme (Northern Ireland) (the 'LGPS') and The Northern Ireland Rural Development Council participates in. The LGPS is a funded defined benefit plan with benefits earned up to 31 March 2015 being linked to final salary. Benefits after 31 March 2016 are based on a Career Average Revalued Earnings scheme. Details of the benefits earned over the period covered by this disclosure are set out in 'The local Government Pension Scheme Regulations (Northern Ireland) 2014' and 'The Local Government Pension Scheme (Amendment and Transitional Provisions) Regulations (Northern Ireland) 2014'.

Under FRS102, The Northern Ireland Rural Development Council is required to account for their share of the underlying assets and liabilities of the scheme.

The funded nature of the LGPS requires participating employers and its employees to pay contributions into the Fund, calculated at a level intended to balance the pension liabilities with investment assets. Information on the framework for calculating contributions to be paid is set out in the LGPS Regulations (Northern Ireland) 2014 and the Fund's Funding Strategy Statement. The last actuarial valuation was at 31 March 2016 and the following disclosures are based on that valuation.

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Key Assumptions	2017 % p.a.	2016 % p.a.
Discount rate	2.6	3.5
RPI Inflation	3.1	2.9
CPI Inflation	2.0	1.8
Pension Increases	2.0	1.8
Pension accounts revaluation rate	2.0	1.8
Salary increases	3.5	3.3

The allocation of assets attributable to The Northern Ireland Rural Development Council are analysed as follows:

Asset Allocation	2017 % p.a.	2016 % p.a.
Equities	74.5	71.9
Property	10.5	13.2
Government bonds	5.4	5.7
Corporate bonds	6.1	6.4
Cash	2.6	2.3
Other	0.9	0.5
Total	100%	100%

Reconciliation of funded status to balance sheet	2017 £m.	2016 £m
Fair value of assets	5.320	4.566
Present value of funded defined benefit obligation	7.246	5.897
Funded status	(1.926)	(1.331)
Unrecognised asset due to limit in para.64	0.0	0.0
Asset/(liability) recognised on the balance sheet	(1.926)	(1.331)

The split of the liabilities at the last valuation between the various categories of members is as follows:

Active members	24%
Deferred Pensioners	47%
Pensioners	29%

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Amounts recognised in Statement of Financial Activities	2017	2016
	£m.	£m
Operating cost		
Current service cost	0.073	0.068
Past service cost	0.000	0.000
Curtailment cost	0.000	0.000
Settlement cost	0.000	0.000
Financing cost		
Interest on net defined benefit liability/(asset)	0.044	0.056
Pension expense recognised in profit and loss	0.117	0.124
Amounts recognised Actuarial gains/(losses) on the Statement of Financial Activities	2017	2016
	£m.	£m
Assets gains/(losses) arising during the period	0.527	(0.015)
Liability gains/(losses) arising during the period	(1.170)	0.495
Total amount recognised in other comprehensive income	(0.643)	0.480
Changes to the present value of the defined benefit obligation	2017	2016
	£m.	£m
Opening defined benefit obligation	5.897	6.213
Current service cost	0.073	0.068
Interest expense on defined benefit obligation	0.205	0.197
Contributions by participants	0.023	0.020
Actuarial (gains)/losses on liabilities	1.170	(0.495)
Net benefits paid out	(0.122)	(0.106)
Past service cost	0.000	0.000
Curtailment cost	0.000	0.000
Net increase in liabilities from disposals/acquisitions	0.000	0.000
Settlements	0.000	0.000
Closing defined benefit obligation	7.246	5.897
Changes to the fair value of assets	2017	2016
	£m.	£m
Opening fair value of assets	4.566	4.397
Interest income on assets	0.161	0.141
Remeasurement gains/(losses) on assets	0.527	(0.015)
Contributions by the employer	0.165	0.129
Contributions by participants	0.023	0.020
Net benefits paid out	(0.122)	(0.106)
Net increase in assets from disposals/acquisitions	0.000	0.000
Settlements	0.000	0.000
Closing defined benefit obligation	5.320	4.566

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Actual returns on assets	2017 £m.	2016 £m
Interest income on assets	0.161	0.141
Gain/(loss) on assets	0.527	(0.015)
Actual return on assets	0.688	0.126

22. Legal status of the Charity

Each of the members of the company has guaranteed to contribute to the assets of the company in the event of the same being wound up to the extent of £1.

23. Corporation Taxation

The company was recognised as a charity by HM Revenue and Customs effective 1st November 2015. Trading activities prior to this date have been accounted for corporation tax purposes. From 1st November 2015 the charitable company's activities fall within the exemptions afforded by the provisions of the Income and Corporation Taxes Act 1988. Accordingly, there is no taxation charge accounted from this date forward.

24. Going concern

The financial statements have been prepared on a going concern basis which assumes that the company will continue in operational existence for the foreseeable future. The company had net liabilities of £706,726 as at 31 March 2017 due to defined benefit pension scheme liability and trading loss for the year

The pension scheme deficit is not a short term liability and should be met in the long term by a combination of contributions and the underlying investment performance of the scheme's assets. The directors have no intention of taking any action that would trigger immediate crystallisation of the pension scheme liability.

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

The Board is currently seeking to address the NILGSOC Scheme deficit through the provision of a funding guarantee from the Northern Ireland government that could result in a long term resolution to the pension liability.

25. APB Ethical Standard – Provisions available for small entities

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