



# **Causeway Coast & Glens Borough Council**

**Annual Financial Statements for the year ended 31st March 2020**

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**Narrative Report****Introduction**

These financial statements have been prepared in line with the Code of Practice on Local Authority Accounting in the United Kingdom 2020 (the Code) and the Department for Communities Accounts Direction, Circular DOE Accounts Direction Circular LG 03/20. It is the purpose of this foreword to explain, in an easily understandable way the financial facts in relation to the Council.

This Statement of Accounts explains Causeway Coast and Glens Borough Council's finances during the financial year 2019/20 and its financial position at the end of that year. It follows approved accounting standards and is necessarily technical in parts.

The Narrative Report provides information about Causeway Coast and Glens Borough Council including key issues affecting the Council and its accounts. The Narrative Report focuses on the matters that are of relevance to the principal users of the Statement of Accounts. As well as complementing and supplementing the information provided in the accounts, it also provides a look at the issues that have affected the Council's development, performance and position during 2019/20 and are likely to impact in the future.

**Organisational Overview and External Environment**

Causeway Coast and Glens borough encompasses the majority of the North Coast of Northern Ireland with over 140km of coastline with the North Atlantic from Lough Foyle to the Glens of Antrim. The area includes a World Heritage Site in the famous Giant's Causeway and also three areas of outstanding natural beauty taking in Binevenagh, the Causeway Coast and the Glens of Antrim. On top of this the borough is home to a number of prestigious events including the North-West 200, SuperCupNI (formerly the Milk Cup) and festivals such as The Auld Lammis Fair and Danny Boy. Consequently the area attracts thousands of tourists and visitors every year.

The Borough has a population of just over 140,000 and covers an area of around 2,000 sq km making it the second largest in terms of area in Northern Ireland.

The Council has net expenditure of £64 million in 19/20. It is structured into three strategic Directorates: Environmental Services, Leisure and Development, and Corporate Services. The Vision of Council is to maximise the benefits of our unique location and landscape by providing ambitious, accessible, innovative and efficient services which fulfill customer expectations.

Causeway Coast and Glens Borough Council staff led by 40 Councillors across seven District Electoral Areas (DEA's) carry out six principal duties:

- a civic leadership role to ensure a better quality of life for citizens;
- provision of a number of services and facilities including planning, leisure and recreation, waste collection and disposal, recycling and community services;
- promoting the arts, tourism, community and economic development;
- regulating and licensing activities relating to environmental health, consumer protection, building regulations and public safety;
- a representative role on a number of bodies and boards, including education, health and housing; and
- a consultative role in relation to functions conducted by other government bodies and agencies such as planning, water, roads and housing.

With our role in leading community planning in the Borough we have published the Causeway Coast and Glens Community Plan 2017 - 2030, outlining priorities for the Borough which will require collaboration with key partners to ensure delivery of these ambitions for the Borough.

**Operational Model**

Each year the Council must ensure it has the resources it needs to deliver services to the standard expected by its ratepayers. Budget plans are submitted to Council for approval regarding what is planned to be done and the estimated cost of providing these services. This helps Council understand what funding is required and where to strike the "rate " for the Borough to raise this level of revenue.

**Governance**

Governance looks at areas such as risks, opportunities, strategy , resource allocation and outlook. The Annual Governance Report included at part of these Annual Financial Statements gives details on all these areas and any implications or remedies implemented.

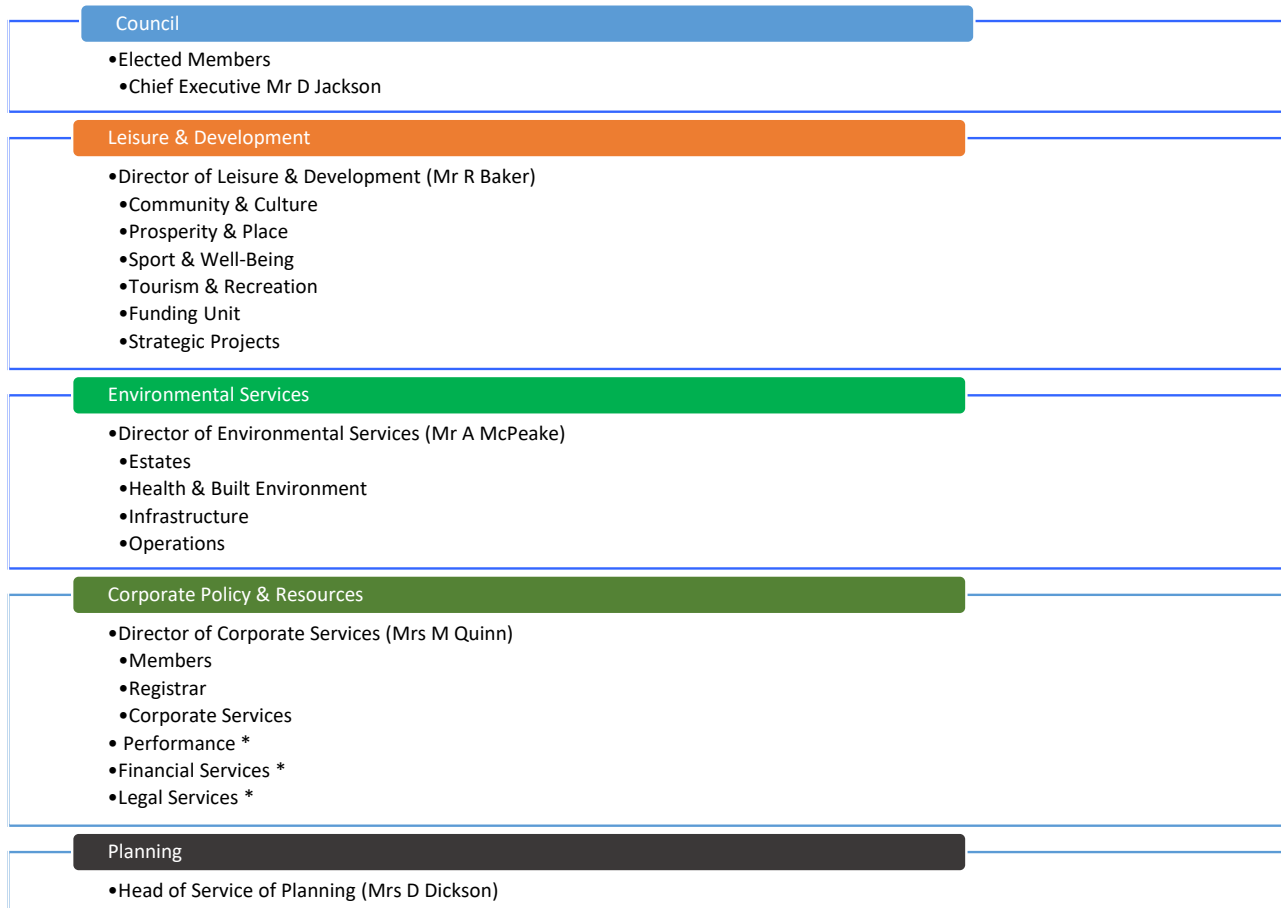
**Corporate Risk**

The Council has an embedded process to manage any risks and assist with the achievement of its strategic objectives alongside performance targets. The Corporate Risk Register plays an integral role in the production of the Corporate Strategy and is subject to review by the Audit Committee.

The Council's key corporate risks are:

- Legal challenges to Planning discouraging investment.
- Cuts to external funding impacting on rates.
- Rates strategy.
- Rapidly growing tourism placing a strain on infrastructure.
- Harmonisation of terms and conditions potential for industrial relations issues.
- Pressure on capital projects creating resource pressure.
- Management of assets resulting in resource or safety issues.
- Recycling targets not being met.
- Information governance.
- Absenteeism.
- External issues affecting Council reputation.
- Security threat to ICT systems.

The operation of Causeway Coast and Glens Borough Council is governed by the committee structure. At the top of the structure sits the full council which is supported by the working committees in each of the areas listed below:



\* These departments report directly to the Chief Executive and separately report to the Corporate Policy and Resources Committee - the remaining departments channel their reports via the Director of Corporate Services.

Further details of the Council's governance framework and arrangements are included in the Annual Governance Statement on pages 10 to 21

**Strategic Performance**

The Council's Performance Improvement Plan for 2019/20 was approved by Council in June 2019. The Plan contained improvement projects which will help to meet the Council's Performance Improvement Objectives for 2019/20.

The outcomes attributed to the following objectives are valid up to and including March 2020. Due to the Covid 19 pandemic outcomes beyond that date are unavailable and in any case seriously curtailed.

**Objective 1 - Increase participant usage of and Income generated by Leisure Centres**

Leisure Marketing Plan and Promotional Membership campaign launched across all sites including digital media and traditional promotional techniques, as well as special Membership offers

The number of Members has risen 13% from 2,308 in April 2019 to 2,608 in February 2020. This is 398 more than at the same period in 2019.

**Objective 2 - Increase support for local businesses**

1904 businesses assisted (146 business start approvals, 200 businesses recruited through Alchemy, 163 people at Alchemy workshops, 50 Exploring Enterprise enrolments, 12 artisan producers at Balmoral Show, 5 Taste Causeway businesses attended INI Meet the Buyer event, 28 people at Labour Relations training programme, 1300 e-mail addresses subscribed to business support e-zine)  
137 jobs created ( 90 Business Start, 38 Alchemy, 9 Exploring Enterprise)

**Objective 3 - Introduce robust arrangement for engaging with our citizens**

Performance against this Improvement Objective has not fully met the Outcomes that had been agreed at the beginning of 2019/20.

The year started strongly in terms of developing this work, with Market research conducted, fact finding meetings held with consultancy companies, and procurement/tender/specification documents developed. Links were also made with other Councils who had delivered such work as we refined and improved our ideas around the approach to public engagement. All of this early work and the outputs from it have contributed positively to achievement of this Improvement Objective.

The progress against this Improvement Objective however did not continue to develop within the 2019/20 financial year as planned, and what follows are the two most crucial factors in that:

- 1 Finance – During the year 2019/20 Causeway Coast and Glens Council conducted a large scale cost cutting and budget realignment exercise at the clear direction of Elected Members and Senior Management. Tough choices had to be made with regards to pieces of work that could be delayed to further years in order to release some budget within the 2019/20 financial year, and as such it was agreed that the £15,000 budget for the Citizens Survey would remain on hold until the Financial Review was completed.
- 2 Covid 19 - Planned survey work in 2020/21 was halted during March 2020 once it became very clear that the Covid 19 regulations would mean that interviews, face to face surveys, public meetings etc would be impossible to plan for until further notice.

The final output that contributed positively to this Improvement Objective was the Council decision to fully commit to membership of the APSE (Association for Public Service Excellence) Performance Network, which will allow for benchmarking of performance nationally as well as expertise and consultant led guidance of citizen's engagement.

**Objective 4 - Lower staff absenteeism**

A new Council Absence Management Policy and Procedure, has been developed, consulted on and agreed with Trade Unions at JCNC. The Policy was presented to Members via CPR in November 2019, and scheduled to be tabled again with a recommendation for approval at CPR in January 2020. The Policy was agreed by Council on 4th February 2020.

Current reduction in the number of days lost to Council through long term sickness is sitting at 3.28% against a target of 5%

Current reduction in the average number of days lost per employee through sickness absence is sitting at 1.46% against a target of 5%

**Objective 5 - Reduce the percentage of Council Income servicing Council debt**

Work associated with this Long Term Improvement Objective has been taken over by the newly created Finance Committee. The first planning session for development of the 2019-23 Corporate Strategy has taken place.

These long term improvement objectives were added to the 2019/20 Performance Improvement Plan at the express instruction of Elected Members. The Members sought to create new and improved mechanisms that would enable Council to have improved monitoring functions over finance, budgets and debt.

Furthermore, Council has completed the year 2019/20 under agreed annual budget, maintained that trend into 2020/21 and has also improved the management and levels of its financial reserves.

One of the major output improvements has been the formal creation of the new Council Finance Committee. The Finance Committee is responsible for recommending to Council the key decisions and actions that are required to be taken specifically in relation to the work of the Finance function within Council. Several of its key responsibilities are as follows:

- Leading on the annual Rates Estimate setting process;
- Monthly review of the management accounts; to include a summary by service area of income and expenditure, with commentary of positive or negative outcome on their budgets;
- Setting key finance targets and monitoring their delivery, including efficiency and income generation;
- All capital and resource expenditure to be reviewed by the committee before going to full council;
- To investigate, review and set targets for efficiencies and income for each department.
- To implement and review a 3 year rolling budget/forecast
- Monitoring and reviewing business and service delivery plans for the Finance Service;
- To review the annual statement of accounts. Specifically, to consider whether appropriate accounting policies have been followed and whether there are concerns arising from the financial statements or from the audit that need to be brought to the attention of the Council;
- Receive a rolling programme of finance related presentations from all service areas.

**Objective 6 - Increase percentage of non rates Income**

Work associated with this Long Term Improvement Objective has been taken over by the newly created Finance Committee

## Financial Statements

The Council's financial performance for the year ended 31 March 2020 is as set out in the Comprehensive Income and Expenditure Statement and its financial position is as set out in the Balance Sheet and Cash Flow Statement.

### Group Accounts

The Code requires Local Authorities to consider all their interests and to prepare a full set of group financial statements where they have material interests in subsidiaries, associates or joint ventures. The Causeway Coast and Glens Borough Council does not have material interests in such bodies and accordingly is not required to prepare group financial statements.

### The Movement in Reserves Statement

This Statement, as set out on page 29 shows the movement in the year on the different reserves held by the Council, analysed into 'usable reserves' (i.e. those that can be applied to fund expenditure or reduce local taxation) and other reserves.

The 'Surplus or (deficit) on the provision of services' line shows the true economic cost of providing the Council's services, more details of which are shown in the Comprehensive Income and Expenditure Statement. This is different from the statutory amounts required to be charged to the General Fund for Local Tax purposes. The 'Net increase /Decrease before transfers to "statutory and other reserves" line shows the statutory General Fund Balance before any discretionary transfers to or from earmarked reserves undertaken by the Council.

### The Comprehensive Income and Expenditure Statement

This statement, as set out on page 30 shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation. Councils raise taxation to cover expenditure in accordance with regulations; this may be different from the accounting cost. The taxation position is shown in the Movement in Reserves Statement.

### The Balance Sheet

The Balance Sheet, as set out on page 31 shows the value as at the Balance Sheet date of the Council's assets and liabilities. The net assets of the Council (assets less liabilities) are matched by the reserves held by the Council. Reserves are reported in two categories.

The first category of reserves are usable reserves, ie those reserves that the Council may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use (for example the Capital Receipts Reserve that may only be used to fund capital expenditure or repay debt).

The second category of reserves are those that the authority is not able to use to provide services. This category of reserves includes reserves that hold unrealised gains and losses (for example the Revaluation Reserve), where amounts would only become available to provide services if the assets are sold; and reserves that hold timing differences shown in the Movement in Reserves Statement line 'Adjustments between accounting basis and funding under regulations'.

### The Cash Flow Statement

The Cash Flow Statement, as set out on page 32 shows the changes in cash and cash equivalents of the Council during the reporting period. The statement shows how the Council 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 the extent to which the operations of the Council are funded by way of taxation and grant income or from the recipients of services provided by the Council.

**Investing** activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the Council's future service delivery.

Cash flows arising from **financing** activities are useful in predicting claims on future cash flows by providers of capital (i.e. borrowing) to the Council.

### Expenditure and Funding Analysis

The objective of the Expenditure and Funding Analysis is to demonstrate to ratepayers how the funding available to the authority (ie government grants, rates and business rates) for the year has been used in providing services in comparison with those resources consumed or earned by authorities in accordance with generally accepted accounting practices. The Expenditure and Funding Analysis also shows how this expenditure is allocated for decision making purposes between the Council's directorates. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.



## Financial Performance

## Outturn

For the year ended 31 March 2020 the Council increased its General Fund by £8,276. The movement in the General fund is analysed in the table below:

|  | Net<br>Expenditure<br>Chargeable to<br>the General<br>Fund- Note 2 | Budget          | Variance     |
|--|--|-----------------|--------------|
|  | £'000's  | £'000's         | £'000's      |
| Cost of Services on Continuing Operations              | (41,322)   | (42,032)        | 710          |
| Financing and Investment Income and Expenditure        | (2,378)  | (2,214)         | (164)        |
| <b>Net Operating Expenditure</b>                       | <b>(43,700)</b>  | <b>(44,246)</b> | <b>546</b>   |
| Taxation and Non-Specific Grant Income                 | 48,093   | 48,141          | (48)         |
| <b>Surplus on the Provision of Services</b>            | <b>4,393</b>   | <b>3,895</b>    | <b>498</b>   |
| Minimum Revenue Provision                              | (5,535)  | (6,275)         | 740          |
| <b>Surplus / (Deficit)</b>                             | <b>(1,142)</b>   | <b>(2,380)</b>  | <b>1,238</b> |
| REFCUD applied to earlier years                        | 1,559  |                 |              |
| Transfers to Landfill Regulation Reserve               | (145)  |                 |              |
| T/fers (to) / from Provision for Discount Rate Reserve | (193)  |                 |              |
| T/fers (to) / from Usable Reserves                     | (71)   |                 |              |
| <b>Movement In General Fund</b>                        | <b>8</b>   | <b>(2,380)</b>  | <b>1,238</b> |
| <b>General Fund as at 1st April 2019</b>               | <b>3,762</b>   | <b>3,762</b>    | <b>0</b>     |
| <b>General Fund as at 31st March 2020</b>              | <b>3,770</b>   | <b>1,382</b>    | <b>1,238</b> |

Recycling and costs in relation to landfill were 168k less than budgeted.

Salaries, wages and agency costs were 934k less than anticipated due to continued gapping of posts.

IT costs exceeded budget by 74k and Insurance premium was 63k greater than budgeted.

Service income streams outperformed expectations by 311k.

Fuel costs were 540k greater than anticipated whilst other vehicle running costs achieved 149k of savings against budget.

Premises costs were 407k greater than expected due in large part to repairs and maintenance.

Other sundry items accounted for a 20k favourable variance against budget.

**Prior Year Adjustment**

During the year it became clear that, whilst Council had maintained Portstewart Town Hall and Bushmills Community Centre for many years, it nonetheless had no legal title to either property and accordingly values associated with these properties were removed from the Council's Fixed Asset Register and Balance Sheet. In total £2,163,336 was removed from Property, Plant and Equipment being a reduction in Land of £625,000 and Buildings £1,538,336 - note 11b refers. These reductions required reductions to the Revaluation Reserve £784,052 and the Capital Adjustment Account £1,379,284 - note 3c refers.

In addition to the two properties detailed above, Council identified a further eight properties where legal title is questioned. This may be a result of:

- title deeds being lost / misplaced
- council having use of the premises, lands without holding title or a formal arrangement being in place for use.

Council have retained these properties within their financial statements as the administrative processes to confirm ownership are in hand.

The 8 properties and their associated net book values are listed below.

|                             | Land           | Buildings        | Total Land and Buildings Net Book Value @ 31/03/2020 |
|-----------------------------|----------------|------------------|--|
|                             | £              | £                | £  |
| Coleraine Town Hall         | 110,000        | 3,034,583        | 3,144,583  |
| Ramoan Road Playing Fields  | 250,000        | -                | 250,000  |
| Ballintoy Play Area         | 8,000          | 109,414          | 117,414  |
| Clontyfinnan Play Area      | 55,000         | 22,147           | 77,147   |
| Erinvale Play Area          | 19,800         | 43,222           | 63,022   |
| Stranocum Play Area         | 16,600         | 40,992           | 57,592   |
| Macosquin Football Pitch    | 45,000         | 11,731           | 56,731   |
| Ballintoy Village - Toilets | 5,000          | 17,010           | 22,010   |
| <b>Total</b>                | <b>509,400</b> | <b>3,279,099</b> | <b>3,788,499</b>                                     |

Since the year end title to Coleraine Town Hall has been secured.

**Unusual charges or income**

Section 19(3) of the Local Government Finance Act (Northern Ireland) 2011 allows the Department for Communities to issue capitalisation directions to the councils. This permits specified items of expenditure normally classified as revenue to be treated as capital expenditure. In year Council took advantage of this direction to capitalise both capital expenditure REFCUS and severance payments REFCUD.

**Revenue expenditure funding capital under statute (REFCUS)**

REFCUS is applied in circumstances where Council incurs capital expenditure on assets which are not owned by the Council directly.

|   | 2019/20      |
|---|--------------|
|   | £'000's      |
| Public Realm Capital Schemes accounted for within Asset Under Construction written off (Note 11 refers) | 7,026        |
| Capital Grants awarded to Community Groups  | 350          |
| <b>Total Gross Capital Expenditure subject to REFCUS</b>  | <b>7,376</b> |
| Capital Grants released from unapplied grants (Note 23a refers)   | (5,389)      |
| <b>Net Increase in General Fund / Decrease in Capital Adjustment Account</b>                            | <b>1,987</b> |

**Revenue expenditure funding capital under direction (REFCUD)**

The Department for Communities (Dfc) gave direction for Council to apply £4 Million towards severance payments. Council availed of this direction as outlined below.

|  | 2019/20      |
|--|--------------|
|  | £'000's      |
| Current Year severance expenditure (Note 16 refers)                          | 2,441        |
| Prior Years severance expenditure (Note 16 refers)                           | 1,559        |
| <b>Net Increase in General Fund / Decrease in Capital Adjustment Account</b> | <b>4,000</b> |

**Capital Expenditure**

Capital Expenditure amounted to £10,089,970 during the year - (Note 11a refers). The main items of capital expenditure are set out below.

|   | 2019/20          | 2018/19       |
|---|------------------|---------------|
|   | £'000's          | £'000's       |
| Portush Public Realm Schemes                | 1,672            | 2,418         |
| North Pier Portrush                         | 1,378            | 2,354         |
| Garvagh Forest Bike Trails                  | 219              | 467           |
| Harbours                                    | 1,453            | 448           |
| ICT Equipment including Intangible Licences | 342              | 443           |
| Brown Bin Recycling Project                 | 0                | 425           |
| Magilligan Community Centre                 | 117              | 358           |
| Plant and Equipment                         | 400              | 332           |
| Sport & Well Being Projects                 | 88               | 246           |
| Peace IV Capital Projects                   | 316              | 223           |
| Sundry                                      | 133              | 216           |
| Various Building                            | 60               | 200           |
| Other Vehicles                              | 475              | 186           |
| Public Conveniences                         | 0                | 157           |
| Atlantic Link Enterprise Campus             | 0                | 128           |
| Emergency Generators                        | 35               | 126           |
| Tourism Projects                            | 727              | 104           |
| Landfill Site Lands                         | 0                | 97            |
| Works Depots                                | 86               | 60            |
| LED Lighting                                | 14               | 52            |
| Caravan Park Upgrades                       | 11               | 29            |
| Infrastructure Projects                     | 0                | 27            |
| Dungiven Sports and Community Project       | 0                | 11            |
| Refuse Vehicles                             | 593              | 0             |
| Landfill Sites                              | 1,332            | 0             |
| Festive Lighting                            | 9                | 0             |
| Car Parks                                   | 107              | 0             |
| Village Renewal Projects                    | 201              | 0             |
| Civic Amenity Sites                         | 322              | 0             |
|   | <b>11a / 11b</b> | <b>10,090</b> |
|   |                  | <b>9,106</b>  |

**Borrowings**

Council drew down new loan finance amounting to £5,959,000. The Council's total borrowing at the year end was £72,127,256.

For the 2019/20 year Council has an authorised borrowing limit of £80 million. This is based on the Council's forecast capital expenditure plans over the medium to long term.

The Council's net debt position is as follows:

| <b>Net Debt</b>                               |            | 2019/20       | 2018/19       |
|---|------------|---------------|---------------|
|   |            | £'000's       | £'000's       |
| Short Term Borrowing                          | 15a        | 5,205         | 5,020         |
| Long Term Borrowing                           | 15b        | 66,922        | 66,168        |
| <b>Total Borrowings</b>                       | <b>15b</b> | <b>72,127</b> | <b>71,188</b> |
| Cash And Cash Equivalents                     | 25c        | 5,685         | 11,576        |
| <b>Total Investments and Cash Equivalents</b> |            | <b>5,685</b>  | <b>11,576</b> |
| <b>Total Net Debt</b>                         |            | <b>66,442</b> | <b>59,612</b> |

**Provisions**

During the year, landfill provision showed a decrease of £1,866,826. Of this, an increase of £585,563 was due to revisions to closure plans and capacity remaining, as advised by the Council's landfill engineering specialists. Capping costs of £1,471,431 in relation to the Crosstagherly site were incurred and decreased the provision in year. The remaining decrease of £980,958 was the result of changes to the discount rates the Council is required to apply to long term provisions. (Note 19a refers).

**Pensions**

In 2015 as a consequence of Local Government Reform Planning staff previously employed by Central Government became employees of the Causeway Coast and Glens Borough Council. Most of these staff remain members of the Civil Service Pension Scheme and contributions of £246,671 (2019-£190,243) were made by Council on their behalf to this pension scheme.

Employees of the former Legacy Councils continued as members of the NILGOSC pension scheme and Council contributed £3,815,827 (2019-£3,648,883) in regular payments to this scheme together with payments of £1,854,047 (2019- £294,062) in respect of early year retirement payments.

The NILGOSC pension liability increased by £6,561,000 from £39,914,000 to £46,475,000 (Note 21c to the accounts refers).

**Post Balance Sheet Events**

The Coronavirus pandemic (Covid -19) struck Northern Ireland mid March 2020 and Council's service provision and in particular its income streams were and will continue to be adversely affected. Whilst Central Government subvention mitigates some of these losses management are committed to rigorous expenditure control to ensure Council can continue to deliver its statutory functions.

On 17 October 2020, the First-tier Tribunal issued its decision in relation to a dispute concerning the VAT liability of charges paid by members of the public for access to sport and leisure facilities provided by Mid-Ulster District Council. HMRC contended that the charges should bear VAT at the standard rate, while Mid-Ulster District Council contended that the charges in dispute did not attract VAT.

The appeal by Mid-Ulster District Council was allowed and now the quantum has to be agreed between both parties.

However, pursuant to Rule 39 of the Tribunal Procedure (First-tier Tribunal) (Tax Chamber) Rules 2009, any party dissatisfied with the decision has a right to apply for permission to appeal not later than 56 days after the date of this decision.

Therefore, at this stage it is too early to assess the impact of this decision on council finances.

**Going Concern**

These financial statements have been prepared on a going concern basis.

**Significant changes in Accounting Policies**

There have been no changes in accounting policies (as described from page 33 to 46) from the previous year.

**Significant changes in Statutory Functions**

There have been no changes to statutory functions from the previous year.

**Outlook****Rates setting strategy**

The previously elected Council pursued a strategy of zero % rate increases for 3 years and agreed to a modest 1.5% increase for 2019/20 whilst applying a balance of £2,380,000 from General Fund Reserve.

The newly elected Council passed a rates increase of 7.65% for 2020/21.

**Economic Climate**

Since its formation in 2015 Causeway Coast and Glens Borough Council has strove to deliver the expected efficiencies resulting from Local Government Reform. In doing so the Council has faced significant budgetary challenges in particular the pressures on Central Government to cut costs leading to a reduction in Central Government funding. In addition we are now seeing inflationary pressures beginning to increase placing additional strain on already stretched resources however the Borough is currently experienced a level of growth, prosperity and investment in the area leading to increased revenues from rates (Pre Covid 19).

**Brexit**

Whilst still unclear what the local implications will be, the impact of leaving the European Union (EU) may lead to increased instability and uncertainty in respect of the financial context for councils and regions. The implications of leaving the EU are still not fully known but there could be a potential impact for the council due to reductions in EU funding, a change in interest rates, an increase in expenditure and an increase in the cost of basic goods which could impact on residents and businesses.

Post the EU referendum, the Chancellor gave a guarantee that all projects approved prior to Brexit will have their funding honoured. A key concern going forward is what successor funding is going to be in place post Brexit.

It is too early to understand the full implication of Brexit on jobs and investment in the Borough until trade negotiations are finalised. As there is still a degree of doubt, the risk associated with leaving the EU cannot be measured.

**Statement of the Council's and Chief Financial Officer's Responsibilities for the Statement of Accounts****The Council's Responsibilities**

Under Section 1 of the Local Government Finance Act (Northern Ireland) 2011 a council shall make arrangements for the proper administration of its financial affairs. A council shall designate an officer of the council as its chief financial officer and these arrangements shall be carried out under the supervision of its chief financial officer.

Under Regulation 7 of the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2015 the Council, or a Committee, is required by resolution, to approve the accounts.

These accounts were approved by the Chief Executive on the 29th June 2021.

**The Chief Financial Officer's Responsibilities**

Under Regulation 8 of the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2015, the Chief Financial Officer is responsible for the preparation of the Council's Statement of Accounts in the form directed by the Department for Communities.

The accounts must give a true and fair view of the income and expenditure and cash flows for the financial year and the financial position as at the end of the financial year.

In preparing this Statement of Accounts, the Chief Financial officer is required to:

- observe the Accounts Direction issued by the Department for Communities including compliance with the Code of Practice on Local Authority Accounting in the United Kingdom
- follow relevant accounting and disclosure requirements and apply suitable accounting policies on a consistent basis, and
- make judgements and estimates that are reasonable and prudent.

The Chief Financial Officer is also required to:

- keep proper accounting records that are up-to-date, and
- take reasonable steps for the prevention and detection of fraud and other irregularities.

**Annual Governance Statement****Scope of Responsibility**

Causeway Coast and Glens Borough Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiency and effectively.

Causeway Coast and Glens Borough Council also has a duty under Local Government (Best Value) Act (Northern Ireland) 2002 to make arrangements for continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

In discharging this overall responsibility, Causeway Coast and Glens Borough Council is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, which includes arrangements for the management of risk.

Causeway Coast and Glens Borough Council has prepared an Annual Governance Statement which is consistent with the principles of the CIPFA/SOLACE Framework Delivering Good Governance in Local Government. This statement explains how Causeway Coast and Glens Borough Council meets the requirements of Regulation 4 of the Local Government (Accounts and Audit) Regulations (Northern Ireland 2015) in relation to the publication of a statement on internal control.

**The Purpose of the Governance Framework**

Council's governance framework comprises the systems and processes, and culture and values, by which the Council is directed and controlled and its activities through which it accounts to, engages with and leads the community. It enables Causeway Coast and Glens Borough Council to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.

The system of internal control is a significant part of that 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 the Council's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The governance framework has been in place for the year ended 31 March 2020 and up to the date of approval of the financial statements.

**The governance framework**

The key elements of the systems and processes that comprise the Council's governance arrangements include the following:

**1. Identifying and communicating the Council's vision of its purpose and intended outcomes for citizens and service users.**

Council has produced the Corporate Strategy for 2015-2019, which was agreed by Council on 30th June 2015.

The Corporate Strategy was developed following an extensive consultation process which involved Councillors, senior managers within Council, and our local community including local businesses and the community/voluntary sector. An advertisement was also placed seeking comments from the public on our draft Corporate Strategy before it was finalised and adopted by Council.

A copy of the Corporate Strategy has been made available to staff on the intranet and the public via the Causeway Coast and Glens Borough Council website. Hard copies have also been made available in the reception areas of Council facilities.

This Strategy sets out Council's Vision, Mission, Values and Strategic themes. The Plan identifies five strategic themes with associated outcomes.

Causeway Coast and Glens Borough Council has worked with its Strategic Partners to develop the Causeway Coast and Glens Community Plan. The Community Plan was formally signed off by the Community Planning Strategic Partnership in April 2017 and was formally launched in June 2017.

Ten Councillors were nominated to participate on behalf of Council on the Strategic Partnership and they have been closely involved in developing the Community Plan.

The development of the Community Plan involved; a detailed statistical analysis of the Causeway Coast and Glens area; an extensive community engagement/consultation exercise; the establishment of thematic working groups to develop population outcomes and indicators; mutual agreement by the members of the Community Planning Strategic Partnership of the final version of the Plan.

The next stage in the process of community planning involved taking the outcomes identified within the Plan and developing a Delivery Plan, which identified actions necessary to achieve the Population Outcomes in the Plan. This work commenced in June 2017, and finalized in June 2018 with the launch of the Delivery Plan for the Community Plan.

This Delivery Plan identified 44 practical collaborative actions which will take forward the high level outcomes identified in the Community Plan itself. The Delivery Plan was based on the work of a number of Delivery Design Groups which included representatives from the statutory partners along with a range of support partners from other appropriate organisations.

The next phase of the process was the implementation of a monitoring and reporting process overseen by the Strategic Partnership and this commenced in June 2018. Each Action Lead was required to complete a report card outlining progress on their action. This reporting process was undertaken on a quarterly basis. Summarised reports of progress were then submitted and considered by the Strategic Community Planning Partnership at their quarterly meetings.

In November 2019 the Department for Communities published guidance on Monitoring and Reporting in relation to Community Planning. As a result of this the Statutory Partnership agreed to form a Monitoring and Report Sub Group which would specifically look at developing the monitoring and reporting process for the Causeway Coast and Glens Community Plan. This is being taken forward through the development of new report cards which have been enhanced to include more outcome based performance measures. This will be followed up by further training for Action Leads and Strategic Partners on outcomes based monitoring and reporting. This training has been arranged in conjunction with our neighbouring Council areas (Mid and East Antrim and Antrim and Newtownabbey) and took place in June 2019, facilitated by David Burnby.

The Department's Guidance on Monitoring and Reporting also includes guidance on the production of a statutory public Statement of Progress in relation to the Community Plan which will be published in November 2019. Development of the Statement of Progress is also being taken forward by the Monitoring and Report Sub Group.

Council have agreed a development plan for the Council Strategy/Corporate Plan 2019-2024.

Causeway Coast and Glens Borough Council has commenced work on a new Local Development Plan (LDP) for the Borough. The LDP is the spatial reflection of the Community Plan and provides an opportunity to develop a new planning framework specific to Causeway Coast and Glens Borough Council area, balancing the development needs of the Borough with the protection of our built and natural assets.

Following publication of the LDP: Preferred Options Paper (POP) in June 2018 for comment, during 2019/20 the Planning Department analysed the representations received and commenced the drafting of strategic planning policies to be published in the LDP: Draft Plan Strategy. To date this stage of LDP preparation has included Consultee and Stakeholder Engagement and Member workshops.

Towards the end of the 2019/20 reporting period Government/Public Health Agency (PHA) advice in relation to the Covid-19 outbreak resulted in the postponement of planned LDP Consultee and Stakeholder Meetings and Member Workshops. However, this work has resumed during the 2020/21 reporting period and Public Consultation on the Draft Plan Strategy will be undertaken upon publication of the consultation document, in line with the Council's published LDP Timetable and any future Government/PHA advice.

The impact of the pandemic has required the development of the new Council Strategy to be reshaped with an updated draft of the new Corporate Strategy being presented to Committee in August 2020.

## **2. Reviewing the Council's vision and its implications for the Council's governance arrangements.**

The vision of the Causeway Coast and Glens Borough Council over the 2015-2019 timeframe is to

**"Maximise the benefits of our unique location and landscape by providing ambitious, accessible, innovative and efficient services which fulfil customer expectations"**

The mission of the Council for 2015-2019 is to

"Improve the quality of life and well-being for all of our citizens and visitors by:

- Providing effective and sustainable local public services.
- Accelerating our economy and improving economic prosperity.
- Placing local communities at the heart of decision making.
- Protecting and enhancing our unique natural environment and assets.
- Advocating for the area and our citizens in both local and international arenas.

The Causeway Coast and Glens Borough Council will deliver its services and meet its responsibilities to ratepayers and communities across the Council area by adhering to the following values : Fairness, Excellence, Sustainability and Efficiency, Empowerment and Innovation.

The strategic themes identified in the Council's Corporate Strategy for 2015-19 were designed to ensure the vision is realised, with each objective having a series of sub-objectives.

The strategic themes are as follows:-

- Leader and Champion
- Accelerating Our Economy and Contributing to Prosperity
- Innovation and Transformation
- Resilient, Healthy and Engaged Communities
- Protecting and Enhancing Our Environments and Assets

All reports presented to Council identify the Strategic Theme, ensuring alignment with Council objectives. A template has been developed for Committee and Council reports which clearly identifies the linkage to the Council Strategy with officers required to identify the Strategic Theme and Outcome the subject of the report will contribute to.

The corporate risk register identifies the factors which could prevent achievement of these objectives and each risk is assigned to a member of the Strategic Leadership Team (SLT). The Corporate Risk Register is updated by SLT and presented to Audit Committee on a quarterly basis.

During the year the process of developing a new Council Corporate Strategy for the Council for 2020 to 2024 continued. This development process was established and agreed by the Senior Leadership Team and the first stage in the process saw initial research work undertaken to gather qualitative and quantitative evidence in relation to the Causeway Coast and Glens Borough Council area.

The second stage was designed to initiate an internal consultation process to gather views and comments from Councillors and staff. This process was to start with a workshop for Councillors. Unfortunately, for a variety of reasons, this workshop did not take place until Saturday 29th February 2020. The Councillors who attended this workshop explored and generated ideas for a new Vision for the area, considered the Council's Mission Statement, identified values underpinning the work of the Council and suggested high level strategic themes for the new Corporate Strategy. From this workshop a first draft of the new Corporate Strategy was developed.

The impact of the pandemic has again affected the proposed timetable for development of the new Council Strategy with the Senior Leadership Team currently in the process of considering the first draft of the new Corporate Strategy."



### **3. Measuring the quality of services for users through the Citizen Satisfaction Survey, for ensuring they are delivered in accordance with the Council's objectives and for ensuring that they represent the best use of resources.**

Council is committed to providing quality services aligned to its strategic objectives and has commenced developing business plans for all key services.

The business plan template requires officers to identify relevant actions under each Strategic Theme and related Outcome. These actions are supported by key performance indicators, timescales, lead officers, identification of internal and external partners and how the action links to the Council's Performance Plan.

Council continue to monitor, review and take corrective action as necessary in striving to achieve maximum satisfaction with council services, within the allocated resources.

During the year Council considered all available information in deciding how best to deliver the services within the area.

Council revised its Comments, Complaints and Compliments Policy in 2018 to include a process to deal with complaints made against the Chief Executive. A copy of the revised policy is available on Council's website.

As part of the Corporate Performance Improvement Plan for 2019/20 Council committed to the following Improvement Objective:

"We will introduce a robust arrangement for engaging with our citizens."

Through this Improvement Objective we have agreed to deliver the following during 2019/20:

- We will conduct a public procurement exercise to commission a Citizen's Survey for Causeway Coast and Glens
- We will create an all Council survey for Causeway Coast and Glens that will include key questions and measures on the services we provide, the perceptions of our citizens and indicators that are demonstrative of how we are delivering for our citizens.
- We will hold public meetings and conduct face to face conversations with citizens in order to understand better how we are performing

The 2019/20 financial year was subject to budgetary constraints and as a result the programme of citizen engagement actions did not happen. It is the intention to undertake this work once Council facilities and services are fully operational given there may be changes to the way in which Council services operate in the Covid-19 environment in the future.

### **4. Defining and documenting the roles and responsibilities of the executive, non-executive, scrutiny and officer functions, with clear delegation arrangements and protocols for effective communication.**

The roles and responsibilities of the Members of Council are defined by the Northern Ireland Code of Local Government Conduct, which is now mandatory, effective from 28th May 2014.

Training continues to be delivered to all members, as soon as they come into office.

Roles and responsibilities of Senior Officers are defined by job description, job specification, and terms and conditions of employment. Formal staff appraisals are currently in place for Senior Leadership Team (SLT), and this process is currently being developed in line with Leadership and Development Management Programme.

All internal policies and procedures are available on Council's staff net for information, and are also included as part of the induction process for all new employees.

All Directors report to Council on a monthly basis, on areas of responsibility, and ensure Council are kept informed of progress within each service area.

In terms of decision making, all decisions taken by Committee are ratified by full council, with the exception of Planning Committee which has full council powers. There are 6 committees of Council and the meeting schedule is as follows:

- Tuesday Week 1 – Council Meeting
- Tuesday Week 2 – Environmental Services Committee
- Tuesday Week 3 – Leisure and Development Committee
- Tuesday Week 4 – Corporate Policy and Resources Committee
- Thursday Week 2 – Finance Committee
- Wednesday Week 4 – Planning Meeting
- Quarterly – Audit Committee

Scrutiny is provided by the Audit Committee, Internal Audit (co-sourcing arrangement) and the Local Government Auditor. PWC provide interim support to the Finance Committee.



There are also a number of Sub-Committees and working groups which have either Terms of Reference agreed by Council, or are tasked with a particular project.

Council currently communicates with wider stakeholders through various engagement processes, meetings, Council Website, Social Media and through press and media releases. Internal communication systems include Councils intranet, Staff newsletter, email, written correspondence, working group minutes and a mixture of formal and informal team meetings.

Council developed a Citizens Newsletter in 2017/18 and this continued to be produced and circulated to all households in the Borough during 2019/20.

## **5. Developing, communicating and embedding codes of conduct, defining the standards of behaviour for members and staff.**

### **Codes of Conduct of Members**

The Northern Ireland Local Government Code of Conduct for Councillors came into force on 28th May 2014. All members have been trained on the code, with training provided to new and co-opted members as soon as possible.

A Register of Interests is maintained and updated on an annual basis, or as and when required. In terms of travel and subsistence claims, Councillors are required to complete a claim form (submitted with receipts as appropriate) and sign a declaration regarding their claim.

### **Codes of Conduct for Officers**

Council has adopted the "Code of Conduct for Local Government Officers", agreed by the Local Government Reform Joint Forum Circular LGRFJ/09 – November 2014 and promulgated under the authority of the Local Government Staff Commission. Mandatory training was provided to all staff in relation to the Code of Conduct during the 2015/16 year. It is also covered as part of the Induction process for new employees.

During the 2019/20 year a further 85 employees received training. Going forward, in 2020/2021 mandatory training for all staff will be delivered via the Elearning pilot module and face-to-face training for operational staff.

When new employees commence employment with the Council the Code of Conduct is sent out with their Main Statement of Terms and Conditions. Employees are asked to confirm, in writing, that they have received and read a copy of the Code. Job Descriptions within Council also require employees as part of their duties and responsibilities to adhere to the Code of Conduct for Local Government Officers.

Officers are given a copy of the Code on taking up appointment and failure to adhere to it is a disciplinary offence. Officers are also issued with terms and conditions of employment on commencing employment with the Council, and would be advised of various policies and procedures on induction. Existing members of staff have access to these documents on the intranet. New policies and procedures are brought to the attention of staff and are also available via the Council's intranet system.

The induction process for all new staff includes a detailed explanation of specific policies on staff conduct, including travelling and subsistence expenses, disciplinary and grievance policies and procedures, absence and sickness reporting, Data Protection, Freedom of Information, Equality and Good Relations and Health and Safety at Work.

Other supplementary codes of practice relating to the conduct expected of employees are available to staff via the Council's intranet system.

A register of gifts and hospitality is maintained by the Democratic Services Department and this is updated when relevant information is provided by a member of staff and elected members.

**6. Reviewing and updating standing orders, standing financial instructions, a scheme of delegation and supporting procedure notes/manuals, which clearly define how decisions are taken and the processes and controls required managing risks.**

Causeway Coast and Glens Borough Council operates a system of standing orders for the regulation of the proceedings of the Council and Council business. Standing Orders were revised once during 2019/20 which resulted in 10 amendments being made. Council also adopted the revised scheme of allowances for members during the year.

The Standing Orders are included within the Council's Constitution. A Council is required, under section 2 of the Local Government Act (Northern Ireland) 2014, to prepare and keep up to date a Constitution. Causeway Coast and Glens Borough Council adopted a new Constitution on 22nd September 2015. This Constitution governs how the Council operates, how decisions are made, and the procedures which are to be followed to ensure efficiency, transparency and accountability to local people. Some of these processes are required by the law, while others are a matter for the Council to choose. This is updated as and when required, following the revision of Standing Orders and the Scheme of Allowances. The Council Constitution and Standing Orders were updated in November 2019.

The Constitution is divided into sixteen Articles which set out the basic rules governing the Council's business. More detailed procedures and codes of practice are provided in separate Rules and Protocols within the document.

The Scheme of Delegation for Development Management, Development Plan, Enforcement and Other Planning Functions and the Protocol for the Operation of the Planning Committee took effect from 1st April 2015 on the transfer of Planning functions to local government.

In the 2019/20 business year, both the Scheme of Delegation and the Protocol have been reviewed and further to approval from DfI on 30 March 2020 were implemented on 01 May 2020.

A financial policy manual was approved by Council in June 2020. Detailed policies and procedures in relation to Purchasing and Procurement including expenditure limits and authorisation signatures are in place, reviewed periodically and updated as required. The current version of the procurement policy was approved by Council in March 2019.

Council has a Risk Management Strategy, which requires the identification of Corporate and Departmental Risks, the assessment of impact and likelihood of those risks and the mitigating controls in place. Council has Corporate and Departmental risk registers in place, and these are reviewed regularly. The Corporate Risk Register is reviewed by SLT and presented to the Audit Committee quarterly. The current Information Risk Management Policy was agreed by Audit Committee in September 2018.

A Treasury Management Policy was approved by Council in December 2014. The policy was developed in the context of the Local Government Finance Act (NI) 2011 and the local Government (Capital Finance and Accounting) Regulations (NI) 2011 and includes the key principles of CIPFA's Treasury Management in the Public Sector Code of Practice. A revised Treasury Management Policy was approved by Council in August 2018. Annual Treasury Management Strategy statements setting out the expected treasury management operations for the year were also approved by Council.

**7. Undertaking the core functions of an Audit Committee, as identified in CIPFA's Audit Committees - Practical Guidance for Local Authorities.**

Causeway Coast and Glens Borough Council operate a committee system, with the Audit Committee meeting once per quarter.

Representation on the Audit Committee is based on the d'hondt system, with 16 elected members, representative of each political party grouping in Council, and 1 Independent Advisor. All meetings are attended by the Director of Performance, relevant Council officers, along with the Local Government Auditor and Internal Auditor (co-sourcing partner). The Audit Committee Terms of Reference have been documented and approved by Council. The Terms of Reference set out the scope of the Committee in relation to Audit Activity, Regulatory Framework and Accounts.

The Audit Committee met on five occasions between April 2019 and March 2020, this included Internal Auditor and Local Government Audit representation (An open invitation is extended to Northern Ireland Audit Office to attend all meetings). Following each meeting, minutes are circulated and approved by Council.

The internal audit function for Causeway Coast and Glens Borough Council is provided by both in-house Internal Audit and by Moore NI through an Internal Audit co-sourcing arrangement. This service was retendered during 2019-20.

Various aspects of operating activities were sampled and examined to ensure the appropriate legislation, policies and procedures were adhered to and expenditure was lawful. Internal audit reports include award of assurance levels and recommendations for improvement. These audit reports are presented to the Audit Committee throughout the year. The Internal Audit Service operates to the Public Sector Internal Audit Standards 2013.

**8. Ensuring compliance with relevant laws and regulations, internal policies and procedures, and that expenditure is lawful.**

The Legal Services Department in Causeway Coast and Glens currently consists of one full time solicitor, one solicitor for land and property on a two year fixed term contract and a paralegal. Derry City and Strabane District Council Legal Services Department is retained to assist with prosecutions and advice. The land and property solicitor is currently engaged in working through the Councils legal title to its property and in registering the Councils unregistered land as well as dealing with all land and property matters.

There remains the requirement for specialist legal advice on occasion in relation to corporate issues and human resources advice.

Internal policies and procedures are updated and renewed as and when required to reflect legislative changes and agreed recommendations by both Internal and External Auditors and are circulated to the relevant staff when reviewed. Internal Policies and Procedures would also be available on the Staff Intranet.

In terms of lawful expenditure, workshops and special council meetings are held to discuss the proposals for the Estimates for the forthcoming year. This covers both Capital and Revenue Expenditure. Internal audit and Local Government Annual reports (including statutory audit) are also examined and discussed at these meetings, as well as the meetings of the Audit Committee. Council are issued with a summary report which forms the basis for discussion and decision making at the meetings.

A standard report template is used for all committee reports, which includes a section to report on cost implications.

As previously mentioned, Council appointed Moore NI as part of a co-sourcing internal audit arrangement. The Internal Audit plan covers a range of Council's main activities, financial and otherwise. Various aspects of operating activities have been sampled and examined to ensure that appropriate legislation, policies and procedures are adhered to and expenditure is lawful. Internal audit reports including award of assurance levels and recommendations for improvement are reported to both Council and the Audit Committee.

In terms of service specific compliance, service departments are kept up to date in the following ways

- In house legal services
- Subscription to on line expertise e.g. HR - Legal-Island Email Service and Croners On-line Employment Law Information Service and Advice Line.
- Legal Advice when required - Council subscribe to DAS – Employment Advice as part of the annual Insurance programme.
- Officer Meetings – Service specific
- Various Forum
- Training and Development

The Chief Executive is also the Council's Chief Financial Officer, as required by Section 1, of the Local Government Finance Act (Northern Ireland) 2011. The Chief Financial Officer is charged with ensuring the lawfulness and financial prudence of decision making, providing advice, and guidance and ensuring that expenditure is incurred lawfully.

The financial management arrangements conform with the governance requirements of CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2010) as set out in the Application Note to Delivering Good Governance in Local Government Framework. The CFO is also supported by suitably qualified and experienced staff (including qualified accountants) within the finance function to ensure that decisions made by the CFO are based on sound technical knowledge and understanding.

**9. Whistle-blowing and other processes for receiving and investigating complaints from the public.**

Council has a Whistle-Blowing policy and Anti-fraud, Bribery and Corruption Policy. Both policies were presented to the Audit Committee in June 2015 and approved by Council in July 2015. All staff were informed and copies of both documents are included in the Staff Induction Pack and also available on the Staff Intranet. Whistle-blowing is a standing item on the quarterly Audit Committee meetings.

Council also operates a formal scheme for public complaints and suggestions. These are referred to the relevant department and responded to within set deadlines, with the opportunity to have complaints referred to a higher level in the organisation where the complainant is not satisfied with the response. Where a complainant remains dissatisfied they are advised to contact the Northern Ireland Public Services Ombudsman.

There were six notifications of whistleblowing complaints received and followed up by Internal Audit during the year all of which have been reported to the Audit Committee.

Three of the whistleblowing complaints has been concluded with a satisfactory resolution obtained. Three of the whistleblowing incidents remain live.

**10. Identifying the development needs of Members and senior officers in relation to their strategic roles, supported by appropriate training.**

Council has a limited training and development budget for both Members and Staff.

All relevant conferences and courses are circulated to Councillors at Council meetings. An Elected Members' Conference Attendance Policy was agreed by Council on 23rd February 2016.

Each Councillor has an allocated amount of money set aside for conferences and courses and capacity building. This covers course fees, travel and subsistence. This is monitored on a monthly basis to ensure the budget is not exceeded. This may include further education leading to a recognised qualification.

Council agreed an action plan for Elected Member Development. Council is working towards NI Charter for Elected Member Development. A training needs analysis was carried out for Elected Members and a programme of training agreed, which continues to be reviewed and further training arranged.

During the year two Councillors successfully achieved the ILM Endorsed Award for the NILGA Local Planning Leadership Programme. One Councillor received accreditation for the NILGA Elected Member Leadership Programme in October 2019. NILGA have advised Participants have 3 years from undertaking the course to complete the accreditation and other Councillors have been working with the facilitator to achieve this.

Alongside the Elected Member Development a Leadership and Management Development framework has been developed for Senior Officers. In addition a range of Strategic Learning and Development Priorities have been identified and learning is delivered and budgets allocated in accordance with these priorities. They are, Role Related training, Mandatory Training, Leadership & Management Development, Team Development & Core Skills, Further Education and Other.

Causeway Coast and Glens Borough Council are progressing on a consistent and co-ordinated approach to learning and development.

**11. Establishing clear channels of communication with all sections of the community and other stakeholders, ensuring accountability and encouraging open consultation.**

Council consults with various bodies in relation to important strategic or policy development matters. Provisions are in place for communication in various formats and languages if requested.

Council has communicated with citizens and stakeholders by utilising the following methods:-

Community Planning Sessions – Strategic and Local, Establishment of Thematic Working Groups, Community Information events and Public Meetings, Statutory Partner Engagement, Citizen Surveys, Council Strategy, Website and Social Media, Council and Committee Meetings, Improved access to agenda, reports and minutes via website, Press Releases and Public Advertisements, Leaflets and Publications – including e-zine, and the bi-annual publication of the Citizens Newsletter.

Council meetings are open to the press and members of the public, and minutes are published on the Council's website and made available in public libraries and the Council Offices.

Council also received and responded to 722 Requests for Access to Information during 2019/20. The Council had no personal data breach incidents which were referred to the Information Commissioners Office.

### Review of Effectiveness

The Council has responsibility for conducting, at least annually, a review of the effectiveness of its system of internal control. The review of effectiveness is informed by the work of the Senior Managers within Council who have responsibility for the development and maintenance of the governance environment, the Internal Audit's Annual Report, and also by comments made by the external auditors

The Audit Committee includes elected member representatives of the political membership of Council and an Independent Member. Under the terms of reference for the Audit Committee, they are charged with responsibility for ensuring good stewardship of the Council's resources, and committed to making the Council, its working groups and departments more responsive to the audit function.

The Internal Auditor provides an independent opinion on the adequacy and effectiveness of the internal control system. The Internal Auditor forwards draft reports to the relevant Director/Head of Service, for Management comments, and responses. The reports are co-ordinated by the Internal Auditor and then issued in their final format, presented to the Audit Committee initially and then to Council.

The Chief Executive has responsibility for preparing the Annual Governance Statement. In preparing this statement, he has considered the governance framework and system of internal controls in place. The Chief Executive leads the Council's SLT to collectively have involvement in and oversight of the processes involved in maintaining and reviewing the effectiveness of the governance framework. In producing this statement, full regard has been made to the register of interest for both Councillors and employees, reports of the internal and external auditor and the Corporate Risk Register.

The following process has been applied in maintaining and reviewing the effectiveness of the governance framework:

- **The Authority** - a committee structure was in place within Causeway Coast and Glens Borough Council during 2019/20. A Finance Committee was added to the structure during 2019/20 to enhance the review and scrutiny of Council finances.
- **The Executive** – Service and Corporate Risk Registers, Operational Policies and Procedures, Regular Management Meetings and Communication, Internal and External Audit reports, Administrative procedures (including segregation of duties) and Management Supervision.
- **The Audit Committee** – The audit committee is a standing committee of Council, meeting quarterly, with 16 elected members and 1 independent member. All meetings attended by the Director of Corporate Services, relevant officers, Internal Audit and External Audit.
- **Internal Audit** – The Internal Audit function is carried out by a co-sourcing arrangement with an in-house auditor and an independent firm in accordance with Public Sector Internal Audit Standards. It provides assurance and advisory services to assist Council achieve its objectives and improve the effectiveness of internal control, risk management and governance processes. Seven internal audit assignments were carried out in 2019/20, plus a follow up review of the prior years recommendations.
- **other explicit review/assurance mechanisms**  
Health and Safety: Reviews of Health and Safety by professional qualified officers, the Corporate Health and Safety Committee, and various Health and Safety sub committees.

External funding: throughout the year is subject to independent audits from relevant funders i.e. Europe, Government Departments, SEUPB etc.

Local Government Auditor: work carried out by the Local Government Auditor during 2019/20 is also used by the Council as an additional assurance mechanism.

CIPFA: undertook a review of the assumptions surrounding the rates setting process

The Chief Executive has been advised on the implications of the result of the review of the effectiveness of the governance framework by the Audit Committee and a plan to address weaknesses and ensure continuous improvement of the systems is in place.

### The Role of the Chief Financial Officer

The Chief Financial Officer is also the Chief Executive and as such is the key member of the Leadership Team, helping it to develop and implement strategy and to resource and deliver the Council's strategic objectives sustainably and in the public interest.

The Chief Financial Officer is actively involved in, and able to bring influence to bear on, all material business decisions to ensure immediate and longer term implications, opportunities and risks are fully considered, and aligned with the authority's financial strategy.

He leads the promotion and delivery of good financial management so that public money is safeguarded at all times and used appropriately, economically, efficiently and effectively.

Specifically he leads and directs the finance function, and is supported, in so doing, by professionally qualified and suitably experienced staff embedded within the Finance Department.

The Council is satisfied that appropriate financial management arrangements are in place in order to conform with the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2010) as set out in the Application Note to "Delivering Good Governance in Local Government: A Framework".

### Update on Significant Governance Issues that were declared in 2018/19

Seven governance issues were raised for 2018/19 and remain on the Corporate Risk Register for the current year. These included Financial Challenges, ICT systems, "One-Off Projects", Information Governance, Asset Utilisation and Legal Challenges.

A significant governance issue for the Council during 2018/19 was a Judicial Review in relation to a proposed hotel development at Ballyreagh Road, Portstewart. A final Order was made at the High Court on 13th September 2019 to quash the decision of Causeway Coast and Glens Borough Council dated 5th March 2018 in relation to the grant of Planning Permission for a hotel and spa development at Ballyreagh Road, Portstewart.

A complaint was subsequently received from a member of the public in November 2019 in relation to a planning application for the granting of a right of way over public land in Portstewart to a hotel developer for £1. In line with the Council's complaints procedure an independent HR company was employed to investigate the complaints made. The complaint process concluded following the outcome of the Council meeting held on 6th October 2020.

On 30th November the Minister for Communities directed the Local Government Auditor to hold an extraordinary audit of Causeway Coast and Glens Borough Council concentrating on land disposals and easements and related asset management policies and procedures. The Local Government Auditor advised Council the certification of the 19-20 financial statements had been delayed as a consequence of this, and did not make the Statutory deadline.

### Significant Governance Issues in 2019/20

The significant governance issues for 2019/20 were identified through the review of significant risks in the Corporate Risk Register for the year ending 31 March 2020, consideration of significant events, issues arising, internal and external audit reports.

In total, 7 areas across the Council were subject to Internal Audit during the year, with 4 receiving a satisfactory level of assurance, 1 receiving a Call In by Council and 2 receiving a limited assurance rating. The recommendations contained within all of the Internal Audit reports have been accepted by Management and are being implemented during the 2020/2021 year, with a quarterly progress report on prior year recommendations presented to Audit Committee.

The 7 Audit assignments and the assurances given are detailed below.

| Audit Assignment          | Assurance Given |
|---------------------------|-----------------|
| 1. Land & Easement Report | Called In       |
| 2. Waste Services         | Satisfactory    |
| 3. PCSP                   | Satisfactory    |
| 4. Fuel Management        | Limited         |
| 5. Invoicing & Debtors    | Satisfactory    |
| 6. Leisure Services       | Satisfactory    |
| 7. Capital Projects       | Limited         |



Internal Audit also undertook a review of prior year recommendations previously raised by Moore NI. The review found that from a total of 88 prior year recommendations, 39 issues had been addressed, 39 remained outstanding and 10 no response had been received. In total 49 prior year recommendations remain either outstanding or no update was received. These recommendations include high priority points in relation to budgetary control and risk management.

Following the judicial review Internal Audit undertook a piece of work to complete a review in relation to Council Land Easements and Disposals. This audit absorbed a lot of the internal audit resources for the year. Significant weaknesses were highlighted and recommendations for urgent attention were made in this report. This report was called in by Elected Members and the call-in opinion received in August 2020. In addition the Covid-19 outbreak in March resulted in the delay of Internal Audit Reports being finalised which resulted in Internal Audit being unable to complete its planned programme of work for the 2019/20 financial year.

The Annual Internal Audit Report and Annual Assurance Report for 2019/20 was presented to Audit Committee in June 2020. Based on audit work undertaken by Internal Audit during 2019/20, a limited assurance level has been awarded to the achievement of Council's objectives.

Internal Audit will continue to follow up on the legacy Internal Audit recommendations which have not been implemented and review progress made on the implementation of current year recommendations.

In addition to those areas, noted by Internal Audit above, the following governance issues have been identified:

### **1 Finances and Going Concern**

Finance has been identified as a key risk in the corporate risk matrix. The Northern Ireland Audit Office in their audit strategy for 2019-20 have identified the financial position for the Council as a significant audit risk following two years where the Council's gross expenditure exceeded gross income, with an applied balance in 2019-20 resulting in a further reduction in the Council's Reserves.

During the year correspondence was received from the Minister for Communities, requesting further information on a range of concerns raised regarding Finance and Governance issues. Council have provided responses to the Department for Communities.

Prior to the rate setting process a number of cost saving measures were taken to Council to reduce expenditure and significantly increase Council's income generating activities.

Council agreed a budget for 2020-21 year at its Council meeting of February 2020 based on best estimates of expenditure and income at that time. The Covid-19 pandemic could not have been foreseen to this extent and was not therefore factored into the budgets agreed by Council.

SLT have commenced a detailed review of Council's budgets for the 2020-21 year. The Council has engaged with Central government seeking financial support. Budgets have been reviewed and significant steps taken to reduce expenditure, to maximise any available cost savings and income generating opportunities. Management Accounts has been noted in the Northern Ireland Audit Office Report to those charged with Governance as a priority 2 management letter point in terms of timescales, accuracy, detail and narrative.

### **2 Covid-19**

On 16th March 2020, the UK Government announced its response to the Covid-19 outbreak. The advice on social distancing was to stop non-essential contact with others and to stop all unnecessary travel. At the time, Emergency Planning review was focused on the Council's response to Covid-19. The Corporate Risk Register was scrutinised with a specific focus on the impact of Covid-19.

Covid-19 has impacted on the Council's finances to date with the enforced closure of Leisure and Tourism facilities which has resulted in significant income losses. Additional costs have also been incurred in relation to the Covid-19 response such as the purchase of PPE, specialist cleaning materials, ICT equipment to facilitate working from home, adaptation of vehicles etc.

SLT anticipate that budgets will require continual monitoring and revision throughout the 2020-21 financial year. Finance has prepared a detailed cashflow and reviewed by SLT and with the Chief Executive to provide assurance as to Council's ability to continue as a going concern. The impact of Covid-19 will remain the key focus for the Council as we work to recover from the pandemic throughout the Borough.

A recovery plan has been prepared by the Leisure and Development directorate and was taken to an L & D workshop in July and subsequently to full Council in August 2020. Council will continue to address new regulatory requirements related to the pandemic and provide assistance in government assisted programs.

**3 Information and Communications Technology (ICT).**

With the Covid-19 pandemic resulting in a large-scale remote working and controls may not have been designed for the changed ways of working. There may be an increased security threat to the ICT systems from more sophisticated hacking and viruses, with security to information assets an increasing concern.

ICT are taking action to mitigate any increase security risk and are working on the roll out of a cloud-based services for a trial number of users within the Council.

**4 Fraud and Raising Concerns.**

In the reporting period, the Council received a number of whistleblowing concerns and complaints which have been reported to the Audit Committee and are being fully investigated by both Internal Audit and external consultancy firms. The Councils whistleblowing policy will be revised and updated in line with the Northern Ireland Audit Office raising concerns guide for the Northern Ireland public sector in the financial year.

In managing the risk of Fraud and Corruption (2014) the Council has adopted a fraud response plan that is appropriate for its fraud and corruption risk and remains committed to maintaining its vigilance to tackle fraud.

**5 Extraordinary Audit**

On 30 November 2020, the Minister for Communities advised the Council that in line with Article 22 of the Local Government (Northern Ireland) Order 2005, she had directed the Local Government Auditor to undertake an extraordinary audit of the accounts of Causeway Coast and Glens Borough Council concentrating on land disposals and easements and related asset management policies and procedures. This audit is on-going.

We propose over the coming year to take steps to address the above matters to further enhance our governance arrangements. We are satisfied that these steps will address the need for improvements that were identified in our review of effectiveness and will monitor their implementation and operation as part of our next annual review.

**Signed**

Clerk and Chief Executive  
Causeway Coast and Glens Borough Council

Date : 29th June 2021

**Signed**

Chair of the Council  
Causeway Coast and Glens Borough Council

Date : 29th June 2021

On behalf of the Audit Committee and by the Chief Executive



**Certificate of the Chief Financial Officer**

I certify that:

- (a) the Statement of Accounts for the year ended 31 March 2020 on pages 29 to 84 has been prepared in the form directed by the Department for Communities and under the accounting policies set out on pages 33 to 46.
- (b) in my opinion the Statement of Accounts gives a true and fair view of the income and expenditure and cash flows for the financial year and the financial position as at the end of the financial year ending 31st March 2020.



**David Jackson**  
**Chief Financial Officer**



Date : 29th June 2021

**Council Approval of Statement of Accounts**

These accounts were approved by resolution of the Council on 29th June 2021



**Richard Holmes**  
**Chair of the Council and Mayor**



Date : 29th June 2021

**Remuneration Report For The Year Ended 31st March 2020****Introduction**

The Local Government (Accounts and Audit) Regulations (Northern Ireland) 2015 require larger local government bodies to prepare a remuneration report as part of the statement of accounts.

**Allowance And Remuneration Arrangements****Councillors**

Allowances are payable by councils to councillors and committee members under Part 3 of the Local Government Finance Act (Northern Ireland) 2011 and The Local Government (Payments to Councillors) Regulations (Northern Ireland) 2012, which came into operation on 1 April 2012.

Guidance and determinations on Councillors' Allowances applicable from 1 April 2019 were issued by the Department for Communities on 6 March 2019 (Circular LG 07/2019). Details of the allowances paid to individual councillors are published on council websites.

Following local elections on 2nd May 2019, 819 candidates contested 462 seats across Northern Ireland's 11 local government districts. CCAG had 40 councillors in 2019/20.

**Senior Employees**

The remuneration of senior employees employed by the Council is determined by the Council in line with that determined by the National Joint Council (NJC) for Local Government Services. Senior employees are those staff who are members of the Executive Management Team/Strategic Leadership Team.

Council appointments of employees are made in accordance with the Local Government Staff Commissions' Code of Procedures on Recruitment and Selection, which requires appointment to be on merit and on the basis of fair and open competition.

Unless otherwise stated below, the officials covered by this report hold appointments which are open-ended.

**Allowances Paid To Councillors**

The total amount paid to Councillors by way of allowances in 2019/20, under Part 3 of the Local Government Finance Act (Northern Ireland) 2011 and the Local Government (Payments to Councillors) Regulations (Northern Ireland) 2012 was:

**Table 1: Total Allowances paid to councillors in 2019/20 (audited information)**

| Allowance Type  | 2019/20        |            | 2018/19          |            |
|---|----------------|------------|------------------|------------|
|   | Total          | Councillor | Total Allowances | Councillor |
|   | £              | Nos        | £                | Nos        |
| Basic Allowance   | 602,761        | 40         | 589,765          | 40         |
| Special Responsibility Allowances                         | 29,469         | 19         | 28,804           | 19         |
| Mayor's Allowance   | 12,000         | 1          | 12,000           | 1          |
| Deputy Mayor's Allowance                                  | 4,500          | 1          | 5,000            | 1          |
| Dependents' carers allowance                              | 3,055          | 2          | 605              | 1          |
| Mileage   | 35,730         | 33         | 45,125           | 26         |
| Public Transport and Other Travel Incidentals             | 0              | 0          | 1,590            | 11         |
| Subsistence (including accommodation)                     | 0              | 0          | 3,581            | 10         |
| Courses/ Conferences Visits (registration & joining fees) | 5,346          | 0          | 9,064            | 0          |
| <b>Total Allowances</b>                                   | <b>692,861</b> |            | <b>695,534</b>   |            |

Details of the allowances paid to individual councillors in 2019/20 are published on the council website at:  
[https://www.causewaycoastandglens.gov.uk/uploads/policies/Councillors\\_Allowances\\_2019\\_2020.pdf](https://www.causewaycoastandglens.gov.uk/uploads/policies/Councillors_Allowances_2019_2020.pdf)

Gay Ireland is an Independent Member of the Audit Committee. The role is to help promote the highest standards in the financial management of the Council and thereby ensure the accountability of public funds. Payments of £200 and travel costs of £68.90 per meeting were made during the year - totalling £1,344.50.

**Remuneration Of Senior Employees**

The remuneration of senior employees covers the Strategic Leadership Team. The following table provides details of the remuneration paid to senior employees in 2019/20:

**Table 2: Remuneration of Senior Employees (audited information)**

| Officers  | 2019/20       |                |                  |               | 2018/19       |                |                  |               |
|---|---------------|----------------|------------------|---------------|---------------|----------------|------------------|---------------|
|   | Salary        | Bonus Payments | Benefits in Kind | Total         | Salary        | Bonus Payments | Benefits in Kind | Total         |
|   | £'000's       | £'000's        | nearest £100     | £'000's       | £'000's       | £'000's        | nearest £100     | £'000's       |
| Chief Executive<br><i>Mr D Jackson</i>                    | 115 to<br>120 | 0              | 0                | 115 to<br>120 | 115 to<br>120 | 0              | 0                | 115 to<br>120 |
| Director of Corporate Services<br><i>Mrs M Quinn</i>      | 90 to<br>95   | 0              | 0                | 90 to<br>95   | 85 to<br>90   | 0              | 0                | 85 to<br>90   |
| Director of Leisure and Development<br><i>Mr R Baker</i>  | 85 to<br>90   | 0              | 0                | 85 to<br>90   | 80 to<br>85   | 0              | 0                | 80 to<br>85   |
| Director of Environmental Services<br><i>Mr A McPeake</i> | 85 to<br>90   | 0              | 0                | 85 to<br>90   | 80 to<br>85   | 0              | 0                | 80 to<br>85   |

Councils are required to disclose the relationship between the remuneration of the highest paid member of the Strategic Leadership Team and the median remuneration of the Councils workforce.

**Table 3: Relationship between the remuneration of the highest paid member of the Executive Management Team/Strategic Leadership Team and the median remuneration of the Councils workforce (audited information)**

|                           | 2019/20 | 2019/20 | 2018/19 | 2018/19 |
|---------------------------|---------|---------|---------|---------|
|                           | £       | Ratio   | £       | Ratio   |
| Median Total Remuneration | 24,178  | 4.80    | 23,772  | 4.91    |

In 2019/20, and 2018/19, no employee received remuneration in excess of the highest paid member of the Strategic Leadership Team.

Total remuneration includes salary, bonus payments and benefits in kind.

**Salary**

"Salary" includes gross salary, overtime, and any ex gratia payments

**Bonus Payments**

Bonus payments are based on performance levels attained and are made as part of the appraisal process. Bonuses relate to the performance in the year in which they become payable to the individual. There were no bonuses paid in 2019/20.

**Benefits in Kind**

The monetary value of benefits in kind covers any benefits provided by the employer and treated by HM Revenue and Customs as a taxable emolument. There were no benefits in kind paid in 2019/20.

**Exit Packages for staff**

The number of exit packages provided to all staff by the Council during 2019/20 together with total cost per band and total cost of the compulsory and other redundancies are set out in the table below:

Table 4: Exit Packages in 2019/20 (audited information)

| Severance Package Cost Band | 2019/20      |                   | 2018/19      |                   |
|-----------------------------|--------------|-------------------|--------------|-------------------|
|                             | Compulsory   | Other             | Compulsory   | Other             |
|                             | Redundancies | departures agreed | Redundancies | departures agreed |
|                             | No           | No                | No           | No                |
| £0 to £20,000               | 0            | 14                | 14           | 2                 |
| £20,001 to £40,000          | 0            | 5                 | 5            | 1                 |
| £40,001 to £60,000          | 0            | 1                 | 1            | 0                 |
| £60,001 to £80,000          | 0            | 0                 | 0            | 0                 |
| £80,001 to £100,000         | 0            | 1                 | 1            | 0                 |
| £100,001 to £150,000        | 0            | 5                 | 5            | 0                 |
| £150,001 to £200,000        | 0            | 7                 | 7            | 1                 |
| £200,001 to £250,000        | 0            | 1                 | 1            | 0                 |
| <b>Totals</b>               | <b>0</b>     | <b>34</b>         | <b>34</b>    | <b>4</b>          |

### Pension Benefits

The Local Government Pension Scheme (Northern Ireland) (the Scheme) which is a funded defined benefit pension scheme, which provides retirement benefits for council employees on a "career average revalued earnings" basis from 1 April 2015. Prior to that date benefits were built up on a "final salary" basis.

From 1 April 2015, a member builds up retirement pension at the rate of 1/49th pensionable pay for each year. Pension benefits in relation to membership between 1 April 2009 and 31 March 2015 were built up at the rate of 1/60th pensionable pay for each year of membership. There is no automatic lump sum provided in respect of membership after 31 March 2009. Pension benefits in relation to any membership before 1 April 2009 were built up at the rate of 1/80th (pension) and 3/80ths (tax-free lump sum) of pensionable pay for each year of membership up to 31 March 2009. At retirement, members may give up some pension for additional lump sum, subject to HM Revenue and Customs (HMRC) limits. The conversion rate is £12 additional lump sum for every £1 of pension given up.

Councillors have been able to join the Scheme since May 2011. The Scheme application is modified to reflect the fact that Councillors hold an elected office. Councillor members have always accrued pension on a career average basis. Prior to 1 April 2015 pension was accrued at a rate of 1/60th and thereafter at a rate of 1/49th.

The Scheme is funded by contributions made by employees, Councillors and Council. Prior to 1 April 2009, a member's contribution rates were fixed at 6% of their pensionable remuneration (except for those who were entitled to contribute to the Scheme at 5% before 1 February 2003 and have remained in continuous employment). Tiered member contribution rates, determined by the whole-time equivalent rate of pay, were introduced from 1 April 2009. From 1 April 2015, the member contribution rates are determined on the The ranges for the bands for tiered contribution rates are revised by the Department for Communities in April each year in accordance with the increase applied to a pension in payment. The bands, effective from 1 April 2019, were as follows:

Table 5: Employee Contribution Rates

| Band | Salary Range      | Employee Contribution Rate |
|------|-------------------|----------------------------|
|      | £                 | %                          |
| 1    | £0 - £14,800      | 5.50%                      |
| 2    | £14,801 - £22,600 | 5.80%                      |
| 3    | £22,601 - £37,700 | 6.50%                      |
| 4    | £37,701 - £45,700 | 6.80%                      |
| 5    | £45,701 - £90,400 | 8.50%                      |
| 6    | More than £90,400 | 10.50%                     |

Employers' contribution rates are determined by the Fund's actuary every three years at the triennial valuation. A formal triennial actuarial valuation of the Fund as at 31 March 2019 was carried out in 2018/19 and set the employer contribution rates for the 3 years commencing 1 April 2020 as follows:

**Table 6: Employer Contribution Rates**

| Year                         | Employer Contribution Rate               |
|------------------------------|--|
|                              | %  |
| 1 April 2020 - 31 March 2021 | 19.7% + 2% deficit recovery contribution |
| 1 April 2021 - 31 March 2022 | 19.7% + 2% deficit recovery contribution |
| 1 April 2022 - 31 March 2023 | 19.7% + 2% deficit recovery contribution |

An additional annual lump sum amounting to £277,100 was also paid to the NILGOSC pension scheme in respect of recovery.

The Local Government Pension Scheme Regulations (Northern Ireland) 2014 were made on 27 June 2014 and The Local Government Pension Scheme (Amendment and Transitional Provisions) Regulations (Northern Ireland) 2014 were made on 30 June 2014. Both sets of regulations were effective from 1 April 2015.

Councillors have only been able to join the Scheme since May 2011 and therefore have not accrued significant benefits thus far. However, the in-year pension contributions made by the Council for all councillors during 2019/20 was £116,021 (2018/2019- £100,541).

The value of pension benefits of the most senior management of the Council accrued during the year was as follows:

**Table 7: Pension Benefits of senior staff in 2019/20 (audited information)**

| Officers  | Accrued Pension at Pension age as at 31/03/2020 and related lump sum<br>£'000's | Real increase in pension and related lump sum at pension age<br>£'000's | CETV<br>31/03/2020<br>£'000's | CETV<br>31/03/2019<br>£'000's | Real Increase in<br>CETV<br>£'000's |
|---|---|---|-------------------------------|-------------------------------|-------------------------------------|
| Chief Executive<br><i>Mr D Jackson</i>                    | 20 to 25<br>plus Lump<br>Sum 0  | 0 to 2.5<br>Plus Lump<br>Sum 0  | 299                           | 259                           | 23                                  |
| Director of Corporate Services<br><i>Mrs M Quinn</i>      | 25 to 30<br>plus Lump<br>Sum 30 to<br>35  | 0 to 2.5<br>Plus Lump<br>Sum 0 to 2.5                                   | 414                           | 376                           | 22                                  |
| Director of Leisure & Development<br><i>Mr R Baker</i>    | 30 to 35<br>Plus Lump<br>Sum 0  | 0 to 2.5<br>Plus Lump<br>Sum 0  | 442                           | 403                           | 24                                  |
| Director of Environmental Services<br><i>Mr A McPeake</i> | 30 to 35<br>Plus Lump<br>Sum 35 to<br>40  | 0 to 2.5<br>Plus Lump<br>Sum 0 to 2.5                                   | 381                           | 347                           | 21                                  |

**The Cash Equivalent Transfer Value (CETV)**

This 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. It 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 pension benefits they have 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. CETVs are calculated in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

**The real increase in the value of the 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.



**David Jackson**  
Chief Financial Officer

Date : 29th June 2021

**Independent Auditor's Report to the Members of the Causeway Coast and Borough Glens Borough Council****Opinion on Financial Statements**

I have audited the financial statements of the Causeway Coast and Glens Borough Council for the year ended 31st March 2020 under the Local Government (Northern Ireland) Order 2005. The financial statements comprise the Movement in Reserves Statement, Comprehensive Income and Expenditure Statement, Balance Sheet, Cash Flow Statement, and the related notes including significant accounting policies. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

In my opinion the financial statements:

- give a true and fair view, in accordance with relevant legal and statutory requirements and the Code of Practice on Local Authority Accounting in the United Kingdom 2019-20, of the financial position of the Causeway Coast and Glens Borough Council as at 31 March 2020 and its income and expenditure for the year then ended; and
- have been properly prepared in accordance with the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2015 and the Department for Communities' directions issued thereunder.

**Basis of opinion**

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs). 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 Causeway Coast and Glens Borough Council in accordance with the ethical requirements of the Financial Reporting Council's Revised Ethical Standard 2016, 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 opinion.

**Conclusions relating to going concern**

I have nothing to report in respect of the following matters in relation to which the ISAs(UK) require me to report to you where:

- Causeway Coast and Glens Borough Council's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- Causeway Coast and Glens Borough Council have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about Causeway Coast and Glens Borough Council's ability to continue to adopt the going concern basis.

**Other Information**

The Chief Financial Officer is responsible for the other information included in the Statement of Accounts. The other information comprises the information included in the Statement of Accounts other than the financial statements, the parts of the Remuneration Report described in the report as having been audited, and my audit certificate and report. My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, 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, 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:

- the part of the Remuneration Report to be audited has been properly prepared in accordance with the Department for Communities' directions made under the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2015; and
- the information given in the Statement of Accounts for the financial year ended 31 March 2020 is consistent with the financial statements.

**Responsibilities of the Chief Financial Officer for the financial statements**

As explained more fully in the Statement of Council's and Chief Financial Officer's Responsibilities, the Chief Financial Officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view of the income and expenditure and cash flows for the financial year and the financial position as at the end of the financial year.

**Auditor's responsibilities for the audit of the financial statements**

My responsibility is to audit the financial statements in accordance with the Local Government (Northern Ireland) Order 2005 and the Local Government Code of Audit Practice.

My objectives are to obtain evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. 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.

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](http://www.frc.org.uk/auditorsresponsibilities)

This description forms part of my certificate.

This report is made solely to the Members of the Causeway Coast and Glens Borough Council in accordance with the Local Government (Northern Ireland) Order 2005 and for no other purpose, as specified in the Statement of Responsibilities of the Local Government Auditor and Local Government Bodies.

**Matters on which I report by exception**

I have nothing to report in respect of the following matters which I report to you if:

- o in my opinion
- the Annual Governance Statement
  - o does not reflect compliance with the Code of Practice on Local Authority Accounting in the United Kingdom 2019-20;
  - o does not comply with proper practices specified by the Department for Communities;
  - o is misleading or inconsistent with other information I am aware of from my audit; or
- adequate accounting records have not been kept; or
- the Statement of Accounts and the part of the Remuneration Report to be audited are not in agreement with the accounting records; or
- I have not received all of the information and explanations I require for my audit, or
- I issue a report in the public interest under Article 9 of the Local Government (Northern Ireland) Order 2005; or
- I designate under Article 12 of the Local Government (Northern Ireland) Order 2005 any recommendation made to the Council; or
- I exercise the other special powers of the auditor under Article 19 to 21 of the Local Government (Northern Ireland) Order 2005.

**Certificate**

I certify that I have completed the audit of the accounts of Causeway Coast and Glens Borough Council in accordance with the requirements of the Local Government (Northern Ireland) Order 2005 and the Local Government Code of Audit Practice.

On 30 November 2020, in line with Article 22 of the Local Government (Northern Ireland) Order 2005, the Minister for Communities directed me to undertake an extraordinary audit of the accounts of Causeway Coast and Glens Borough Council concentrating on land disposals and easements and related assessment management policies and procedures. This audit is on-going.



Colette Kane  
Local Government Auditor  
Northern Ireland Audit Office  
106 University Street  
Belfast  
BT7 1EU  
Date: 26th July 2021

## Core Financial Statements

## The Movement in Reserves Statement (MIRS)

|  |               | General Fund<br>Summary<br>£'000's | Other Fund<br>Balances &<br>Reserves<br>£'000's | Capital<br>Receipts<br>Reserve<br>£'000's | Total Usable<br>Reserves<br>£'000's | Total<br>Unusable<br>Reserves<br>£'000's | Total Council<br>Reserves<br>£'000's |
|--|---------------|------------------------------------|---|---|-------------------------------------|--|--------------------------------------|
| <b>At 31 March 2018</b>  |               | <b>6,642</b>                       | <b>5,191</b>                                    | <b>0</b>                                  | <b>11,833</b>                       | <b>93,948</b>                            | <b>105,781</b>                       |
| Prior Year Adjustment  | 3c            | 0                                  | 0   | 0   | 0                                   | (2,163)                                  | (2,163)                              |
| <b>At 31 March 2018 as restated</b>                                  |               | <b>6,642</b>                       | <b>5,191</b>                                    | <b>0</b>                                  | <b>11,833</b>                       | <b>91,785</b>                            | <b>103,618</b>                       |
| <b>Movement in reserves during the year</b>                          |               |                                    |   |   |                                     |  |                                      |
| (Deficit) on the provision of services                               | CIES          | (12,100)                           | 0   | 0   | (12,100)                            | 0  | (12,100)                             |
| Other Comprehensive Income and Expenditure                           | CIES          | 0                                  | 0   | 0   | 0                                   | 9,617                                    | 9,617                                |
| <b>Total Comprehensive Income and Expenditure</b>                    |               | <b>(12,100)</b>                    | <b>0</b>  | <b>0</b>                                  | <b>(12,100)</b>                     | <b>9,617</b>                             | <b>(2,483)</b>                       |
| Adjustments between accounting basis & funding under regulations     | 3c / 26       | 9,475                              | 0   | 19  | 9,494                               | (9,494)                                  | 0                                    |
| <b>Net increase before transfers to Statutory and Other Reserves</b> |               | <b>(2,625)</b>                     | <b>0</b>  | <b>19</b>                                 | <b>(2,606)</b>                      | <b>123</b>                               | <b>(2,483)</b>                       |
| Transfers (to) / from Statutory and Other Reserves                   | 3a / 26       | (255)                              | 255   | (19)                                      | (19)                                | 19                                       | 0                                    |
| <b>Increase / (decrease) in year</b>                                 | <b>2a / 3</b> | <b>(2,880)</b>                     | <b>255</b>                                      | <b>0</b>                                  | <b>(2,625)</b>                      | <b>142</b>                               | <b>(2,483)</b>                       |
| <b>At 31 March 2019</b>  | <b>BS</b>     | <b>3,762</b>                       | <b>5,446</b>                                    | <b>0</b>                                  | <b>9,208</b>                        | <b>91,927</b>                            | <b>101,135</b>                       |
| (Deficit) on the provision of services                               | CIES          | (10,813)                           | 0   | 0   | (10,813)                            | 0  | (10,813)                             |
| Other Comprehensive Income and Expenditure                           | CIES          | 0                                  | 0   | 0   | 0                                   | 9,363                                    | 9,363                                |
| <b>Total Comprehensive Income and Expenditure</b>                    |               | <b>(10,813)</b>                    | <b>0</b>  | <b>0</b>                                  | <b>(10,813)</b>                     | <b>9,363</b>                             | <b>(1,450)</b>                       |
| Adjustments between accounting basis & funding under regulations     | 3b / 26       | 9,333                              | 0   | 83  | 9,416                               | (9,416)                                  | 0                                    |
| <b>Net decrease before transfers to Statutory and Other Reserves</b> |               | <b>(1,480)</b>                     | <b>0</b>  | <b>83</b>                                 | <b>(1,397)</b>                      | <b>(53)</b>                              | <b>(1,450)</b>                       |
| Transfers (to) / from Statutory and Other Reserves                   | 3a / 26       | 1,488                              | 71  | (83)                                      | 1,476                               | (1,476)                                  | 0                                    |
| <b>Increase / (decrease) in year</b>                                 | <b>2a / 3</b> | <b>8</b>                           | <b>71</b>                                       | <b>0</b>                                  | <b>79</b>                           | <b>(1,529)</b>                           | <b>(1,450)</b>                       |
| <b>At 31 March 2020</b>  | <b>BS</b>     | <b>3,770</b>                       | <b>5,517</b>                                    | <b>0</b>                                  | <b>9,287</b>                        | <b>90,398</b>                            | <b>99,685</b>                        |

Prior year figures have been restated to reflect the removal of 2 fixed assets from previous financial statements – the Performance Section and Fixed Asset Note 11 refer.



## Core Financial Statements

## The Comprehensive Income and Expenditure Statement (CIES)

|  | Notes                 | 2019/20                      |                         |                            |                              | 2018/19 as restated     |                            |
|--|-----------------------|------------------------------|-------------------------|----------------------------|------------------------------|-------------------------|----------------------------|
|  |                       | Gross Expenditure<br>£'000's | Gross Income<br>£'000's | Net Expenditure<br>£'000's | Gross Expenditure<br>£'000's | Gross Income<br>£'000's | Net Expenditure<br>£'000's |
| <b>Service Expenditure</b>                             |                       |                              |                         |                            |                              |                         |                            |
| Leisure and Development                                | 4a/4b                 | 25,224                       | 9,764                   | 15,460                     | 25,004                       | 10,055                  | 14,949                     |
| Environmental Services                                 | 4a/4b                 | 37,057                       | 5,295                   | 31,762                     | 31,964                       | 4,671                   | 27,293                     |
| Corporate Policy and Resources                         | 4a/4b                 | 13,638                       | 509                     | 13,129                     | 13,926                       | 429                     | 13,497                     |
| Planning   | 4a/4b                 | 2,268                        | 1,509                   | 759                        | 2,078                        | 1,468                   | 610                        |
| <b>Cost of Services on Continuing Operations</b>       | <b>4a/4b &amp; 30</b> | <b>78,187</b>                | <b>17,077</b>           | <b>61,110</b>              | <b>72,972</b>                | <b>16,623</b>           | <b>56,349</b>              |
| Other Operating Expenditure                            | 8                     | 0                            | 80                      | (80)                       | (6)                          | 0                       | (6)                        |
| Financing and Investment Income and Expenditure        | 9                     | 3,907                        | 642                     | 3,265                      | 5,056                        | 625                     | 4,431                      |
| <b>Net Operating Expenditure</b>                       |                       | <b>82,094</b>                | <b>17,799</b>           | <b>64,295</b>              | <b>78,022</b>                | <b>17,248</b>           | <b>60,774</b>              |
| Taxation and Non-Specific Grant Income                 | 10                    | 0                            | 53,482                  | (53,482)                   | 0                            | 48,674                  | (48,674)                   |
| <b>Deficit on the Provision of Services</b>            |                       | <b>82,094</b>                | <b>71,281</b>           | <b>(10,813)</b>            | <b>78,022</b>                | <b>65,922</b>           | <b>(12,100)</b>            |
| Surplus/(Deficit) on revaluation of non-current assets | 11c                   |                              |                         | 11,462                     |                              |                         | 6,199                      |
| Remeasurements of the Net Defined Benefit Liability    | 21b                   |                              |                         | (2,099)                    |                              |                         | 3,418                      |
| <b>Other Comprehensive Income and Expenditure</b>      |                       |                              |                         | <b>9,363</b>               |                              |                         | <b>9,617</b>               |
| <b>Total Comprehensive Income and Expenditure</b>      |                       |                              |                         | <b>(1,450)</b>             |                              |                         | <b>(2,483)</b>             |

## Core Financial Statements

## The Balance Sheet (BS)

|   | Note      | 2019/20        | 2018/19 as<br>restated |
|---|-----------|----------------|------------------------|
|   |           | £'000's        | £'000's                |
| Property, Plant and Equipment           | 11a / 11b | 220,212        | 211,428                |
| Investment Property                     | 11a / 11b | 8,105          | 10,253                 |
| Intangibles                             | 11a / 11b | 95             | 34                     |
| Long Term Debtors                       | 12a       | 1,047          | 1,126                  |
| <b>LONG TERM ASSETS</b>                 |           | <b>229,459</b> | <b>222,841</b>         |
| Inventories                             | 14        | 175            | 178                    |
| Short Term Debtors                      | 12b       | 5,952          | 5,887                  |
| Cash and Cash Equivalents               | 25c       | 5,685          | 11,576                 |
| <b>CURRENT ASSETS</b>                   |           | <b>11,812</b>  | <b>17,641</b>          |
| Short Term Borrowing                    | 15a       | 5,205          | 5,020                  |
| Short Term Creditors                    | 18a       | 8,855          | 10,403                 |
| Short Term Provisions                   | 19a/b     | 0              | 0                      |
| <b>CURRENT LIABILITIES</b>              |           | <b>14,060</b>  | <b>15,423</b>          |
| Long Term Provisions                    | 19a/b     | 13,154         | 15,021                 |
| Long Term Borrowing                     | 15b       | 66,922         | 66,168                 |
| Other Long Term Liabilities             | 21c       | 46,475         | 39,914                 |
| Donated Assets Account                  | 22        | 81             | 109                    |
| Capital Grants Receipts in Advance      | 23        | 894            | 2,712                  |
| <b>LONG TERM LIABILITIES</b>            |           | <b>127,526</b> | <b>123,924</b>         |
| <b>NET ASSETS</b>                       |           | <b>99,685</b>  | <b>101,135</b>         |
| Capital Receipts Reserve                | 26        | 0              | 0                      |
| General Fund                            | 2a        | 3,770          | 3,762                  |
| Earmarked Reserves                      | 3a        | 5,517          | 5,446                  |
| <b>USABLE RESERVES</b>                  |           | <b>9,287</b>   | <b>9,208</b>           |
| Capital Adjustment Account              | 3b / 3c   | 53,982         | 60,526                 |
| Revaluation Reserve                     | 3b / 3c   | 79,933         | 69,674                 |
| Investment Property Revaluation Reserve | 3b / 3c   | 7,151          | 6,144                  |
| Pension Reserve                         | 3b / 3c   | (46,475)       | (39,914)               |
| Accumulated Absences Account            | 3b / 3c   | (476)          | (448)                  |
| Provisions Discount Rate Reserve        | 3b / 3c   | (772)          | (965)                  |
| Landfill Regulations Reserve            | 3b / 3c   | (2,945)        | (3,090)                |
| <b>UNUSABLE RESERVES</b>                |           | <b>90,398</b>  | <b>91,927</b>          |
| <b>NET WORTH</b>                        |           | <b>99,685</b>  | <b>101,135</b>         |

## Core Financial Statements

## The Cashflow Statement (CF)

|  | Note       | 2019/20<br>£'000's | 2018/19 as<br>restated<br>£'000's |
|--|------------|--------------------|-----------------------------------|
| Net Deficit on the Provision of Services   | CIES       | (10,813)           | (12,100)                          |
| Adjustment for non-cash movements  | 25a        | 16,576             | 16,451                            |
| Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing activities | 25b        | (5,472)            | 5                                 |
| <b>Net cash flows from operating activities</b>  |            | <b>291</b>         | <b>4,356</b>                      |
| Cash flows from Investing Activities   | 25e        | (7,121)            | (6,161)                           |
| Net Cash flows from Financing Activities   | 25f        | 939                | 2,099                             |
| <b>Net increase or decrease in cash and cash equivalents</b>   |            | <b>(5,891)</b>     | <b>294</b>                        |
| Cash and cash equivalents at the beginning of the reporting period   | 25c        | 11,576             | 11,282                            |
| <b>Cash and cash equivalents at the end of the reporting period</b>  | <b>25c</b> | <b>5,685</b>       | <b>11,576</b>                     |

**1 a Accounting Policies**

The preceding accounts have been prepared in accordance with the accounting policies set out below.

**General Principles**

The Statement of Accounts summarises the Council's transactions for the 2019/20 financial year and its position at the year-end of 31 March 2020. The Council is required to prepare an annual Statement of Accounts in a form directed by the Department for Communities in accordance with regulations 3 (7) and 8 in the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2015 in accordance with proper accounting practices.

These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2019/20 supported by International Financial Reporting Standards (IFRS). The accounting convention adopted in the Statement of Accounts is principally historical cost, modified by the revaluation of certain categories of non-current assets and financial instruments. The Code of Practice on Local Authority Accounting in the United Kingdom 2019/20 also requires disclosure in respect of the accounting policies set out below:

**Summary of Significant Accounting Policies****i) Accruals of Income and Expenditure**

Revenue from the sale of goods is recognised when the Council transfers the significant risks and rewards of ownership to the purchaser and it is probable that economic benefits or service potential associated with the transaction will flow to the Council.

Revenue from the provision of services is recognised when the Council can measure reliably the percentage of completion of the transaction and it is probable that economic benefits or service potential associated with the transaction will flow to the Council.

Penalty Charge Notice (PCN) income is recognised upon receipt of payment.

Royalties due from gas extraction are paid a year in arrears from metered outflows. Current year royalties are estimated on the basis of prior year receipts. Council does not offset estimated royalties from gas extraction against future discounted outflows in determining landfill provisions on the basis of prudence.

Supplies are recorded as expenditure when they are consumed – where there is a gap between the date supplies are received and their consumption, they are carried as inventories on the Balance Sheet.

Expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made.

Interest payable on borrowings and receivable on investments is accounted for on the basis of the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract.

Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where it is doubtful that debts will be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.

**ii) Cash and Cash Equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value. In the Cash Flow Statement, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Council's cash management.

**iii) Contingent Assets**

A contingent asset arises where an event has taken place that gives the Council a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Council. Contingent assets are not recognised in the Balance Sheet but disclosed in a note to the accounts where it is probable that there will be an inflow of economic benefits or service potential.

iv) **Contingent Liabilities**

A contingent liability arises where an event has taken place that gives the Council a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Council. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably. Contingent liabilities are not recognised in the Balance Sheet but disclosed in a note to the accounts.

v) **Employee Benefits**

Short-term employee benefits are those due to be settled within 12 months of the year-end. They include such benefits as wages and salaries, paid annual leave and paid sick leave, bonuses and non-monetary benefits (e.g. cars) for current employees, and are recognised as an expense in the year in which employees render service to the Council. An accrual is made for the cost of holiday entitlements earned by employees but not taken before the year-end and which employees can carry forward into the next financial year.

**Termination benefits**

Termination benefits are amounts payable as a result of a decision by the Council to terminate an officer's employment before the normal retirement date or an officer's decision to accept voluntary redundancy and are charged on an accruals basis to the Non Distributed Costs line in the Comprehensive Income and Expenditure Statement at the earlier of:

- a) when the offer cannot be withdrawn or
- b) when the related restructuring costs are incurred.

Where termination benefits involve the enhancement of pensions, statutory provisions require the General Fund balance to be charged with the amount payable by the Council to the pension fund or pensioner in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, appropriations are required to and from the Pensions Reserve to remove the notional debits and credits for pension enhancement termination benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end.

**Post Employment Benefits**

Employees of the Council are members of the Northern Ireland Local Government Officers' Pension Fund administered by the Northern Ireland Local Government Officers' Superannuation Committee. The scheme provides defined benefits to members (retirement lump sums and pensions), earned as employees worked for the Council.

**The Northern Ireland Local Government Officers' Pension Fund**

The Northern Ireland Local Government Officers' Pension Fund is accounted for as a defined benefits scheme.

The liabilities of the Northern Ireland Local Government Officers' Pension Fund attributable to the Council are included in the Balance Sheet on an actuarial basis using the projected unit method – i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates, etc., and projections of projected earnings for current employees.

Liabilities are discounted to their value at current prices, using a discount rate based on the Aon Hewitt GBP Select AA Curve using the duration of the Council's liabilities. The curve is derived as follows:

- The corporate curve is composed of an underlying swap curve plus a credit spread curve. The credit spread curve is fitted from all prices on iBoxx bonds.
- Aon Hewitt receive data from iBoxx and use all corporate bonds from the UK market, which have an average rating of AA from the three ratings agencies (Moody's, S&P and Fitch). The corporate yield curve is made by adding a credit spread curve to the standard Aon Hewitt swap curve.

The assets of the Northern Ireland Local Government Officers' pension fund attributable to the Council are included in the Balance Sheet at their fair value:

- quoted securities – current bid price
- unquoted securities – professional estimate
- property – market value
- unitised securities – current bid price

The change in the net pensions liability is analysed into eight components:

***Within the Cost of Services***

**Current Service Cost** – the increase in the present value of the defined benefit obligation (liabilities) resulting from employee service in the current period.

**Past Service Cost** – (where applicable) the change in the present value of the defined benefit obligation for employee service in prior periods, resulting from a plan amendment (the introduction or withdrawal of, or changes to, a defined benefit plan) or a curtailment (a significant reduction in the number of employees covered by the plan).

**Any Gains or Losses on Settlement** – (where applicable) arising where a council enters into a transaction that eliminates all further legal or constructive obligations for part or all of the benefits provided under a defined benefit plan.

***Within Financing and Investment Income and Expenditure***

**Net Interest on the Net Defined Benefit Liability (Asset)** – the change in the net defined benefit liability (asset) that arises from the passage of time,

***Within Other Comprehensive Income and Expenditure (Remeasurements)***

**The Return on Plan Assets** - excluding amounts recognised in the Net Interest on the Net Defined Benefit Liability (Asset). This includes interest, dividends and other income derived from the plan assets, together with realised and unrealised gains or losses on the plan assets, less any costs of managing plan assets, and any tax payable by the plan itself other than tax included in the actuarial assumptions used to measure the present value of the defined benefit obligation.

**Actuarial Gains and Losses** – changes in the present value of the defined benefit obligation resulting from: a) experience adjustments (the effects of differences between the previous actuarial assumptions and what has actually occurred) and b) the effects of changes in actuarial assumptions.

***Within the Movement in Reserves Statement Appropriations***

**Contributions by Scheme Participants** – the increase in scheme liabilities and assets due to payments into the scheme by employees (where increased contribution increases pension due to the employee in the future).

**Contributions by the Employer** - the increase in scheme assets due to payments into the scheme by the employer.

In relation to retirement benefits, statutory provisions require the General Fund balance to be charged with the amount payable by the Council to the pension fund or directly to pensioners in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, appropriations are made to and from the Pensions Reserve to remove the notional debits and credits for retirement benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end. The negative balance that arises on the Pensions Reserve thereby measures the beneficial impact to the General Fund of being required to account for retirement benefits on the basis of cash flows rather than as benefits are earned by employees.

**Discretionary Benefits**

The Council also has restricted powers to make discretionary awards of retirement benefits in the event of early retirements. Any liabilities estimated to arise as a result of an award to any member of staff are accrued in the year of the decision to make the award and accounted for using the same policies that are applied to the Northern Ireland Local Government Officers' pension fund.

vi) **The Principal Civil Service Pension Schemes**

As a result of Local Government Reform on 1 April 2015, staff that transferred from Central Government to the Council retained membership of the Northern Ireland Civil Service (NICS) Pension Scheme. The schemes provides defined benefits to members (retirement lump sums and pensions). However, the arrangements for the NICS Pension Scheme mean that liabilities for these benefits cannot ordinarily be identified specifically to the Council. The scheme is therefore accounted for as if it were a defined contribution scheme and no liability for future payments of benefits is recognised in the Balance Sheet.

vii) **Events After the Balance Sheet Date**

Events after the balance sheet date are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the Statement of Accounts is authorised for issue. Two types of events can be identified:

- a) those that provide evidence of conditions that existed at the end of the reporting period – the Statement of Accounts is adjusted to reflect such events
- b) those that are indicative of conditions that arose after the reporting period – the Statement of Accounts is not adjusted to reflect such events, but where a category of events would have a material effect disclosure is made in the notes of the nature of the events and their estimated financial effect.

The financial statements may subsequently be adjusted up to the date when they are authorised for issue. This date will be recorded on the financial statements and is usually the date the Local Government Auditor issues his certificate and opinion. Where material adjustments are made in this period they will be disclosed.

Events taking place after the date of authorisation for issue are not reflected in the Statement of Accounts.

viii) **Exceptional Items**

When items of income and expense are material, their nature and amount is disclosed separately, either on the face of the Comprehensive Income and Expenditure Statement or in the notes to the accounts, depending on how significant the items are to an understanding of the Council's financial performance.

ix) **Financial Instruments**

Most financial instruments held by Councils would fall to be classified into just one class of financial liability and two classes of financial assets:

**Financial Liabilities**

Amortised Cost

**Financial Assets**

Loans and Receivables

Available for Sale

**Financial Liabilities**

Financial liabilities are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value and are carried at their amortised cost. Annual charges to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement for interest payable are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument. The effective interest rate is the rate that exactly discounts estimated future cash payments over the life of the instrument to the amount at which it was originally recognised.

For most of the borrowings that the Council has, this means that the amount presented in the Balance Sheet is the outstanding principal repayable (plus accrued interest); and interest charged to the Comprehensive Income and Expenditure Statement is the amount payable for the year according to the loan agreement.

Gains and losses on the repurchase or early settlement of borrowing are credited and debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement in the year of repurchase/settlement. However, where repurchase has taken place as part of a restructuring of the loan portfolio that involves the modification or exchange of existing instruments, the premium or discount is respectively deducted from or added to the amortised cost of the new or modified loan and the write-down to the Comprehensive Income and Expenditure Statement is spread over the life of the loan by an adjustment to the effective interest rate.

Where premiums and discounts have been charged to the Comprehensive Income and Expenditure Statement, regulations allow the impact on the General Fund Balance to be spread over future years. The Council has a policy of spreading the gain or loss over the term that was remaining on the loan against which the premium was payable or discount receivable when it was repaid. The reconciliation of amounts charged to the Comprehensive Income and Expenditure Statement to the net charge required against the General Fund Balance is managed by a transfer to or from the Financial Instruments Adjustment Account in the Movement in Reserves Statement.

#### **Financial Assets**

Financial assets are classified into two types:

- a) loans and receivables – assets that have fixed or determinable payments but are not quoted in an active market
- b) available-for-sale assets – that have a quoted market price and/or do not have fixed or determinable payments.

#### **Loans and Receivables**

Loans and receivables are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value. They are then measured at their amortised cost. Annual credits to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument. For most of the loans that the Council has made, this means that the amount presented in the Balance Sheet is the outstanding principal receivable (plus accrued interest) and interest credited to the Comprehensive Income and Expenditure Statement is the amount receivable for the year in the loan agreement.

Statutory provisions require that the impact of soft loans on the District Fund Balance is the interest receivable for the financial year – the reconciliation of amounts debited and credited to the Comprehensive Income and Expenditure Statement to the net gain required against the General Fund Balance is managed by a transfer to or from the Financial Instruments Adjustment Account in the Movement in Reserves Statement.

Where assets are identified as impaired because of a likelihood arising from a past event that payments due under the contract will not be made, the asset is written down and a charge made to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. The impairment loss is measured as the difference between the carrying amount and the present value of the revised future cash flows discounted at the asset's original effective interest rate.

Any gains and losses that arise on the de-recognition of an asset are credited or debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

#### x) **Foreign Currency Translation**

Where the Council has entered into a transaction denominated in a foreign currency, the transaction is converted into sterling at the exchange rate applicable on the date the transaction was effective. Where amounts in foreign currency are outstanding at the year-end, they are reconverted at the spot exchange rate at 31 March. Resulting gains or losses are recognised in the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.



**xi) Government Grants and Contributions**

Whether paid on account, by instalments or in arrears, government grants and third party contributions and donations are recognised as due to the Council when there is reasonable assurance that:

- a) the Council will comply with the conditions attached to the payments, and
- b) the grants or contributions will be received.

Amounts recognised as due are not credited to the Comprehensive Income and Expenditure Statement until conditions attaching to the grant or contribution have been satisfied. Conditions are stipulations that specify that the future economic benefits or service potential embodied in the asset acquired using the grant or contribution are required to be consumed by the recipient as specified or future economic benefits or service potential must be returned to the transferor.

Monies advanced as grants and contributions for which conditions have not been satisfied are carried in the Balance Sheet as creditors. When conditions are satisfied, the grant or contribution is credited to the relevant service line (attributable revenue grants and contributions) or Taxation and Non-Specific Grant Income (non-ring-fenced revenue grants and all capital grants) in the Comprehensive Income and Expenditure Statement.

Where capital grants are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund Balance in the Movement in Reserves Statement. Where the grant has yet to be used to finance capital expenditure, it is posted to the Capital Grants Unapplied Reserve. Where it has been applied, it is posted to the Capital Adjustment Account. Amounts in the Capital Grants Unapplied Reserve are transferred to the Capital Adjustment Account once they have been applied to fund capital expenditure.

**xii) Intangible Assets**

Expenditure on non-monetary assets that do not have physical substance but are controlled by the Council as a result of past events (e.g. software licences) is capitalised when it is expected that future economic benefits or service potential will flow from the intangible asset to the Council.

Internally generated assets are capitalised where it is demonstrable that the project is technically feasible and is intended to be completed (with adequate resources being available) and the Council will be able to generate future economic benefits or deliver service potential by being able to sell or use the asset. Expenditure is capitalised where it can be measured reliably as attributable to the asset and restricted to that incurred during the development phase (research expenditure is not capitalised).

Expenditure on the development of websites is not capitalised if the website is solely or primarily intended to promote or advertise the Council's goods or services.

Intangible assets are measured initially at cost. Amounts are only revalued where the fair value of the assets held by the Council can be determined by reference to an active market. In practice, no intangible asset held by the Council meets this criterion, and they are therefore carried at amortised cost. The depreciable amount of an intangible asset is amortised over its useful life to the relevant service line(s) in Cost of Services on Continuing Operations in the Comprehensive Income and Expenditure Statement. An asset is tested for impairment whenever there is an indication that the asset might be impaired – any losses recognised are posted to the relevant service line(s) in Cost of Services on Continuing Operations in the Comprehensive Income and Expenditure Statement. Any gain or loss arising on the disposal or abandonment of an intangible asset is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement.

Where expenditure on intangible assets qualifies as capital expenditure for statutory purposes, amortisation, impairment losses and disposal gains and losses are not permitted to have an impact on the General Fund Balance. The gains and losses are therefore reversed out of the General Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account and (for any sale proceeds greater than £10k) the Capital Receipts Reserve.

**xiii) Inventories & Long Term Contracts**

Inventories are included in the Balance Sheet at the lower of cost and net realisable value. The cost of inventories is assigned using the *FIFO* costing formula.

Long Term contracts are accounted for on the basis of charging the surplus or deficit on the provision of services with the value of works and services received under the contract during the financial year.

**xiv) Investment Property**

Investment properties are those that are used solely to earn rentals and/or for capital appreciation. The definition is not met if the property is used in any way to facilitate the delivery of services or production of goods or is held for sale.

Investment properties are measured initially at cost and subsequently at fair value, based on the amount at which the asset could be exchanged between knowledgeable parties at arm's length. Investment properties are not depreciated but are revalued annually according to market conditions at the year-end. Gains and losses on revaluation are posted to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. The same treatment is applied to gains and losses on disposal.

Rentals received in relation to investment properties are credited to the Financing and Investment Income line in the Comprehensive Income and Expenditure Statement and result in a gain for the General Fund Balance. However, revaluation and disposal gains and losses are not permitted by statutory arrangements to have an impact on the General Fund Balance. The gains and losses are therefore reversed out of the General Fund Balance in the Movement in Reserves Statement and posted to the Investment Property Revaluation Reserve and the Capital Receipts Reserve.

**xv) Landfill Allowance Schemes**

The Landfill Allowances Scheme operates under the Landfill Allowances Scheme (Northern Ireland) Regulations 2005. Local Authorities are allocated annual target figures for the maximum amount of biodegradable municipal waste that can be sent to landfill but there are no tradable allowances. It is not a 'cap and trade' scheme since landfill allowances are not tradable. For this reason, landfill allowances are not recognised as assets on the Balance Sheet.

**xvi) Leases**

Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the property from the lessor to the lessee. All other leases are classified as operating leases.

Where a lease covers both land and buildings, the land and buildings elements are considered separately for classification.

Arrangements that do not have the legal status of a lease but convey a right to use an asset in return for payment are accounted for under this policy where fulfilment of the arrangement is dependent on the use of specific assets.

**The Council as Lessee*****Finance Lease:***

Property, plant and equipment held under finance leases is recognised on the Balance Sheet at the commencement of the lease at its fair value measured at the lease's inception (or the present value of the minimum lease payments, if lower). The asset recognised is matched by a liability for the obligation to pay the lessor. Initial direct costs of the Council are added to the carrying amount of the asset. Premiums paid on entry into a lease are applied to writing down the lease liability. Contingent rents are charged as expenses in the periods in which they are incurred.

Lease payments are apportioned between:

- a) a charge for the acquisition of the interest in the property – applied to write down the lease liability, and
- b) a finance charge (debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement)

Property, Plant and Equipment recognised under finance leases is accounted for using the policies applied generally to such assets, subject to depreciation being charged over the lease term if this is shorter than the asset's estimated useful life.

The Council is not required to raise district rates to cover depreciation or revaluation and impairment losses arising on leased assets. Instead, a prudent annual provision is made from revenue towards the deemed capital investment in accordance with statutory requirements. Depreciation and impairment losses are therefore replaced by a revenue provision in the General Fund Balance, by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

***Operating Leases:***

Rentals paid under operating leases are charged to the Comprehensive Income and Expenditure Statement as an expense of the services benefiting from use of the leased property, plant or equipment. Charges are made on a straight-line basis over the life of the lease, even if this does not match the pattern of payments (e.g., there is a rent-free period at the commencement of the lease).

**The Council as Lessor**

***Finance Leases***

Where the Council grants a finance lease over a property or an item of plant or equipment, the relevant asset is written out of the Balance Sheet as a disposal. At the commencement of the lease, the carrying amount of the asset in the Balance Sheet (whether Property, Plant and Equipment or Assets Held for Sale) is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. A gain, representing the Council's net investment in the lease, is credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal), matched by a lease asset (long term debtor) in the Balance Sheet.

Lease rentals receivable are apportioned between:

- a) a charge for the acquisition of the interest in the property – applied to write down the lease asset (long term debtor) together with any premiums received, and
- b) finance income (credited to the Financing and Investment income and Expenditure line in the Comprehensive Income and Expenditure Statement).

The gain credited to the Comprehensive Income and Expenditure Statement on disposal is not permitted by statute to increase the General Fund Balance and will be required to be treated as a capital receipt. Where a premium has been received, this is posted out of the General Fund Balance to the Capital Receipts Reserve in the Movement in Reserves Statement. Where the amount due in relation to the lease asset is to be settled by the payment of rentals in future financial years, this is posted out of the General Fund Balance to the Deferred Capital Receipts Reserve in the Movement in Reserves Statement. When the future rentals are paid, the element for the charge for the acquisition of the interest in the property is used to write down the lease asset (debtor). At this point, the deferred capital receipts are transferred to the Capital Receipts Reserve.

The written-off value of disposals is not a charge against council tax, as the cost of fixed assets is fully provided for under separate arrangements for capital financing. Amounts are therefore appropriated to the Capital Adjustment Account from the General Fund Balance in the Movement in Reserves Statement.

***Operating Leases***

Where the Council grants an operating lease over a property or an item of plant or equipment, the asset is retained in the Balance Sheet. Rental income is credited to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement. Credits are made on a straight-line basis over the life of the lease, even if this does not match the pattern of payments (e.g., there is a premium paid at the commencement of the lease). Initial direct costs incurred in negotiating and arranging the lease are added to the carrying amount of the relevant asset and charged as an expense over the lease term on the same basis as rental income.

**xvii) Disposals and Non-Current Assets Held for Sale**

When it becomes probable that the carrying amount of an asset will be recovered principally through a sale transaction rather than through its continuing use, it is reclassified as an Asset Held for Sale. The asset is revalued immediately before reclassification and then carried at the lower of this amount and fair value less costs to sell. Where there is a subsequent decrease to fair value less costs to sell, the loss is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement. Gains in fair value are recognised only up to the amount of any previously recognised losses. Depreciation is not charged on Assets Held for Sale.

If assets no longer meet the criteria to be classified as Held for Sale, they are reclassified back to non-current assets and valued at the lower of its carrying amount before they were classified as Held for Sale: adjusted for depreciation, amortisation or revaluations that would have been recognised had they not been classified as Held for Sale, and their recoverable amount at the date of the decision not to sell.

Assets that are to be decommissioned i.e. abandoned or scrapped are not reclassified as Assets Held for Sale.

When an asset is disposed of, or decommissioned, the carrying amount of the asset in the Balance Sheet (whether Property, Plant and Equipment or Assets Held for Sale) is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. Receipts from disposals (if any) are credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal). Any revaluation gains accumulated for the asset in the Revaluation Reserve are transferred to the Capital Adjustment Account.

Amounts received for a disposal are categorised as capital receipts and credited to the Capital Receipts Reserve. Receipts are appropriated to the Reserve from the General Fund Balance in the Movement in Reserves Statement.

The written-off value of disposals is not a charge against district rates, as the cost of fixed assets is fully provided for under separate arrangements for capital financing. Amounts are appropriated to the Capital Adjustment Account from the General Fund Balance in the Movement in Reserves Statement.

**xviii) Overheads and Support Services**

The costs of overheads are charged to those that benefit from the service in accordance with the costing principles of the Local Authority Code of Practice.

**xix) Property, Plant and Equipment**

Assets that have physical substance and are held for use in the production or supply of goods or services, for rental to others or for administrative purposes and that are expected to be used during more than one financial year are classified as Property, Plant and Equipment.

**Recognition**

Expenditure on the acquisition, creation or enhancement of Property, Plant and Equipment is capitalised on an accruals basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the Council and the cost of the item can be measured reliably. Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits or service potential (i.e., repairs and maintenance) is charged as an expense when it is incurred.

**Measurement**

Assets are initially measured at cost, comprising:

- a) the purchase price
- b) any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management
- c) the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located

The Council does not capitalise borrowing costs incurred whilst assets are under construction.

The cost of assets acquired other than by purchase is deemed to be its fair value, unless the acquisition will not increase the cash flows of the Council. In the latter case, where the asset is acquired via an exchange, the cost of the acquisition is the carrying amount of the asset given up by the Council.

Donated assets are measured initially at fair value. The difference between fair value and any consideration paid is credited to the Taxation and Non-Specific Grant Income line of the Comprehensive Income and Expenditure Statement, unless the donation has been made conditionally. Until conditions are satisfied, the gain is held in the Donated Assets Account. Where gains are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund Balance to the Capital Adjustment Account in the Movement in Reserves Statement.

Assets are then carried in the Balance Sheet using the following measurement bases:

- a) infrastructure, vehicles, plant & equipment and intangibles – depreciated historical cost.
- b) all other assets – fair value, determined as the amount that would be paid for the asset in its existing use (existing use value – EUV)

Where there is no market-based evidence of fair value because of the specialist nature of an asset, depreciated replacement cost is used as an estimate of fair value.

Assets included in the Balance Sheet at fair value are revalued sufficiently regularly to ensure that their carrying amount is not materially different from their fair value at the year-end, but as a minimum every five years. Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains. Exceptionally, gains might be credited to the Comprehensive Income and Expenditure Statement where they arise from the reversal of a loss previously charged to a service.

The Revaluation Reserve contains revaluation gains recognised since 1 April 2008 only, the date of its formal implementation. Gains arising before that date have been consolidated into the Capital Adjustment Account.

**Impairment**

Assets are assessed at each year-end as to whether there is any indication that an asset may be impaired. Where indications exist and any possible differences are estimated to be material, the recoverable amount of the asset is estimated and, where this is less than the carrying amount of the asset, an impairment loss is recognised for the shortfall.

Where impairment losses are identified, they are accounted for by:

- a) where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains), with any excess charged to the service line in the Comprehensive Income and Expenditure Statement.
- b) where there is no balance in the Revaluation Reserve, the carrying amount of the asset is written down against the relevant service line(s) in the Comprehensive Income and Expenditure Statement.

Where an impairment loss is reversed subsequently, the reversal is credited to the relevant service line(s) in the Comprehensive Income and Expenditure Statement, up to the amount of the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised.

The same accounting treatment is applied to revaluation losses as a result of a general fall in asset prices across the board as opposed to a consumption of economic benefit specific to an asset as is in the case of impairment losses.

**Depreciation**

Depreciation is provided for on all Property, Plant and Equipment assets by the systematic allocation of their depreciable amounts over their useful lives. An exception is made for assets without a determinable finite useful life (i.e., freehold land and certain Community Assets) and assets that are not yet available for use (i.e., assets under construction).

Depreciation is calculated on the following bases:

- a) vehicles, plant and equipment – a percentage of the value of each class of assets in the Balance Sheet, as advised by a suitably qualified officer
- b) infrastructure – straight-line allocation over estimated useful lives.

**Componentisation**

Where an item of Property, Plant and Equipment asset has major components whose cost is significant in relation to the total cost of the item, the components are depreciated separately.

**Revaluations**

Revaluation gains are also depreciated, with an amount equal to the difference between current value depreciation charged on assets and the depreciation that would have been chargeable based on their historical cost being transferred each year from the Revaluation Reserve to the Capital Adjustment Account.

**xx) Heritage Assets**

Heritage Assets are assets with historical, artistic, scientific, technological, geophysical or environmental qualities that are held and maintained principally for their contribution to knowledge and culture.

Heritage Assets are those assets that are intended to be preserved in trust for future generations because of their cultural, environmental or historic associations - they would be held by this authority in pursuit of our overall objectives in relation to the maintenance of heritage.

**xxi) Provisions**

Provisions are made where an event has taken place that gives the Council a legal or constructive obligation that probably requires settlement by a transfer of economic benefits or service potential, and a reliable estimate can be made of the amount of the obligation. For instance, the Council may be involved in a court case that could eventually result in the making of a settlement or the payment of compensation.

Provisions are charged as an expense to the appropriate service line in the Comprehensive Income and Expenditure Statement in the year that the Council becomes aware of the obligation, and measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet. Estimated settlements are reviewed at the end of each financial year – where it becomes less than probable that a transfer of economic benefits will now be required (or a lower settlement than anticipated is made), the provision is reversed and credited back to the relevant service.

Where some or all of the payment required to settle a provision is expected to be recovered from another party (e.g. from an insurance claim), this is only recognised as income for the relevant service if it is virtually certain that reimbursement will be received if the Council settles the obligation.

**xxii) Reserves**

The Council sets aside specific amounts as reserves for future policy purposes or to cover contingencies. Reserves are created by appropriating amounts out of the General Fund Balance in the Movement in Reserves Statement. When expenditure to be financed from a reserve is incurred, it is charged to the appropriate service in that year against the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement. The reserve is then appropriated back into the General Fund Balance in the Movement in Reserves Statement so that there is no net charge against District Rates for the expenditure.

Certain reserves are kept to manage the accounting processes for non-current assets, financial instruments and retirement benefits and do not represent usable resources for the Council – these reserves are explained in the relevant note to the accounts.

**xxiii) Charges to Revenue for Non-Current Assets**

Charges to revenue for non-current assets e.g. services, support services and trading accounts are debited with the following amounts to record the cost of holding fixed assets during the year:

- a) depreciation attributable to the assets used by the relevant service
- b) revaluation and impairment losses on assets used by the service where there are no accumulated gains in the Revaluation Reserve against which the losses can be written off
- c) amortisation of intangible fixed assets attributable to the service.

The Council is not required to raise District Rates to cover depreciation, revaluation and impairment losses or amortisations. However, it is required to make an annual provision from revenue to contribute towards the reduction in its overall borrowing requirement equal to an amount calculated on a prudent basis determined by the Council in accordance with statutory guidance. Depreciation, revaluation and impairment losses and amortisations are therefore replaced by minimum revenue provision MRP in the General Fund Balance, by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

**xxiv) Revenue Expenditure Funded from Capital under Statute (REFCUS)**

Expenditure incurred during the year that may be capitalised under statutory provisions but that does not result in the creation of a non-current asset has been charged as expenditure to the relevant service in the Comprehensive Income and Expenditure Statement in the year. Where the Council has determined to meet the cost of this expenditure from existing capital resources or by borrowing, a transfer in the Movement in Reserves Statement from the General Fund Balance to the Capital Adjustment Account then reverses out the amounts charged, so that there is no impact on the level of District Rates.

**xxv) Revenue Expenditure Funded from Capital under Direction (REFCUD)**

Section 19(3) of the Local Government Finance Act (Northern Ireland) 2011 allows the Department for Communities to issue capitalisation directions to the councils. This permits specified items of expenditure normally classified as revenue to be treated as capital expenditure. The costs of transition associated with the Reform of Local Government were allowed for capitalisation. The council received approval from the Department to capitalise such costs during the year.

Costs qualifying under REFCUD are charged to the relevant service in the Comprehensive Income and Expenditure Account and their effects on the General Fund are then mitigated by transfer between the General Fund and the Capital Adjustment Account.

**xxvi) Value Added Tax**

All expenditure and income, irrespective of whether it is revenue or capital in nature, is shown net of Value Added Tax, unless it is irrecoverable.

**xxvii) The Carbon Reduction Commitment Scheme (CRC)**

The Council is required to participate in the Carbon Reduction Commitment Energy Efficiency Scheme. The scheme is currently in the second year of its secondary phase, which ends on 31st March 2019. The UK Government announced in 2016 that the CRC energy efficiency scheme will be abolished for the 2018-19 compliance year. The Council is required to purchase and surrender allowances, currently retrospectively, on the basis of emissions, i.e. carbon dioxide produced as energy is used. As carbon dioxide is produced (i.e. as energy is used), a liability and an expense are recognised. The liability will be discharged by surrendering allowances. The liability is measured at the best estimate of the expenditure required to meet the obligation, normally at the current market price of the number of allowances required to meet the liability at the reporting date. The cost to the Council is recognised and reported in the costs of the Councils services and is apportioned to services on the basis of energy consumption.

**xxviii) Fair Value Measurement**

The Council measures some of its non-financial assets such as surplus assets and investment properties and some of its financial instruments such as equity shareholdings [other financial instruments as applicable] at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either:

- a) in the principal market for the asset or liability, or
- b) in the absence of a principal market, in the most advantageous market for the asset or liability.

The Council measures the fair value of an asset or liability using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. When measuring the fair value of a non-financial asset, the authority takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The authority uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Inputs to the valuation techniques in respect of assets and liabilities for which fair value is measured or disclosed in the authority's financial statements are categorised within the fair value hierarchy, as follows:

- Level 1 quoted prices (unadjusted) in active markets for identical assets or liabilities that the authority can access at the measurement date
- Level 2 inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3 unobservable inputs for the asset or liability.



**b Accounting Standards That Have Been Issued but Have Not Yet Been Adopted****Accounting and Reporting by Pension Funds – Investment Transaction Costs**

In the 2016/17 Code CIPFA/LASAAC indicated its intention to mandate the recommended disclosure on pension fund investment transaction costs.

After consultation, CIPFA/LASAAC agreed to proceed with the transaction costs disclosure to elevate concerns regarding the transparency of pension fund management expenses generally. Transaction costs are clearly defined in IFRS (in IAS 39 Financial Instruments: Recognition and Measurement and IAS 40 Investment Property). The requirement for disclosure on transaction costs has been included in the 2017/18 Code of Practice.

**Amendment to the disclosure of investment asset concentration**

In a review of application guidance on pension fund reporting, CIPFA/LASSAAC considered that the information required under IAS 26 no longer provided materially relevant disclosures and therefore the disclosure regarding defined benefit pension fund at paragraph 6.5.5.1 of 2017/18 Code of Practice refers to 'Details of any single investment exceeding either 5% of the net assets available for benefits, this is consistent with the approach in the Financial Reports of Pension Schemes – A Statement of Recommended Practice 2015.

**c Critical Judgements in Applying Accounting Policies**

In applying accounting policies set out from 1a above the Council has had to make certain judgements about complex transactions or those involving uncertainty about future events. The critical judgement made in the Statement of Accounts is:

There is a high degree of uncertainty about future levels of funding for local government. However, the Council has determined that this uncertainty is not yet sufficient to provide an indication that the assets of the Council might be impaired as a result of a need to close facilities and reduce levels of service provision.

**d Assumptions Made About the Future and Other Major Sources of Estimation Uncertainty**

The Statement of Accounts contains estimated figures that are based on assumptions made by the Council about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates.

The items in the Council's Balance Sheet at 31 March 2020 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

**i) Property, Plant and Equipment**

Assets are depreciated over useful lives that are dependent on assumptions about the level of repairs and maintenance that will be incurred in relation to individual assets. Whilst the current economic climate is uncertain the Council believes it will be able to sustain its current spending on repairs and maintenance, and hence the useful lives assigned to assets are reasonable.

**ii) Pensions Liability**

Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. A firm of consulting actuaries is engaged to provide the Council with expert advice about the assumptions to be applied.

**2 Expenditure and Funding Analysis**

This note provides a reconciliation of the main adjustments to Net Expenditure Chargeable to the General Fund to arrive at the amounts in the Comprehensive Income and Expenditure Statement. The relevant transfers between reserves are explained in the Movement in Reserves Statement

**2 a Total Adjustments**

|   | 2019/20  |   |                             | 2018/19 as restated                            |   |                             |
|---|--|---|-----------------------------|--|---|-----------------------------|
|   | Net Expenditure Chargeable to the General Fund | Total Adjustment between the Funding and accounting | Net Expenditure in the CIES | Net Expenditure Chargeable to the General Fund | Total Adjustment between the Funding and accounting | Net Expenditure in the CIES |
| Services  | Note 30<br>£'000's                             | Basis - Note 2b<br>£'000's                          | the CIES<br>£'000's         | Note 30<br>£'000's                             | Basis - Note 2c<br>£'000's                          | in the CIES<br>£'000's      |
| Leisure and Development                         | 10,224   | 5,236   | 15,460                      | 10,116   | 4,833   | 14,949                      |
| Environmental Services                          | 22,211   | 9,551   | 31,762                      | 23,440   | 3,853   | 27,293                      |
| Corporate Policy and Resources                  | 8,194  | 4,935   | 13,129                      | 8,666  | 4,831   | 13,497                      |
| Planning  | 693  | 66  | 759                         | 612  | (2)   | 610                         |
| <b>Net Cost of Services</b>                     | <b>41,322</b>                                  | <b>19,788</b>                                       | <b>61,110</b>               | <b>42,834</b>                                  | <b>13,515</b>                                       | <b>56,349</b>               |
| Other Operating Expenditure                     | 0  | (80)  | (80)                        | 0  | (6)   | (6)                         |
| Statutory Provision for Capital Investment      | 5,535  | (5,535)   | 0                           | 5,892  | (5,892)   | 0                           |
| Financing and Investment Income and Expenditure | 2,378  | 887   | 3,265                       | 2,526  | 1,905   | 4,431                       |
| Taxation and Non-Specific Grant Income          | (48,093)                                       | (5,389)   | (53,482)                    | (48,698)                                       | 24  | (48,674)                    |
| <b>Other Income and Expenditure</b>             | <b>(40,180)</b>                                | <b>(10,117)</b>                                     | <b>(50,297)</b>             | <b>(40,280)</b>                                | <b>(3,969)</b>                                      | <b>(44,249)</b>             |
| <b>Deficit on the Provision of Services</b>     | <b>1,142</b>                                   | <b>9,671</b>  | <b>10,813</b>               | <b>2,554</b>                                   | <b>9,546</b>  | <b>12,100</b>               |

**Reconciliation of General Fund Reserve and Net Expenditure Charged to it**

|   | 2019/20           | 2018/19        |
|---|-------------------|----------------|
|   | £'000's           | £'000's        |
| Opening General Fund Balance  | 3,762             | 6,642          |
| (Deficit) on the Provision of Services Chargeable to the General Fund             | 2a (1,142)        | (2,554)        |
| Transfers (to) / from Unusable Reserves   | 3 1,221           | (71)           |
| <b>Net Increase / (Decrease) before transfers to Statutory and Other Reserves</b> | <b>MIRS 79</b>    | <b>(2,625)</b> |
| T/fers (to) / from Usable Reserves  | 3 (71)            | (255)          |
| <b>Increase / (decrease) in year</b>  | <b>3 / MIRS 8</b> | <b>(2,880)</b> |
| <b>Closing General Fund Balance</b>   | <b>MIRS 3,770</b> | <b>3,762</b>   |

**Reconciliation of Unusable Reserves and Net Expenditure Charged to them**

|   | 2019/20              | 2018/19 as restated |
|---|----------------------|---------------------|
|   | £'000's              | £'000's             |
| Opening Unusable Reserves   | 91,927               | 93,948              |
| Prior Year Adjustment   | 3c 0                 | (2,163)             |
| <b>Opening Unusable Reserves as restated</b>                              | <b>91,927</b>        | <b>91,785</b>       |
| (Deficit) on the Provision of Services Chargeable to Unusable Reserves    | 2a (9,671)           | (9,546)             |
| T/fer (to) / from Capital Adjustment Account re earlier years             | 7d / 16 (1,559)      | 0                   |
| T/fers (to) / from Landfill Regulation Reserve                            | 3b / 3c 145          | (122)               |
| T/fers (to) / from Provision for Discount Rate Reserve                    | 3b / 3c 193          | 193                 |
| <b>Transfers to / (from) Unusable Reserves</b>                            | <b>(1,221)</b>       | <b>71</b>           |
| <b>Adjustments between accounting basis and funding under regulations</b> | <b>MIRS (10,892)</b> | <b>(9,475)</b>      |
| Other Comprehensive Income  | CIES 9,363           | 9,617               |
| <b>Increase / (decrease) in year</b>                                      | <b>MIRS (1,529)</b>  | <b>142</b>          |
| <b>Closing Unusable Reserve Balances</b>                                  | <b>MIRS 90,398</b>   | <b>91,927</b>       |

This note provides a reconciliation of the main adjustments to Net Expenditure Chargeable to the General Fund to arrive at the amounts in the Comprehensive Income and Expenditure Statement. The relevant transfers between reserves are explained in the Movement in Reserves Statement.

## 2 b Adjustments between the Funding and Accounting Basis by type - 2019/20

|   |           | 2019/20         |              |            |                 |
|---|-----------|-----------------|--------------|------------|-----------------|
|   |           |                 |              | Adjust for | Total           |
|   |           |                 |              | Accum      | Adjustment      |
|   |           | Adjust          | Adjust for   | Absences   | between the     |
|   |           | for capital     | pension      | purposes   | Funding and     |
|   |           | purposes        | purposes     | purposes   | accounting      |
|   |           | £'000's         | £'000's      | £'000's    | Basis           |
|   |           |                 |              |            | £'000's         |
| <b>Services</b>   |           |                 |              |            |                 |
| Leisure and Development                                 | 4a        | 4,552           | 704          | (20)       | 5,236           |
| Environmental Services                                  | 4a        | 8,529           | 989          | 33         | 9,551           |
| Corporate Policy and Resources                          | 4a        | 3,106           | 1,815        | 14         | 4,935           |
| Planning  | 4a        | 0               | 65           | 1          | 66              |
| <b>Net Cost of Services</b>                             | <b>4a</b> | <b>16,187</b>   | <b>3,573</b> | <b>28</b>  | <b>19,788</b>   |
| Other Operating Expenditure                             | 8         | (80)            | 0            | 0          | (80)            |
| Statutory Provision for Capital Investment              | 16        | (5,535)         | 0            | 0          | (5,535)         |
| Financing and Investment Income and Expenditure         | 9         | (2)             | 889          | 0          | 887             |
| Taxation and Non-Specific Grant Income                  | 10        | (5,389)         | 0            | 0          | (5,389)         |
| <b>Other Income and Expenditure</b>                     |           | <b>(11,006)</b> | <b>889</b>   | <b>0</b>   | <b>(10,117)</b> |
| <b>(Surplus) / Deficit on the Provision of Services</b> |           | <b>5,181</b>    | <b>4,462</b> | <b>28</b>  | <b>9,671</b>    |

## 2 c Adjustments between the Funding and Accounting Basis by type - 2018/19 as restated

|   |           | 2018/19 as restated |              |            |                |
|---|-----------|---------------------|--------------|------------|----------------|
|   |           |                     |              | Adjust for | Adjustment     |
|   |           |                     |              | Accum      | between the    |
|   |           | Adjust              | Adjust for   | Absences   | Funding and    |
|   |           | for capital         | pension      | purposes   | accounting     |
|   |           | purposes as         | purposes     | purposes   | Basis          |
|   |           | restated            | £'000's      | £'000's    | £'000's        |
|   |           | £'000's             |              |            | £'000's        |
| <b>Services</b>   |           |                     |              |            |                |
| Leisure and Development                                 | 4b        | 3,994               | 826          | 13         | 4,833          |
| Environmental Services                                  | 4b        | 2,735               | 1,111        | 7          | 3,853          |
| Corporate Policy and Resources                          | 4b        | 824                 | 3,997        | 10         | 4,831          |
| Planning  | 4b        | 0                   | 0            | (2)        | (2)            |
| <b>Net Cost of Services</b>                             | <b>4b</b> | <b>7,553</b>        | <b>5,934</b> | <b>28</b>  | <b>13,515</b>  |
| Other Operating Expenditure                             | 8         | (6)                 | 0            | 0          | (6)            |
| Statutory Provision for Capital Investment              | 16        | (5,892)             | 0            | 0          | (5,892)        |
| Financing and Investment Income and Expenditure         | 9         | 1,005               | 900          | 0          | 1,905          |
| Taxation and Non-Specific Grant Income                  | 10        | 24                  | 0            | 0          | 24             |
| <b>Other Income and Expenditure</b>                     |           | <b>(4,869)</b>      | <b>900</b>   | <b>0</b>   | <b>(3,969)</b> |
| <b>(Surplus) / Deficit on the Provision of Services</b> |           | <b>2,684</b>        | <b>6,834</b> | <b>28</b>  | <b>9,546</b>   |

- i) Adjustments to General Fund Balances to meet the requirements of generally accepted accounting practices, this column adds in depreciation and impairment and revaluation gains and losses in the services line (Note 4 refers) and for:
- ii) Other operating expenditure – adjusts for capital disposals with a transfer of income on disposal of assets and the amounts written off for those assets - Note 8 refers.
- iii) Financing and investment income and expenditure - the statutory charges for capital financing ie Minimum Revenue Provision and other revenue contributions are deducted from financing and investment income and expenditure as these are not chargeable under generally accepted accounting practices - Note 9 refers.
- iv) Taxation and Non Specific Grant Income and Expenditure – Capital grants are adjusted for income not chargeable under generally accepted accounting practices. Revenue grants are adjusted from those receivable in the year to those receivable without conditions or for which conditions were satisfied throughout the year. The Taxation and Non Specific Grant Income and Expenditure line is credited with capital grants receivable in the year without conditions or for which conditions were satisfied in the year - Note 10 refers.

## 3 a Transfers to and from Earmarked Reserves (General Fund Appropriations)

|  | 01 April<br>2018 | Transfers<br>In | Transfers<br>Out | 31 March<br>2019 | Transfers<br>In | Transfers<br>Out | 31 March<br>2020 |
|--|------------------|-----------------|------------------|------------------|-----------------|------------------|------------------|
|  | £'000's          | £'000's         | £'000's          | £'000's          | £'000's         | £'000's          | £'000's          |
| Repairs and Renewals Fund                    | 708              | 240             | 205              | 743              | 0               | 0                | 743              |
| Sinking Fund                                 | 3,542            | 304             | 0                | 3,846            | 305             | 0                | 4,151            |
| Election Reserve                             | 150              | 203             | 0                | 353              | 84              | 353              | 84               |
| Area Planning Reserve (APR)                  | 60               | 35              | 0                | 95               | 35              | 0                | 130              |
| Reorganisation Reserve                       | 731              | 76              | 398              | 409              | 0               | 0                | 409              |
| <b>Total Earmarked Reserves</b>              | <b>5,191</b>     | <b>858</b>      | <b>603</b>       | <b>5,446</b>     | <b>424</b>      | <b>353</b>       | <b>5,517</b>     |
| <b>Net Transfer (From) / To General Fund</b> |                  |                 |                  | <b>(255)</b>     |                 |                  | <b>(71)</b>      |

| Reserve                     | Purpose   |
|-----------------------------|---|
| Repairs and Renewals Fund   | Repair and renewing council property                      |
| Sinking Fund                | Redeeming commercial loans                                |
| Election Reserve            | Equalising the effect of election expenses (5 yearly)     |
| Area Planning Reserve (APR) | Equalising the effect of APR expenses (10 yearly)         |
| Reorganisation Reserve      | Equalising the effect of ongoing reorganisation expenses. |

## Reconciliation of Movement on General Fund to adjustments between accounting basis and funding basis

|  |           | 2019/20  | 2018/19 as<br>restated |
|--|-----------|----------|------------------------|
|  |           | £'000's  | £'000's                |
| Adjustments between accounting basis and funding basis under regulations | MIRS      | 9,333    | 9,475                  |
| Net Transfer (From) / To General Fund                                    | 3a        | (71)     | (255)                  |
| Deficit on the provision of services                                     | CIES      | (10,813) | (12,100)               |
| Transfer to Usable Reserve re earlier years                              | 7d / 16   | 1,559    | 0                      |
| <b>Movement on General Fund</b>  | <b>2a</b> | <b>8</b> | <b>(2,880)</b>         |

## 3 b Detailed Summary of Unusable Reserves - Current Year

|  | Capital               |                        | Investment                         |                    | Accumulated<br>Absences<br>Account | Provisions<br>Discount<br>Rate Reserve | Landfill<br>Regulations<br>Reserve | Totals         |
|--|-----------------------|------------------------|------------------------------------|--------------------|------------------------------------|--|------------------------------------|----------------|
|  | Adjustment<br>Account | Revaluation<br>Reserve | Property<br>Revaluation<br>Reserve | Pension<br>Reserve |                                    |  |                                    |                |
|  | £'000's               | £'000's                | £'000's                            | £'000's            |                                    |  |                                    |                |
| At 1 April 2019 as restated  | 60,526                | 69,674                 | 6,144                              | (39,914)           | (448)                              | (965)                                  | (3,090)                            | 91,927         |
| Capital Adjustments  | (5,181)               | 0                      | 0                                  | 0                  | 0                                  | 0                                      | 0                                  | (5,181)        |
| Pension Adjustments  | 0                     | 0                      | 0                                  | (4,462)            | 0                                  | 0                                      | 0                                  | (4,462)        |
| Accumulated Absences Adjustments                                       | 0                     | 0                      | 0                                  | 0                  | (28)                               | 0                                      | 0                                  | (28)           |
| Transfers to Usable  | 0                     | 0                      | 0                                  | 0                  | 0                                  | 193                                    | 145                                | 338            |
| <b>Adjust between accounting basis &amp; funding under regulations</b> | <b>(5,181)</b>        | <b>0</b>               | <b>0</b>                           | <b>(4,462)</b>     | <b>(28)</b>                        | <b>193</b>                             | <b>145</b>                         | <b>(9,333)</b> |
| Other Comprehensive Income / Expenditure                               | 0                     | 11,462                 | 0                                  | (2,099)            | 0                                  | 0                                      | 0                                  | 9,363          |
| Transfers between Unusable Reserves                                    | 196                   | (1,203)                | 1,007                              | 0                  | 0                                  | 0                                      | 0                                  | 0              |
| Transfer to Usable Reserve re earlier years                            | (1,559)               | 0                      | 0                                  | 0                  | 0                                  | 0                                      | 0                                  | (1,559)        |
| <b>At 31 March 2020</b>  | <b>53,982</b>         | <b>79,933</b>          | <b>7,151</b>                       | <b>(46,475)</b>    | <b>(476)</b>                       | <b>(772)</b>                           | <b>(2,945)</b>                     | <b>90,398</b>  |

**3 c Detailed Summary of Unusable Reserves - Prior Year as restated**

|  | Capital<br>Adjustment<br>Account | Revaluation<br>Reserve | Investment<br>Property<br>Revaluation<br>Reserve | Pension<br>Reserve | Accumulated<br>Absences<br>Account | Provisions<br>Discount<br>Rate Reserve | Landfill<br>Regulations<br>Reserve | Totals         |
|--|----------------------------------|------------------------|--|--------------------|------------------------------------|--|------------------------------------|----------------|
|  | £'000's                          | £'000's                | £'000's  | £'000's            | £'000's                            | £'000's                                | £'000's                            | £'000's        |
| At 1 April 2018  | 62,544                           | 65,298                 | 7,149  | (36,498)           | (420)                              | (1,158)                                | (2,967)                            | 93,948         |
| Prior Year Adjustment  | (1,379)                          | (784)                  | 0  | 0                  | 0                                  | 0                                      | 0                                  | (2,163)        |
| <b>At 1 April 2018 as restated</b>                                     | <b>61,165</b>                    | <b>64,514</b>          | <b>7,149</b>                                     | <b>(36,498)</b>    | <b>(420)</b>                       | <b>(1,158)</b>                         | <b>(2,967)</b>                     | <b>91,785</b>  |
| Capital Adjustments  | (2,683)                          | 0                      | 0  | 0                  | 0                                  | 0                                      | 0                                  | (2,683)        |
| Pension Adjustments  | 0                                | 0                      | 0  | (6,834)            | 0                                  | 0                                      | 0                                  | (6,834)        |
| Accumulated Absences Adjustments                                       | 0                                | 0                      | 0  | 0                  | (28)                               | 0                                      | 0                                  | (28)           |
| Transfer to Usable   | 0                                | 0                      | 0  | 0                  | 0                                  | 193                                    | (123)                              | 70             |
| <b>Adjust between accounting basis &amp; funding under regulations</b> | <b>(2,683)</b>                   | <b>0</b>               | <b>0</b>   | <b>(6,834)</b>     | <b>(28)</b>                        | <b>193</b>                             | <b>(123)</b>                       | <b>(9,475)</b> |
| Other Comprehensive Income / Expenditure                               | 0                                | 6,199                  | 0  | 3,418              | 0                                  | 0                                      | 0                                  | 9,617          |
| Transfers between Unusable Reserves                                    | 2,044                            | (1,039)                | (1,005)  | 0                  | 0                                  | 0                                      | 0                                  | 0              |
| <b>At 31 March 2019 as restated</b>                                    | <b>60,526</b>                    | <b>69,674</b>          | <b>6,144</b>                                     | <b>(39,914)</b>    | <b>(448)</b>                       | <b>(965)</b>                           | <b>(3,090)</b>                     | <b>91,927</b>  |

**Capital Adjustment Account**

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for the acquisition, construction or enhancement of those assets under statutory provisions.

The Account is debited with the cost of acquisition, construction or enhancement as depreciation, impairment losses and amortisations are charged to the Comprehensive Income and Expenditure Statement, with reconciling postings from the Revaluation Reserve to convert fair value figures to an historic cost basis.

Prior to the creation of an Investment Property Revaluation Reserve this Account contained accumulated gains and losses on Investment Properties and gains recognised on donated assets that have yet to be consumed by the Council.

The Account also used to contain revaluation gains accumulated on Property, Plant and Equipment before 1 April 2008, the date that the Revaluation Reserve was created to hold such gains - an in year adjustment has been made to remove such movements to the Revaluation Reserve.

**Revaluation Reserve**

The Revaluation Reserve contains the gains made by the Council arising from increases in the value of its Property, Plant and Equipment and Intangible Assets. The reserve is reduced when assets with accumulated gains are:

- i) revalued downwards or impaired and the gains are lost
- ii) used in the provision of services and the gains are consumed through depreciation, or
- iii) disposed of and the gains are realised.

Formerly the reserve contained only revaluation gains accumulated since 1 April 2008, the date the reserve was created. Accumulated gains arising before that date were consolidated into the balance on the Capital Adjustment Account.

The purpose of this reserve is to build up a balance based on the revaluation (upwards or downwards) of individual assets. All such revaluations (excluding impairment losses that have been debited to Surplus/(Deficit) on the Provision of Services) are mirrored in Other Comprehensive Income and Expenditure. It is a fundamental principle of this reserve that it never becomes negative. If an asset was held at current value when derecognised, the balance held on the Revaluation Reserve is written off to the Capital Adjustment Account.

**Investment Property Revaluation Reserve**

Investment Property changes in fair value are credited to Financing and Investment Income in the Comprehensive Income and Expenditure Statement (Note 9 refers) and consequently result in an unrealised gain or loss in the General Fund Balance. Such revaluation gains and losses are not permitted by statutory arrangements to have an impact on the General Fund and consequently these gains are reversed to the Investment Property Revaluation Reserve to separately identify and reflect the cumulative movement on Investment Property assets.

**Pension Reserve**

Refer to Note 21

**Accumulated Absences Account**

The Accumulated Absences Account absorbs the differences that would otherwise arise on the General Fund balance from accruing for compensated absences earned but not taken in the year e.g. staff annual leave entitlement carried forward at the end of the financial year. Statutory arrangements are expected to require that the impact on the General Fund is neutralised by transfers to or from this Accumulated Absences Account.

**Provisions Discount Rate Reserve (PDRR)**

The Provisions Discount Rate Reserve is a negative reserve created in 2017/18 to cover the arrangement, put in place by the Department for Communities in its amendment to the 2017/18 accounts direction (Circular LG 05/18 which was issued on 8 March 2018), to allow mitigation of the impact of changes to the discount rate on landfill provisions for the Councils landfill sites at Craigahulliar and Crosstagherly.

Subject to agreement with the Department, this arrangement allows a council to spread the cost of the impact of discount rate changes over a period of not more than 6 years.

Unwinding the PDRR commenced this year and will continue for another 4 years at a rate of £192,971 annually as outlined in Note 3b above.

**Landfill Regulations Reserve**

Additional Landfill costs that were not allowed for by councils arose from the amendment of the Landfill Regulations (NI) 2003 by the Landfill (Amendment) Regulations (NI) 2011, affecting all sites that closed after the target transposition date for the Landfill Directive (1999/31/EC).

The Department for Communities' accounts direction (Circular LG 16/12 issued in May 2012) provides an option to spread costs for the affected landfill sites, creating a negative reserve within the financial statements of the particular council.

The Department for Communities has put in place a financial arrangement to allow for mitigation of specific approved costs relating to the closure and aftercare of the councils landfill sites over a set period of time. The approved costs and period of time are those agreed between the Council and the Department's Environment Policy Division in conjunction with the Northern Ireland Environment Agency (NIEA). The agreements are set out below.

**Closure Costs - Drumaduff Landfill Site (Limavady)**

Any landfill engineering closure costs in excess of £2,820,312 (currently estimated to be £1,473,202) may be spread in set proportions over a period of ten years commencing in the financial year in which the engineering works to close the landfill site start. The engineering work to close the Drumaduff site has not yet commenced.

**Aftercare Costs - Drumaduff Landfill Site**

Any landfill aftercare costs in excess of £773,680 (currently estimated to be £1,617,696) may be spread in set proportions over a period of ten years commencing in the financial year in which the engineering works to close the landfill site finish. This is based on an estimated aftercare provision of 30 years. The actual period of aftercare can only be agreed between NIEA and the Council after a full assessment is carried out as part of the closure works.

## 4 a Current Year Income and Expenditure by Nature

|  | Leisure and<br>Development<br>- Note 30a | Environmental<br>Services<br>- Note 30b | Corporate<br>Policy and<br>Resources<br>-Note 30c | Planning<br>- Note 30d | 2019/20<br>Total |
|--|--|---|---|------------------------|------------------|
|  | £'000's                                  | £'000's                                 | £'000's   | £'000's                | £'000's          |
| <b>Service Expenditure</b>                                 |  |   |   |                        |                  |
| Our People   | 11,084                                   | 13,970                                  | 5,047   | 2,032                  | 32,133           |
| Our Councillors  | 24                                       | 2                                       | 1,114   | 0                      | 1,140            |
| Our Premises   | 2,676                                    | 1,994                                   | 632   | 0                      | 5,302            |
| Our Vehicles   | 267                                      | 2,927                                   | 89  | 12                     | 3,295            |
| Our Suppliers  | 4,998                                    | 5,934                                   | 1,324   | 73                     | 12,329           |
| Third Party Payments                                       | 6  | 1,777                                   | 43  | 0                      | 1,826            |
| Support Services   | 409                                      | 549                                     | 454   | 85                     | 1,497            |
| <b>Total Service Expenditure before Annual Adjustments</b> | <b>19,464</b>                            | <b>27,153</b>                           | <b>8,703</b>                                      | <b>2,202</b>           | <b>57,522</b>    |
| <b>Service Expenditure Adjustments</b>                     |  |   |   |                        |                  |
| Depreciation   | 4,695                                    | 3,224                                   | 665   | 0                      | 8,584            |
| Impairment   | 0  | 119                                     | 0   | 0                      | 119              |
| REFCUS   | 381                                      | 5,539                                   | 0   | 0                      | 5,920            |
| REFCUD   | 0  | 0                                       | 2,441   | 0                      | 2,441            |
| <b>Total Capital Expenditure Adjustments</b>               | <b>5,076</b>                             | <b>8,882</b>                            | <b>3,106</b>                                      | <b>0</b>               | <b>17,064</b>    |
| Pension Adjustments  | 704                                      | 989                                     | 1,815   | 65                     | 3,573            |
| Accumulated Absences                                       | (20)                                     | 33                                      | 14  | 1                      | 28               |
| <b>Pension and Accumulated Absences Adjustments</b>        | <b>684</b>                               | <b>1,022</b>                            | <b>1,829</b>                                      | <b>66</b>              | <b>3,601</b>     |
| <b>Total Service Expenditure after Annual Adjustments</b>  | <b>25,224</b>                            | <b>37,057</b>                           | <b>13,638</b>                                     | <b>2,268</b>           | <b>78,187</b>    |
| <b>Income</b>  |  |   |   |                        |                  |
| Service Revenue Grants                                     | 3,147                                    | 461                                     | 132   | 16                     | 3,756            |
| Customer and Client Receipts                               | 6,093                                    | 4,087                                   | 377   | 1,493                  | 12,050           |
| Provision Releases   |  | 395                                     |   |                        | 395              |
| <b>Total Service Income before Annual Adjustments</b>      | <b>9,240</b>                             | <b>4,943</b>                            | <b>509</b>  | <b>1,509</b>           | <b>16,201</b>    |
| <b>Service Income Adjustments</b>                          |  |   |   |                        |                  |
| Impairment Reversal - Capital Adjustments                  | 524                                      | 352                                     | 0   | 0                      | 876              |
| <b>Total Capital Income Adjustments</b>                    | <b>524</b>                               | <b>352</b>                              | <b>0</b>  | <b>0</b>               | <b>876</b>       |
| <b>Total Service Income after Annual Adjustments</b>       | <b>9,764</b>                             | <b>5,295</b>                            | <b>509</b>  | <b>1,509</b>           | <b>17,077</b>    |
| <b>Cost of Services on Continuing Operations</b>           | <b>15,460</b>                            | <b>31,762</b>                           | <b>13,129</b>                                     | <b>759</b>             | <b>61,110</b>    |
| Other Operating Expenditure                                |  |   |   |                        | (80)             |
| Interest Payable   |  |   |   |                        | 3,907            |
| Investment Income  |  |   |   |                        | (642)            |
| Taxation and Non Specific Grant Income                     |  |   |   |                        | (53,482)         |
| <b>Other Income and Expenditure</b>                        |  |   |   |                        | <b>(50,297)</b>  |
| <b>Deficit on the Provision of Services</b>                |  |   |   |                        | <b>(10,813)</b>  |

| Summary of Service Adjustments              | Leisure and<br>Development | Environmental<br>Services | Corporate<br>Policy and<br>Resources | Planning     | Total         |
|---|----------------------------|---------------------------|--------------------------------------|--------------|---------------|
|   | £'000's                    | £'000's                   | £'000's                              | £'000's      | £'000's       |
| Capital Adjustments - Service Expenditure   | 5,076                      | 8,882                     | 3,106                                | 0            | 17,064        |
| Capital Adjustments - Service Income        | (524)                      | (352)                     | 0                                    | 0            | (876)         |
| <b>Total Capital Adjustments - Services</b> | <b>2b</b>                  | <b>4,552</b>              | <b>8,530</b>                         | <b>3,106</b> | <b>0</b>      |
| Pension Adjustments                         | 704                        | 989                       | 1,815                                | 65           | 3,573         |
| Accumulated Absences                        | (20)                       | 33                        | 14                                   | 1            | 28            |
| <b>Total Service Adjustments</b>            | <b>2b / 30</b>             | <b>5,236</b>              | <b>9,552</b>                         | <b>4,935</b> | <b>19,789</b> |

## 4 b Prior Year Income and Expenditure by Nature as restated

|   | Leisure and<br>Development<br>- Note 30a | Environmental<br>Services<br>- Note 30b | Corporate<br>Policy and<br>Resources<br>-Note 30c | Planning<br>- Note 30d | 2018/19 as<br>restated |
|---|--|---|---|------------------------|------------------------|
| <b>Service Expenditure</b>                                | <b>£'000's</b>                           | <b>£'000's</b>                          | <b>£'000's</b>                                    | <b>£'000's</b>         | <b>£'000's</b>         |
| Our People  | 10,825                                   | 13,881                                  | 4,806   | 1,903                  | 31,415                 |
| Our Councillors   | 20                                       | 1                                       | 903   | 5                      | 929                    |
| Our Premises  | 2,775                                    | 2,187                                   | 706   | 0                      | 5,668                  |
| Our Vehicles  | 326                                      | 3,062                                   | 118   | 25                     | 3,531                  |
| Our Suppliers   | 4,889                                    | 5,892                                   | 1,316   | 86                     | 12,183                 |
| Third Party Payments                                      | 10                                       | 1,895                                   | 114   | 0                      | 2,019                  |
| Support Services  | 421                                      | 437                                     | 945   | 61                     | 1,864                  |
| Contributions to Provisions                               | 0  | 706                                     | 186   | 0                      | 892                    |
| <b>Gross Service Expenditure Reported to Management</b>   | <b>19,266</b>                            | <b>28,061</b>                           | <b>9,094</b>                                      | <b>2,080</b>           | <b>58,501</b>          |
| <b>Service Expenditure Adjustments</b>                    | <b>£'000's</b>                           | <b>£'000's</b>                          | <b>£'000's</b>                                    | <b>£'000's</b>         | <b>£'000's</b>         |
| Depreciation as restated                                  | 4,241                                    | 2,731                                   | 683   | 0                      | 7,655                  |
| Impairment  | 261                                      | 55                                      | 7   | 0                      | 323                    |
| REFCUS  | 397                                      | 0                                       | 134   | 0                      | 531                    |
| <b>Total Capital Expenditure Adjustments</b>              | <b>4,899</b>                             | <b>2,786</b>                            | <b>824</b>  | <b>0</b>               | <b>8,509</b>           |
| Pension   | 826                                      | 1,110                                   | 3,998   | 0                      | 5,934                  |
| Accumulated Absences                                      | 13                                       | 7                                       | 10  | (2)                    | 28                     |
| <b>Pension and Accumulated Absences Adjustments</b>       | <b>839</b>                               | <b>1,117</b>                            | <b>4,008</b>                                      | <b>(2)</b>             | <b>5,962</b>           |
| <b>Total Service Expenditure after Annual Adjustments</b> | <b>25,004</b>                            | <b>31,964</b>                           | <b>13,926</b>                                     | <b>2,078</b>           | <b>72,972</b>          |
| <b>Service Income</b>                                     | <b>£'000's</b>                           | <b>£'000's</b>                          | <b>£'000's</b>                                    | <b>£'000's</b>         | <b>£'000's</b>         |
| Service Revenue Grants                                    | 3,153                                    | 379                                     | 125   | 0                      | 3,657                  |
| Customer and Client Receipts                              | 5,997                                    | 4,241                                   | 304   | 1,468                  | 12,010                 |
| <b>Total Service Income before Annual Adjustments</b>     | <b>9,150</b>                             | <b>4,620</b>                            | <b>429</b>  | <b>1,468</b>           | <b>15,667</b>          |
| <b>Service Income Adjustments</b>                         | <b>£'000's</b>                           | <b>£'000's</b>                          | <b>£'000's</b>                                    | <b>£'000's</b>         | <b>£'000's</b>         |
| Impairment Reversal - Capital Adjustments                 | 905                                      | 51                                      | 0   | 0                      | 956                    |
|   |  |   |   |                        | 0                      |
| <b>Total Service Income after Annual Adjustments</b>      | <b>10,055</b>                            | <b>4,671</b>                            | <b>429</b>  | <b>1,468</b>           | <b>16,623</b>          |
| <b>Cost of Services on Continuing Operations</b>          | <b>14,949</b>                            | <b>27,293</b>                           | <b>13,497</b>                                     | <b>610</b>             | <b>56,349</b>          |
| Other Operating Expenditure                               |  |   |   |                        | (6)                    |
| Interest Payable  |  |   |   |                        | 5,056                  |
| Investment Income   |  |   |   |                        | (625)                  |
| Taxation and Non Specific Grant Income                    |  |   |   |                        | (48,674)               |
| <b>Other Income and Expenditure</b>                       |  |   |   |                        | <b>(44,249)</b>        |
| <b>Deficit on the Provision of Services</b>               |  |   |   |                        | <b>(12,100)</b>        |

| Summary of Service Adjustments              | Leisure and<br>Development<br>as restated | Environmental<br>Services | Corporate<br>Policy and<br>Resources | Planning       | 2018/19 as<br>restated |
|---|---|---------------------------|--------------------------------------|----------------|------------------------|
|   | <b>£'000's</b>                            | <b>£'000's</b>            | <b>£'000's</b>                       | <b>£'000's</b> | <b>£'000's</b>         |
| Capital Adjustments - Service Expenditure   | 4,899                                     | 2,786                     | 824                                  | 0              | 8,509                  |
| Capital Adjustments - Service Income        | (905)                                     | (51)                      | 0                                    | 0              | (956)                  |
| <b>Total Capital Adjustments - Services</b> | <b>3c</b>                                 | <b>3,994</b>              | <b>2,735</b>                         | <b>824</b>     | <b>0</b>               |
| Pension Adjustments                         | 826                                       | 1,110                     | 3,998                                | 0              | 5,934                  |
| Accumulated Absences                        | 13  | 7                         | 10                                   | (2)            | 28                     |
| <b>Total Service Adjustments</b>            | <b>2c / 30</b>                            | <b>4,833</b>              | <b>3,852</b>                         | <b>4,832</b>   | <b>(2)</b>             |

## 4 c Revenue from contracts with service recipients

Implementation of IFRS 15 - Revenue from Contracts with Customers has had no impact on the Council's revenue recognition for contracts with customers.

Amounts included in the Comprehensive Income and Expenditure Statement for contracts with service recipients comprise:

|   | 2019/2019 as restated |              |
|---|-----------------------|--------------|
|   | £'000's               | £'000's      |
| Leisure and Development   | 1,876                 | 1,849        |
| Environmental Services  | 390                   | 378          |
| Rental Income from Investment Property                                    | 532                   |              |
| <b>Total included in the Comprehensive Income and Expenditure Account</b> | <b>2,798</b>          | <b>2,227</b> |



**5 Cost of Services on Continuing Operations****5 a General power of competence**

Prior to Local Government Reform on 1st April 2015, expenditure for special purposes was limited under Section 40 of the Local Government Finance Act (Northern Ireland) 2011. This section was repealed by Schedule 10 of the Local Government Act (Northern Ireland) 2014.

Under Section 79 of the Local Government Act (Northern Ireland) 2014, the Council has the power to do anything that individuals generally may do. Councils have the power to do this with or without charge. The power of competence is not limited to benefitting the area or its residents nor is it limited by existing powers.

The actual expenditure under the power of competence amounted to £0 during 2019/20 (2018/19 - £0).

**5 b External Audit Fees**

|                                 | 2019/2019 as restated |           |
|---------------------------------|-----------------------|-----------|
|                                 | £'000's               | £'000's   |
| External Audit Fees             | 75                    | 57        |
| Audit Underprovided Prior Year  | 0                     | 2         |
| Performance Audit Fees          | 6                     | 22        |
| National Fraud Initiative (NFI) | 0                     | 1         |
| NFI Underprovided Prior Year    | 0                     | 1         |
| Other Non Statutory             | 0                     | 0         |
|                                 | <b>81</b>             | <b>83</b> |

**6 Council as Lessor:****6 a Finance Leases (Council as Lessor)**

The Council has no finance leases where the Council acts as lessor.

**6 b Operating Leases (Council as Lessor)**

The Council, in accordance with its statutory and discretionary responsibilities, leases out property and equipment under operating leases for the following purposes:

- for the provision of community services, such as sports facilities, tourism services and community centres
- for economic development purposes to provide suitable affordable accommodation for small local businesses
- any other purposes

Rental income recognised in the Comprehensive Income and Expenditure Statement in the current year amounts to £691,211 (2019-£688,306).

The lease contracts are all non-cancellable and do not include an extension option. The lease agreement terms are between 1 to 120 years. Future minimum lease income is set out below:

|   | 2019/20            |                               | 2018/19 as restated |                               |
|---|--------------------|-------------------------------|---------------------|-------------------------------|
|   | Land and Buildings | Vehicles, Plant and Equipment | Land and Buildings  | Vehicles, Plant and Equipment |
|   | £'000's            | £'000's                       | £'000's             | £'000's                       |
| <b>Minimum lease rentals receivable:</b>    |                    |                               |                     |                               |
| No later than 1 year                        | 582                | 0                             | 535                 | 0                             |
| Later than 1 year and no later than 5 years | 2,355              | 0                             | 2,148               | 0                             |
| Later than 5 years                          | 55,607             | 0                             | 49,560              | 0                             |
|   | <b>58,544</b>      | <b>0</b>                      | <b>52,243</b>       | <b>0</b>                      |

The assets leased by the Council to third parties are included in the following categories of Property, Plant and Equipment with carrying values of:

|   | 2019/20            |                               | 2018/19 as restated |                               |
|---|--------------------|-------------------------------|---------------------|-------------------------------|
|   | Land and Buildings | Vehicles, Plant and Equipment | Land and Buildings  | Vehicles, Plant and Equipment |
|   | £'000's            | £'000's                       | £'000's             | £'000's                       |
| Cost  | 11,118             | 0                             | 8,968               | 0                             |
| Reclassifications / Transfers                       | (194)              | 0                             | 3,155               | 0                             |
| Accumulated depreciation and impairments at 1 April | (92)               | 0                             | (92)                | 0                             |
| Depreciation charge for the year                    | 0                  | 0                             | 0                   | 0                             |
| Impairments   | 2                  | 0                             | (1,005)             | 0                             |
| Revaluations  | 0                  | 0                             | 0                   | 0                             |
| <b>Net Book Value</b>                               | <b>10,834</b>      | <b>0</b>                      | <b>11,026</b>       | <b>0</b>                      |

In some instances parts of buildings have been leased to third parties. In these circumstances no attempt has been made to apportion costs, accumulated depreciation nor depreciation charge for the year to the area occupied by such third parties.

**Council as Lessee:****6 c Finance Leases (Council as lessee)**

The Council had no lessee finance leases during the current nor the preceding year.

**6 d Operating Leases (Council as lessee)**

The expenditure charged to services in the Comprehensive Income and Expenditure Statement during the year in relation to operating leases was:

|                                    | 2019/20                       |  |                  | 2018/19 as restated           |  |                  |
|------------------------------------|-------------------------------|--|------------------|-------------------------------|--|------------------|
|                                    | Land and Buildings<br>£'000's | Vehicles, Plant and Equipment<br>£'000's | Total<br>£'000's | Land and Buildings<br>£'000's | Vehicles, Plant and Equipment<br>£'000's | Total<br>£'000's |
| Minimum lease payments             | 73                            | 60                                       | 133              | 72                            | 60                                       | 132              |
| Contingent rentals                 | 0                             | 0  | 0                | 0                             | 0  | 0                |
| Less: Sublease payments receivable | 0                             | 0  | 0                | 0                             | 0  | 0                |
|                                    | <b>73</b>                     | <b>60</b>                                | <b>133</b>       | <b>72</b>                     | <b>60</b>                                | <b>132</b>       |

The future minimum lease payments due under non-cancellable operating leases in future years are set out below:

|   | 2019/20                       |  |                  | 2018/19 as restated           |  |                  |
|---|-------------------------------|--|------------------|-------------------------------|--|------------------|
|   | Land and Buildings<br>£'000's | Vehicles, Plant and Equipment<br>£'000's | Total<br>£'000's | Land and Buildings<br>£'000's | Vehicles, Plant and Equipment<br>£'000's | Total<br>£'000's |
| <b>Minimum lease rentals payable:</b>       |                               |  |                  |                               |  |                  |
| No later than 1 year                        | 33                            | 60                                       | 93               | 33                            | 60                                       | 93               |
| Later than 1 year and no later than 5 years | 127                           | 239                                      | 366              | 127                           | 239                                      | 366              |
| Later than 5 years                          | 478                           | 203                                      | 681              | 493                           | 263                                      | 756              |
|   | <b>638</b>                    | <b>502</b>                               | <b>1,140</b>     | <b>653</b>                    | <b>562</b>                               | <b>1,215</b>     |

**7 a Staff Costs**

|  | 2019/20       | 2018/19 as restated |
|--|---------------|---------------------|
|  | £'000's       | £'000's             |
| Salaries and Wages                               | 18,106        | 18,223              |
| Employer's National Insurance Contributions      | 1,673         | 1,710               |
| Employer's Superannuation                        | 3,423         | 3,273               |
| Employer's Superannuation - Civil Service Scheme | 247           | 190                 |
| Apprentice Levy                                  | 77            | 77                  |
| <b>Total</b>                                     | <b>23,526</b> | <b>23,473</b>       |

In addition to the staff costs noted above Agency Staff costs amounted to £7,857,509 (2019- £7,331,408).

The Council's current contribution rate to the NILGOSC scheme is 20% plus a Deficit Recovery Contribution of £277,100. At the last actuarial valuation, dated 31 March 2019, the Fund's assets as a whole were sufficient to meet 112% (2016: 91%) of the liabilities accrued up to that date.

**7 b Average Number of Employees**

|                                   | 2019/20    | 19 as restated |
|-----------------------------------|------------|----------------|
|                                   | FTE        | FTE            |
| Environmental services            | 291        | 308            |
| Leisure and Recreational Services | 182        | 185            |
| Planning and Development Services | 43         | 42             |
| Other                             | 93         | 89             |
| <b>Total Number</b>               | <b>609</b> | <b>624</b>     |

|                            | 2019/20        | 19 as restated |
|----------------------------|----------------|----------------|
|                            | Actual Numbers | Actual Numbers |
| Full-time numbers employed | 520            | 577            |
| Part-time numbers employed | 147            | 148            |
| <b>Total Number</b>        | <b>667</b>     | <b>725</b>     |

**7 c Senior Employees' Remuneration**

|                      | 2019/20   | 19 as restated |
|----------------------|-----------|----------------|
|                      | Number    | Number         |
| Salary Bands         |           |                |
| £50,001 to £60,000   | 13        | 15             |
| £60,001 to £70,000   | 3         | 3              |
| £80,001 to £90,000   | 2         | 3              |
| £90,001 to £100,000  | 1         | 0              |
| £110,001 to £120,000 | 1         | 1              |
| <b>Total Number</b>  | <b>20</b> | <b>22</b>      |

**7 d Exit Packages**

| Exit package cost band (including special payments) | 2019/20                      |                                | 2018/19 as restated          |                                |
|---|------------------------------|--------------------------------|------------------------------|--------------------------------|
|   | Compulsory redundancy Number | Other departures agreed Number | Compulsory redundancy Number | Other departures agreed Number |
| £0 to £20,000                                       | 0                            | 14                             | 0                            | 2                              |
| £20,001 to £40,000                                  | 0                            | 5                              | 0                            | 1                              |
| £40,001 to £60,000                                  | 0                            | 1                              | 0                            | 0                              |
| £80,001 to £100,000                                 | 0                            | 1                              | 0                            | 0                              |
| £100,001 to £150,000                                | 0                            | 5                              | 0                            | 0                              |
| £150,001 to £200,000                                | 0                            | 7                              | 0                            | 1                              |
| £200,001 to £250,000                                | 0                            | 1                              | 0                            | 0                              |
| <b>Total</b>  | <b>0</b>                     | <b>34</b>                      | <b>0</b>                     | <b>4</b>                       |

| Cost of Exit Packages | 2019/20                              |                                   | 2018/19 as restated                  |                                   |
|-----------------------|--------------------------------------|-----------------------------------|--------------------------------------|-----------------------------------|
|                       | Total Number of Exit Packages Number | Total Value exit packages £'000's | Total Number of Exit Packages Number | Total Value exit packages £'000's |
| £0 to £20,000         | 14                                   | 43                                | 2                                    | 2                                 |
| £20,001 to £40,000    | 5                                    | 136                               | 1                                    | 21                                |
| £40,001 to £60,000    | 1                                    | 54                                | 0                                    | 0                                 |
| £60,001 to £80,000    | 0                                    | 0                                 | 0                                    | 0                                 |
| £80,001 to £100,000   | 1                                    | 83                                | 0                                    | 0                                 |
| £100,001 to £150,000  | 5                                    | 676                               | 0                                    | 0                                 |
| £150,001 to £200,000  | 7                                    | 1,234                             | 1                                    | 186                               |
| £200,001 to £250,000  | 1                                    | 215                               | 0                                    | 0                                 |
| <b>Total</b>          | <b>34</b>                            | <b>2,441</b>                      | <b>4</b>                             | <b>209</b>                        |

0 persons retired early on ill-health grounds. The actuarial cost for employees for the early payment of retirement benefits was £0 and is included within Exit Packages.

Council were given direction to capitalise £4,000,000 of severance payments. £2,441,006 was applied in the current year leaving £1,558,994 to be applied retrospectively to earlier years Notes 2a and 3b refer.

**7 e Northern Ireland Civil Service Pension Arrangements**

As a result of Reform on 1st April 2015, staff transferred from Central Government to the Council are members of the Northern Ireland Civil Service Pension Scheme.

The Northern Ireland Civil Service Pension arrangements are unfunded multi-employer defined benefit schemes but the Department for Communities is unable to identify its share of the underlying assets and liabilities. The most up to date actuarial valuation was carried out as at 31 March 2017. This valuation is then reviewed by the Scheme Actuary and updated to reflect current conditions and rolled forward to the reporting date of the Department of Finance Superannuation and Other Allowances Resource Accounts as at 31 March 2020.

For 2019/2020 employers' contributions of £246,671 (2019-£190,243) were payable to the NICS pension arrangements at one of four rates in the range 20.8% to 26.3% of pensionable pay, based on salary bands. The scheme's Actuary reviews employer contributions every four years following a full scheme valuation. A new scheme funding valuation based on data as at 31 March 2017 was completed by the Actuary during 2017/18. This valuation was used to determine employer contribution rates for the introduction of a new career average earning scheme from April 2015. The contribution rates are set to meet the cost of the benefits accruing during 2019/20 to be paid when the member retires, and not the benefits paid during this period to existing pensioners.

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. None of the employees transferring from Central Government to the Council exercised this option.

Contributions due to the partnership pension providers at the reporting period to date were £NIL. Contributions prepaid at that date were £NIL.

**8 Other Operating Expenditure**

Council had no Other Operating Expenditure.

|   | 2019/2019 as restated |          |
|---|-----------------------|----------|
|   | £'000's               | £'000's  |
| (Surplus) / Deficit on Non Current Assets * | 11e                   | (80) (6) |

|               |             |            |
|---------------|-------------|------------|
| <b>Totals</b> | <b>(80)</b> | <b>(6)</b> |
|---------------|-------------|------------|

\* All elements of Other Operating Expenditure form part of Capital Adjustments adjusted via Capital Adjustment Account - notes 2a and 2b refer.

**9 Financing and Investment Income and Expenditure**

|   | 2019/20                   |                      | 2018/19 as restated     |                           |                      |                         |
|---|---------------------------|----------------------|-------------------------|---------------------------|----------------------|-------------------------|
|   | Gross Expenditure £'000's | Gross Income £'000's | Net Expenditure £'000's | Gross Expenditure £'000's | Gross Income £'000's | Net Expenditure £'000's |
| Government Loan Interest                          | 2,508                     | 0                    | 2,508                   | 2,662                     | 0                    | 2,662                   |
| Commercial Loan interest                          | 468                       | 0                    | 468                     | 468                       | 0                    | 468                     |
| Investment Income                                 | 0                         | 108                  | (108)                   | 0                         | 103                  | (103)                   |
| Pensions interest cost ~                          | 889                       | 0                    | 889                     | 900                       | 0                    | 900                     |
| Investment Property Income and Expenditure        | 42                        | 532                  | (490)                   | 21                        | 522                  | (501)                   |
| Changes in Fair Value of Investment Properties ** | 0                         | 2                    | (2)                     | 1,005                     | 0                    | 1,005                   |
| <b>Totals</b>                                     | <b>3,907</b>              | <b>642</b>           | <b>3,265</b>            | <b>5,056</b>              | <b>625</b>           | <b>4,431</b>            |

~ Pension Interest Cost forms part of Pension adjustments and is adjusted via Pension Adjustments and the Pension Reserve - notes 3b and 3c refer.

\*\* Changes in Fair Value of Investment Properties forms part of Capital Adjustments adjusted via Investment Property Revaluation Reserve - notes 3b and 3c refer.

**10 Taxation and Non Specific Grant Income**

|                              | 2019/20       | 2018/19       |
|------------------------------|---------------|---------------|
|                              | £'000's       | £'000's       |
| Rates                        | 43,829        | 43,490        |
| Finalisation - Prior Year    | (327)         | (1,056)       |
| Finalisation - Current Year  | 195           | 327           |
|                              | <b>43,697</b> | <b>42,761</b> |
| Rates Support Grant          | 2,572         | 4,126         |
| De-Rating Grant              | 1,456         | 1,448         |
| Transferring Functions Grant | 368           | 363           |
| <b>Total General Grants</b>  | <b>4,396</b>  | <b>5,937</b>  |
| Capital Grant Receivable*    | 23a           | 5,389 (24)    |
| <b>Totals</b>                | <b>53,482</b> | <b>48,674</b> |

\* Capital Grant Receivable forms part of Capital Adjustments adjusted via Capital Adjustment Account - notes 3b and 3c refer. See also Note 23a.

**11a Current Year Cost, Depreciation and Net Book Values**

| Cost  | Land          | Buildings      | Infrastructure Assets | Plant & Equipment | Community Assets | PP&E Under Construction | Surplus Assets | Heritage Assets | Total PP&E     | Investment Properties | Intangible Assets | TOTAL          |
|---|---------------|----------------|-----------------------|-------------------|------------------|-------------------------|----------------|-----------------|----------------|-----------------------|-------------------|----------------|
|   | £'000's       | £'000's        | £'000's               | £'000's           | £'000's          | £'000's                 | £'000's        | £'000's         | £'000's        | £'000's               | £'000's           | £'000's        |
| <b>As at 01 April 2019 as restated</b>  | 46,188        | 137,830        | 11,113                | 19,662            | 2,390            | 8,122                   | 910            | 1,810           | 228,025        | 10,253                | 115               | 238,393        |
| Additions (Note 16)   | 0             | 60             | 0                     | 1,728             | 0                | 8,221                   | 0              | 0               | 10,009         | 0                     | 81                | 10,090         |
| Revaluation increases/ decreases to Revaluation Reserve                             | 227           | 4,540          | 96                    | 0                 | 0                | 0                       | 0              | 0               | 4,863          | 0                     | 0                 | 4,863          |
| Revaluation increases/ decreases to Surplus or Deficit on the Provision of Services | 0             | 711            | 0                     | 0                 | 0                | 0                       | 0              | 0               | 711            | 0                     | 0                 | 711            |
| Change in fair value of Investment Properties                                       | 0             | 0              | 0                     | 0                 | 0                | 0                       | 0              | 0               | 0              | 2                     | 0                 | 2              |
| Derecognition - Disposals   | 0             | 0              | 0                     | (537)             | 0                | 0                       | 0              | 0               | (537)          | 0                     | 0                 | (537)          |
| Derecognition - Other   | 0             | 0              | 0                     | 0                 | 0                | (7,026)                 | 0              | 0               | (7,026)        | 0                     | 0                 | (7,026)        |
| Reclassifications & Transfers   | 2,155         | (75)           | 1,325                 | 57                | 0                | (1,422)                 | 110            | 0               | 2,150          | (2,150)               | 0                 | 0              |
| <b>As at 31 March 2020</b>  | <b>48,570</b> | <b>143,066</b> | <b>12,534</b>         | <b>20,910</b>     | <b>2,390</b>     | <b>7,895</b>            | <b>1,020</b>   | <b>1,810</b>    | <b>238,195</b> | <b>8,105</b>          | <b>196</b>        | <b>246,496</b> |

| Depreciaton  | Land     | Buildings  | Infrastructure Assets | Plant & Equipment | Community Assets | PP&E Under Construction | Surplus Assets | Heritage Assets | Total PP&E    | Investment Properties | Intangible Assets | TOTAL         |
|--|----------|------------|-----------------------|-------------------|------------------|-------------------------|----------------|-----------------|---------------|-----------------------|-------------------|---------------|
|  | £'000's  | £'000's    | £'000's               | £'000's           | £'000's          | £'000's                 | £'000's        | £'000's         | £'000's       | £'000's               | £'000's           | £'000's       |
| <b>As at 01 April 2019 as restated</b>   | 0        | 111        | 3,786                 | 12,700            | 0                | 0                       | 0              | 0               | 16,597        | 0                     | 81                | 16,678        |
| Depreciation Charge  | 0        | 6,418      | 632                   | 1,515             | 0                | 0                       | 0              | 0               | 8,565         | 0                     | 20                | 8,585         |
| Depreciation written out on Revaluation Reserve  | 0        | (6,324)    | (275)                 | 0                 | 0                | 0                       | 0              | 0               | (6,599)       | 0                     | 0                 | (6,599)       |
| Depreciation written out on Revaluation taken to Surplus or Deficit on the Provision of Services | 0        | (46)       | 0                     | 0                 | 0                | 0                       | 0              | 0               | (46)          | 0                     | 0                 | (46)          |
| Derecognition - Disposals  | 0        | 0          | 0                     | (534)             | 0                | 0                       | 0              | 0               | (534)         | 0                     | 0                 | (534)         |
| <b>As at 31 March 2020</b>   | <b>0</b> | <b>159</b> | <b>4,143</b>          | <b>13,681</b>     | <b>0</b>         | <b>0</b>                | <b>0</b>       | <b>0</b>        | <b>17,983</b> | <b>0</b>              | <b>101</b>        | <b>18,084</b> |

**Net Book Values**

|                            |               |                |              |              |              |              |              |              |                |              |           |                |
|----------------------------|---------------|----------------|--------------|--------------|--------------|--------------|--------------|--------------|----------------|--------------|-----------|----------------|
| <b>As at 31 March 2020</b> | <b>48,570</b> | <b>142,907</b> | <b>8,391</b> | <b>7,229</b> | <b>2,390</b> | <b>7,895</b> | <b>1,020</b> | <b>1,810</b> | <b>220,212</b> | <b>8,105</b> | <b>95</b> | <b>228,412</b> |
|----------------------------|---------------|----------------|--------------|--------------|--------------|--------------|--------------|--------------|----------------|--------------|-----------|----------------|

**11b Prior Year Cost, Depreciation and Net Book Values**

|   | Land          | Buildings      | Infrastructure Assets | Plant & Equipment | Community Assets | PP&E Under Construction | Surplus Assets | Heritage Assets | Total PP&E     | Investment Properties | Intangible Assets | TOTAL          |
|---|---------------|----------------|-----------------------|-------------------|------------------|-------------------------|----------------|-----------------|----------------|-----------------------|-------------------|----------------|
|   | £'000's       | £'000's        | £'000's               | £'000's           | £'000's          | £'000's                 | £'000's        | £'000's         | £'000's        | £'000's               | £'000's           | £'000's        |
| <b>As at 01 April 2018</b>  | 46,245        | 138,716        | 11,015                | 18,770            | 2,397            | 5,589                   | 0              | 926             | 223,658        | 8,103                 | 92                | 231,853        |
| Prior Year Adjustment   | (625)         | (1,538)        | 0                     | 0                 | 0                | 0                       | 0              | 0               | (2,163)        | 0                     | 0                 | (2,163)        |
| <b>As at 01 April 2018 as restated</b>  | <b>45,620</b> | <b>137,178</b> | <b>11,015</b>         | <b>18,770</b>     | <b>2,397</b>     | <b>5,589</b>            | <b>0</b>       | <b>926</b>      | <b>221,495</b> | <b>8,103</b>          | <b>92</b>         | <b>229,690</b> |
| Additions (Note 16)   | 0             | 2              | 0                     | 938               | 0                | 8,143                   | 0              | 0               | 9,083          | 0                     | 23                | 9,106          |
| Reclassified from Short Term  | 0             | 0              | 0                     | 0                 | 0                | 0                       | 910            | 0               | 910            | 0                     | 0                 | 910            |
| Revaluation increases/ decreases to Revaluation Reserve                             | 500           | (1,135)        | (174)                 | 0                 | 0                | 0                       | 0              | 884             | 75             |                       | 0                 | 75             |
| Revaluation increases/ decreases to Surplus or Deficit on the Provision of Services | (85)          | 674            | 0                     | 0                 | (7)              | 0                       | 0              | 0               | 582            | 0                     | 0                 | 582            |
| Change in fair value of Investment Properties                                       | 0             | 0              | 0                     | 0                 | 0                | 0                       | 0              | 0               | 0              | (1,005)               | 0                 | (1,005)        |
| Derecognition - Disposals   | 0             | 0              | 0                     | (776)             | 0                | 0                       | 0              | 0               | (776)          | 0                     | 0                 | (776)          |
| Derecognition - Other   | 0             | 0              | 0                     | 0                 | 0                | (189)                   | 0              | 0               | (189)          | 0                     | 0                 | (189)          |
| Reclassifications & Transfers   | 153           | 1,111          | 272                   | 730               | 0                | (5,421)                 | 0              | 0               | (3,155)        | 3,155                 | 0                 | 0              |
| <b>As at 31 March 2019 as restated</b>  | <b>46,188</b> | <b>137,830</b> | <b>11,113</b>         | <b>19,662</b>     | <b>2,390</b>     | <b>8,122</b>            | <b>910</b>     | <b>1,810</b>    | <b>228,025</b> | <b>10,253</b>         | <b>115</b>        | <b>238,393</b> |

| Depreciation   | Land     | Buildings  | Infrastructure Assets | Plant & Equipment | Community Assets | PP&E Under Construction | Surplus Assets | Heritage Assets | Total PP&E    | Investment Properties | Intangible Assets | TOTAL         |
|--|----------|------------|-----------------------|-------------------|------------------|-------------------------|----------------|-----------------|---------------|-----------------------|-------------------|---------------|
|  | £'000's  | £'000's    | £'000's               | £'000's           | £'000's          | £'000's                 | £'000's        | £'000's         | £'000's       | £'000's               | £'000's           | £'000's       |
| <b>As at 01 April 2018</b>   | 0        | 619        | 3,371                 | 11,901            | 0                | 0                       | 0              | 0               | 15,891        | 0                     | 71                | 15,962        |
| Depreciation Charge  | 0        | 5,415      | 666                   | 1,562             | 0                | 0                       | 0              | 0               | 7,643         | 0                     | 10                | 7,653         |
| Depreciation written out on Revaluation Reserve                                | 0        | (5,920)    | (204)                 | 0                 | 0                | 0                       | 0              | 0               | (6,124)       | 0                     | 0                 | (6,124)       |
| Impairment losses/reversals to Surplus or Deficit on the Provision of Services | 0        | 0          | (50)                  | 0                 | 0                | 0                       | 0              | 0               | (50)          | 0                     | 0                 | (50)          |
| Derecognition - Disposals  | 0        | 0          | 0                     | (763)             | 0                | 0                       | 0              | 0               | (763)         | 0                     | 0                 | (763)         |
| Reclassifications & Transfers  | 0        | (3)        | 3                     | 0                 | 0                | 0                       | 0              | 0               | 0             | 0                     | 0                 | 0             |
| <b>As at 31 March 2019 as restated</b>   | <b>0</b> | <b>111</b> | <b>3,786</b>          | <b>12,700</b>     | <b>0</b>         | <b>0</b>                | <b>0</b>       | <b>0</b>        | <b>16,597</b> | <b>0</b>              | <b>81</b>         | <b>16,678</b> |

**Net Book Values**

|  |               |                |              |              |              |              |            |              |                |               |           |                |
|--|---------------|----------------|--------------|--------------|--------------|--------------|------------|--------------|----------------|---------------|-----------|----------------|
| <b>As at 31 March 2019 as restated</b> | <b>46,188</b> | <b>137,719</b> | <b>7,327</b> | <b>6,962</b> | <b>2,390</b> | <b>8,122</b> | <b>910</b> | <b>1,810</b> | <b>211,428</b> | <b>10,253</b> | <b>34</b> | <b>221,715</b> |
|--|---------------|----------------|--------------|--------------|--------------|--------------|------------|--------------|----------------|---------------|-----------|----------------|



## 11c Revaluation Reserve

| 2020  | Land          | Buildings     | Infrastructure<br>Assets | Plant &<br>Equipment | Community<br>Assets | PP&E Under<br>Construction | Surplus<br>Assets | Heritage<br>Assets | Total PP&E    | Investment<br>Properties | Intangible<br>Assets | TOTAL         |
|---|---------------|---------------|--------------------------|----------------------|---------------------|----------------------------|-------------------|--------------------|---------------|--------------------------|----------------------|---------------|
|   | £'000's       | £'000's       | £'000's                  | £'000's              | £'000's             | £'000's                    | £'000's           | £'000's            | £'000's       | £'000's                  | £'000's              | £'000's       |
| <b>As at 01 April 2019 as restated</b>                          | 22,251        | 43,000        | 2,598                    | 0                    | 183                 | 0                          | 0                 | 1,642              | 69,674        | 6,144                    | 0                    | 75,818        |
| Transfer Capital Adjustment Account                             | 0             | 0             | 0                        | 0                    | 0                   | 0                          | 0                 | 0                  | 0             | 1,005                    | 0                    | 1,005         |
| Revaluation increases/ decreases to Revaluation Reserve @ cost  | 227           | 4,540         | 96                       | 0                    | 0                   | 0                          | 0                 | 0                  | 4,863         | 0                        | 0                    | 4,863         |
| Change in fair value of Investment Properties                   | 0             | 0             | 0                        | 0                    | 0                   | 0                          | 0                 | 0                  | 0             | 2                        | 0                    | 2             |
| Depreciation written out on Revaluation Reserve                 | 0             | 6,324         | 275                      | 0                    | 0                   | 0                          | 0                 | 0                  | 6,599         | 0                        | 0                    | 6,599         |
| Excess of depreciation on revalued amounts over historic values | 0             | (997)         | (207)                    | 0                    | 0                   | 0                          | 0                 | 0                  | (1,204)       | 0                        | 0                    | (1,204)       |
| <b>As at 31 March 2020</b>                                      | <b>22,478</b> | <b>52,867</b> | <b>2,762</b>             | <b>0</b>             | <b>183</b>          | <b>0</b>                   | <b>0</b>          | <b>1,642</b>       | <b>79,932</b> | <b>7,151</b>             | <b>0</b>             | <b>87,083</b> |

Balances and movements on Total PP&E plus Intangible Assets reflect the contributions by each asset category to the Revaluation Reserve.

Balances and movements on Investment Properties reflect the changes to the Investment Property Reserve.

| 2019  | Land          | Buildings     | Infrastructure<br>Assets | Plant &<br>Equipment | Community<br>Assets | PP&E Under<br>Construction | Surplus<br>Assets | Heritage<br>Assets | Total PP&E    | Investment<br>Properties | Intangible<br>Assets | TOTAL         |
|---|---------------|---------------|--------------------------|----------------------|---------------------|----------------------------|-------------------|--------------------|---------------|--------------------------|----------------------|---------------|
|   | £'000's       | £'000's       | £'000's                  | £'000's              | £'000's             | £'000's                    | £'000's           | £'000's            | £'000's       | £'000's                  | £'000's              | £'000's       |
| <b>As at 01 April 2018</b>                                      | 22,121        | 39,476        | 2,761                    | 0                    | 183                 | 0                          | 0                 | 758                | 65,299        | 7,149                    | 0                    | 72,448        |
| Prior Year Adjustment   | (370)         | (414)         | 0                        | 0                    | 0                   | 0                          | 0                 | 0                  | (784)         | 0                        | 0                    | (784)         |
| <b>As at 1 April as restated</b>                                | <b>21,751</b> | <b>39,062</b> | <b>2,761</b>             | <b>0</b>             | <b>183</b>          | <b>0</b>                   | <b>0</b>          | <b>758</b>         | <b>64,515</b> | <b>7,149</b>             | <b>0</b>             | <b>71,664</b> |
| Transfers   | 0             | (11)          | 11                       | 0                    | 0                   | 0                          | 0                 | 0                  | 0             | 0                        | 0                    | 0             |
| Revaluation increases/ decreases to Revaluation Reserve @ cost  | 500           | (1,135)       | (174)                    | 0                    | 0                   | 0                          | 0                 | 884                | 75            | 0                        | 0                    | 75            |
| Change in fair value of Investment Properties                   | 0             | 0             | 0                        | 0                    | 0                   | 0                          | 0                 | 0                  | 0             | (1,005)                  | 0                    | (1,005)       |
| Depreciation written out on Revaluation Reserve                 | 0             | 5,920         | 204                      | 0                    | 0                   | 0                          | 0                 | 0                  | 6,124         | 0                        | 0                    | 6,124         |
| Excess of depreciation on revalued amounts over historic values | 0             | (836)         | (204)                    | 0                    | 0                   | 0                          | 0                 | 0                  | (1,040)       | 0                        | 0                    | (1,040)       |
| <b>As at 31 March 2019 as restated</b>                          | <b>22,251</b> | <b>43,000</b> | <b>2,598</b>             | <b>0</b>             | <b>183</b>          | <b>0</b>                   | <b>0</b>          | <b>1,642</b>       | <b>69,674</b> | <b>6,144</b>             | <b>0</b>             | <b>75,818</b> |

|  | 2019/20       | 2018/19      |
|--|---------------|--------------|
| Revaluation increases/ decreases to Revaluation Reserve @ cost | 4,863         | 75           |
| Depreciation written out on Revaluation Reserve                | 6,599         | 6,124        |
| Rounding   |               |              |
| <b>Surplus/(Deficit) on revaluation of non-current assets</b>  | <b>11,462</b> | <b>6,199</b> |

**11d Impairment / Impairment Reversal Charged to CIES (Notes 3a and 3b refer).**

| 2020  | Land     | Buildings  | Infrastructure Assets | Plant & Equipment | Community Assets | PP&E Under Construction | Surplus Assets | Heritage Assets | Total PP&E | Investment Properties | Intangible Assets | TOTAL      |
|---|----------|------------|-----------------------|-------------------|------------------|-------------------------|----------------|-----------------|------------|-----------------------|-------------------|------------|
|   | £'000's  | £'000's    | £'000's               | £'000's           | £'000's          | £'000's                 | £'000's        | £'000's         | £'000's    | £'000's               | £'000's           | £'000's    |
| Cost  | 0        | 711        | 0                     | 0                 | 0                | 0                       | 0              | 0               | 711        | 0                     | 0                 | 711        |
| Depreciation written back                     | 0        | 46         | 0                     | 0                 | 0                | 0                       | 0              | 0               | 46         | 0                     | 0                 | 46         |
| <b>Net Impairment Reversal / (Impairment)</b> | <b>0</b> | <b>757</b> | <b>0</b>              | <b>0</b>          | <b>0</b>         | <b>0</b>                | <b>0</b>       | <b>0</b>        | <b>757</b> | <b>0</b>              | <b>0</b>          | <b>757</b> |

| 2019  | £           | £          | £         | £        | £          | £        | £        | £        | £          | £        | £        | £          |
|---|-------------|------------|-----------|----------|------------|----------|----------|----------|------------|----------|----------|------------|
| Cost  | (85)        | 674        | 0         | 0        | (7)        | 0        | 0        | 0        | 582        | 0        | 0        | 582        |
| Depreciation                                  | 0           | 0          | 50        | 0        | 0          | 0        | 0        | 0        | 50         | 0        | 0        | 50         |
| <b>Net Impairment Reversal / (Impairment)</b> | <b>(85)</b> | <b>674</b> | <b>50</b> | <b>0</b> | <b>(7)</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>632</b> | <b>0</b> | <b>0</b> | <b>632</b> |

This note quantifies by asset class the amount of Net Impairment Reversal/ (Impairment) charged to the CIES (Notes 4a and b also refer).

The Council carries out a rolling programme that ensures that all Property, Plant and Equipment required to be measured at fair value is revalued at least every five years.

**Prior Year Adjustment**

During the year it became clear that, whilst Council had maintained Portstewart Town Hall and Bushmills Community Centre for many years, it nonetheless had no legal title to either property and accordingly values associated with these properties were removed from the Council's Fixed Asset Register and Balance Sheet. In total £2,163,336 was removed from Property, Plant and Equipment being a reduction in Land of £625,000 and Buildings £1,538,336 - note 11b refers. These reductions required reductions to the Revaluation Reserve £784,052 and the Capital Adjustment Account £1,379,284 - note 3c refers.

| 11 e | Disposal of non current assets                    | 2020        | 2019        |
|------|---|-------------|-------------|
|      |   | £'000's     | £'000's     |
|      | Cost of assets disposed                           | (537)       | (776)       |
|      | Depreciation eliminated on disposal               | 534         | 763         |
|      | <b>Carrying amount of non-current assets sold</b> | <b>(3)</b>  | <b>(13)</b> |
|      | Proceeds from sale of fixed assets                | 83          | 19          |
|      | <b>(Profit) / Loss on sale of fixed assets</b>    | <b>(80)</b> | <b>(6)</b>  |

Note 8 refers.

#### 11 f Derecognition - Other

Expenditure of £31,282 on a number of smaller projects was derecognised and treated as revenue. Also during this year additional expenditure on Public Realm Schemes (and subject to capital grant funding) of £5,537,118 was derecognised and treated as revenue as council do not own the asset.

Capping Costs of £1,471,431 associated with Crosstagherty Landfill Site were derecognised and treated as revenue via Landfill Provision - note 19a refers. Other minor derecognitions of assets under construction amounted to £17,451.

#### 11 g Heritage Assets

The Council's Heritage Assets are reported in this year's Balance Sheet at amounts supplied by a professional valuer on the 31st March 2019. As a result £884,035 was added to the carrying cost and the Revaluation Reserve account in respect of these assets in 2018/19 - Note 11b refers.

#### 11 h Fair Value Hierarchy for Surplus Assets

Details of the Council's surplus assets and information about the fair value hierarchy as at 31st March 2020 and 2019 are as follows:-

| 2019/20 Recurring fair value measurements using: | Quoted Prices in active markets for identical assets (Level 1) | Other significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) | Fair value as at 31 March 2020 |
|--|--|---|---|--------------------------------|
|  | £'000's  | £'000's                                       | £'000's                                   | £'000's                        |
| Type 1   | 0  | 0   | 0   | 0                              |
| Type 2   | 0  | 1,020   | 0   | 1,020                          |
| Type 3   | 0  | 0   | 0   | 0                              |
| <b>Total</b>                                     | <b>0</b>   | <b>1,020</b>                                  | <b>0</b>                                  | <b>1020</b>                    |

Surplus asset refers to the Dunluce Centre, which will be offered on the market in the near future.

| 2018/19 Recurring fair value measurements using: | Quoted Prices in active markets for identical assets (Level 1) | Other significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) | Fair value as at 31 March 2019 |
|--|--|---|---|--------------------------------|
|  | £'000's  | £'000's                                       | £'000's                                   | £'000's                        |
| Type 1   | 0  | 0   | 0   | 0                              |
| Type 2   | 0  | 1,020   | 0   | 1,020                          |
| Type 3   | 0  | 0   | 0   | 0                              |
| <b>Total</b>                                     | <b>0</b>   | <b>1020</b>                                   | <b>0</b>                                  | <b>1020</b>                    |

#### Transfers between levels of the fair value hierarchy

There were no transfers between Levels 1 and 2 during the year.

#### Valuation Techniques used to Determine Level 2 and 3 Fair Values for Surplus Assets

##### Significant observable inputs – Level 2

Based on market values provided by a suitably qualified expert.

##### Significant observable inputs – Level 3

Council holds no assets at this level of categorisation.

#### Transfers between levels of the fair value hierarchy

There were no transfers between Levels 2 and 3 during the year.

#### Highest and best use of surplus assets

In estimating the fair value of the Council's surplus assets, the highest and best use of the assets is their current use.

#### Valuation Techniques

There has been no change in the valuation techniques used during the year for surplus assets.

**11 i Valuation Process for Investment Property**

Property held by the Council solely for the purpose of generating rental income and/or capital appreciation is recognised as Investment Property and revalued annually.

Gains or losses arising from changes in the fair value of the investment property are recognised in Note 9 "Financing and Investment and Expenditure".

Council's principal investment property is the land at the Giant's Causeway Visitor Centre and the market valuation is derived on the basis of future rental income from the National Trust.

**11 j Intangible Assets**

Intangible Assets comprise Podcast Net Book Value £130 (2019 - £1,692), Genealogy £226 (2019 - £2,991) and Computer and Telephony Licences £94,802 (2019 - £29,155).

**11 k Land and Property Services assumptions underlying asset revaluations.**

The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organisation as a "Global Pandemic" on 11th March 2020, has impacted global financial markets. Travel restrictions have been implemented by many countries.

Market activity is being impacted in many sectors. As at the valuation date, LPS considers that it can attach less weight to previous market evidence for comparison purposes, to inform opinions of value. Indeed, the current response to COVID-19 means that we are faced with an unprecedented set of circumstances on which to base a judgement.

The valuations detailed herein are therefore reported on the basis of 'material valuation uncertainty' as per VPS 3 and VPGA 10 of the RICS Global Standards. Consequently, less certainty - and a higher degree of caution - should be attached to them than would normally be the case.

Given the unknown future impact that COVID-19 might have on both the global and local real estate markets, it is strongly recommended that these valuations are kept under frequent review.

**12 Debtors**

| <b>12 a Long Term Debtors</b>  | <b>2020</b>    | <b>2019</b>    |
|--------------------------------|----------------|----------------|
|                                | <b>£'000's</b> | <b>£'000's</b> |
| Public Sector Debtors          | 983            | 1,058          |
| Employee Loans                 | 64             | 68             |
| <b>Total Long-Term Debtors</b> | <b>1,047</b>   | <b>1,126</b>   |

| <b>12 b Short Term Debtors</b>            | <b>2020</b>    | <b>2019</b>    |
|---|----------------|----------------|
|   | <b>£'000's</b> | <b>£'000's</b> |
| Public Sector Debtors                     | 1,948          | 1,769          |
| Employee Loans                            | 37             | 39             |
| Revenue Grants due from the public sector | 1,774          | 2,779          |
| Capital Grants due from the public sector | 656            | 0              |
| Trade Receivables                         | 764            | 675            |
| Impairment loss - Trade receivables       | (10)           | (12)           |
| Prepayments & Accrued Income              | 216            | 230            |
| Other                                     | 567            | 407            |
| <b>Total Short-Term Debtors</b>           | <b>5,952</b>   | <b>5,887</b>   |

|                      |              |              |
|----------------------|--------------|--------------|
| <b>Total Debtors</b> | <b>6,999</b> | <b>7,013</b> |
|----------------------|--------------|--------------|

| <b>12 c Trade debtors, inclusive of VAT, inclusive of impairment can be</b> | <b>2020</b>    | <b>2019</b>    |
|---|----------------|----------------|
|   | <b>£'000's</b> | <b>£'000's</b> |
| Less than three months  | 552            | 534            |
| Three to six months   | 23             | 129            |
| Six months to one year  | 162            | 0              |
| More than one year  | 17             | 0              |
| <b>Total Aged Trade Receivables after Impairment Provision</b>              | <b>754</b>     | <b>663</b>     |

**13 Investments**

All deposits held by Council at 31 March 2020 are due to mature within three months of deposit and are treated as cash and cash equivalents within Causeway Coast and Glens Borough Council's Balance Sheet - Note 25c refers. Accordingly, Council does not hold any Short or Long Term Investments as defined by the Code.

| 14 | <b>Inventories</b> | <b>2020</b>    | <b>2019</b>    |
|----|--------------------|----------------|----------------|
|    |                    | <b>£'000's</b> | <b>£'000's</b> |
|    | Fuel               | 60             | 97             |
|    | Central Stores     | 115            | 81             |
|    | <b>Total</b>       | <b>175</b>     | <b>178</b>     |

**15 Borrowings**

| 15 a | <b>Short Term Borrowing</b>       | <b>2020</b>    | <b>2019</b>    |
|------|-----------------------------------|----------------|----------------|
|      |                                   | <b>£'000's</b> | <b>£'000's</b> |
|      | Loans re-payable within one year  | 5,205          | 5,020          |
|      | <b>Total Short Term Borrowing</b> | <b>5,205</b>   | <b>5,020</b>   |

Council drew down new Government Loan finance amounting to £5,959,000 during 2019/20.

| 15 b | <b>Long Term Borrowing</b>       | <b>2020</b>    | <b>2019</b>    |
|------|----------------------------------|----------------|----------------|
|      |                                  | <b>£'000's</b> | <b>£'000's</b> |
|      | Between 1 and 2 years            | 5,292          | 5,029          |
|      | Between 2 and 5 years            | 13,512         | 12,689         |
|      | Between 5 and 10 years           | 16,897         | 16,337         |
|      | In more than 10 years            | 31,221         | 32,113         |
|      | <b>Total Long Term Borrowing</b> | <b>66,922</b>  | <b>66,168</b>  |

|  |                        |               |               |
|--|------------------------|---------------|---------------|
|  | <b>Total Borrowing</b> | <b>72,127</b> | <b>71,188</b> |
|--|------------------------|---------------|---------------|

| 15 c | <b>Analysed over:</b> | <b>2020</b>    | <b>2019</b>    |
|------|-----------------------|----------------|----------------|
|      |                       | <b>£'000's</b> | <b>£'000's</b> |
|      | Government Loans      | 62,127         | 61,188         |
|      | Commercial Loans      | 10,000         | 10,000         |
|      |                       | <b>72,127</b>  | <b>71,188</b>  |

Interest rates on Government Loans range between 1.14% to 16.25%

Interest rates on Commercial Loans range between 4.45% to 4.99 %

**16 Capital Expenditure**

| <b>Capital Expenditure</b>   |             | <b>2020</b>    | <b>2019</b>    |
|--|-------------|----------------|----------------|
|  |             | <b>£'000's</b> | <b>£'000's</b> |
| Opening Capital Financing Requirement  |             | 78,812         | 78,267         |
| <b>Capital Investment</b>  |             |                |                |
| Non Current Assets   | 11a / 11b   | 10,090         | 9,106          |
| Net Revenue Expenditure funded from capital under statute                    | 4a / 4b     | 5,920          | 531            |
| Net Revenue Expenditure funded from capital under direction                  | 4a / 4b     | 2,441          | 0              |
| Net Revenue Expenditure funded from capital under direction re earlier years | 2a          | 1,559          | 0              |
| <b>Sources of Finance</b>  |             |                |                |
| Capital Receipts   | 11e         | (83)           | (19)           |
| Government Grants and Other Contributions Released                           | 10          | (5,389)        | 24             |
| Movement in Grant Receipts   | 25e         | 1,818          | (2,712)        |
| Transfers to Sinking Fund  | 3           | (305)          | (304)          |
| <b>Sums set aside from Revenue</b>   |             |                |                |
| Direct Revenue Contributions   | 11a,11b,11f | (7,026)        | (189)          |
| Minimum Revenue Provision  | 2           | (5,535)        | (5,892)        |
| <b>Closing Capital Financing Requirement</b>                                 |             | <b>82,302</b>  | <b>78,812</b>  |

| <b>Explanation of Movements in Year</b>                     |  | <b>2020</b>    | <b>2019</b>    |
|---|--|----------------|----------------|
|   |  | <b>£'000's</b> | <b>£'000's</b> |
| Increase in underlying need to borrow                       |  | 3,490          | 545            |
| <b>Increase/(decrease) in Capital Financing Requirement</b> |  | <b>3,490</b>   | <b>545</b>     |

**17 Future Capital Commitments**

The Council has an ongoing programme of capital works and the estimated cost of these schemes are as follows:

|                   | <b>Gross Cost</b> | <b>Grant Aid</b> | <b>Net Cost</b> |
|-------------------|-------------------|------------------|-----------------|
|                   | <b>£'000's</b>    | <b>£'000's</b>   | <b>£'000's</b>  |
| Schemes underway  | 2,748             | 1,814            | 934             |
| Other Commitments | 326               | 236              | 90              |
| <b>Total</b>      | <b>3,074</b>      | <b>2,050</b>     | <b>1,024</b>    |

Other commitments relate to capital schemes which have been tendered and are subject to contract approval.

**18 Creditors**

| <b>18 a</b> | <b>Short Term Creditors</b>       | <b>2020</b>    | <b>2019</b>    |
|-------------|-----------------------------------|----------------|----------------|
|             |                                   | <b>£'000's</b> | <b>£'000's</b> |
|             | Public Sector Creditors           | 629            | 541            |
|             | Employee Creditors                | 476            | 448            |
|             | Loan Interest Payable             | 519            | 524            |
|             | Capital Creditors                 | 131            | 160            |
|             | Receipts in advance               | 2,649          | 2,619          |
|             | Trade creditors                   | 4,125          | 5,121          |
|             | Accruals and Other                | 297            | 923            |
|             | Deferred Revenue Grants           | 29             | 67             |
|             | <b>Total Short Term Creditors</b> | <b>8,855</b>   | <b>10,403</b>  |

**18 b** Council has no long term creditors in the current year nor the preceding year.

**18 c Payment of Invoices**

The Council has a target of paying supplier invoices within 30 calendar days. During the year the Council paid 30,002 invoices totalling £52,541,380 (2018/2019 paid 30,208 invoices totalling £50,242,775).

|                             | <b>2020</b> | <b>2019</b> |
|-----------------------------|-------------|-------------|
| Total Invoices paid         | 30,002      | 30,208      |
| Paid within 30 days         | 23,786      | 24,846      |
| % within 30 days            | 79%         | 82%         |
| Paid within 10 days         | 12,066      | 13,462      |
| % within 10 days            | 40%         | 45%         |
| After 30 days               | 6,216       | 5,362       |
| % after 30 days             | 21%         | 18%         |
| Number of Disputed Invoices | 370         | 126         |
| Average Payment Days        | 22.53 days  | 24.49 days  |

**19 Provisions****19 a Current Year**

| Provisions           | At 1 April<br>2019 | Increase in<br>provision during<br>year | Utilised<br>during year | Unused<br>amounts<br>reversed | Interest cost<br>and/or discount<br>rate changes | At 31 March<br>2020 |
|----------------------|--------------------|---|-------------------------|-------------------------------|--|---------------------|
|                      | £'000's            | £'000's                                 | £'000's                 | £'000's                       | £'000's  | £'000's             |
| Landfill Provision   | 15,021             | 585                                     | (1,471)                 | 0                             | (981)  | 13,154              |
|                      | <b>15,021</b>      | <b>585</b>                              | <b>(1,471)</b>          | <b>0</b>                      | <b>(981)</b>                                     | <b>13,154</b>       |
|                      | £'000's            | £'000's                                 | £'000's                 | £'000's                       | £'000's  | £'000's             |
| Current Provisions   | 0                  | 0                                       | 0                       | 0                             | 0  | 0                   |
| Long Term Provisions | 15,021             | 585                                     | (1,471)                 | 0                             | (981)  | 13,154              |
|                      | <b>15,021</b>      | <b>585</b>                              | <b>(1,471)</b>          | <b>0</b>                      | <b>(981)</b>                                     | <b>13,154</b>       |

**19 b Comparative Year Provisions**

| Provisions           | At 1 April<br>2018 | Increase in<br>provision during<br>year | Utilised<br>during year | Unused<br>amounts<br>reversed | Interest cost<br>and/or discount<br>rate changes | At 31 March<br>2019 |
|----------------------|--------------------|---|-------------------------|-------------------------------|--|---------------------|
|                      | £'000's            | £'000's                                 | £'000's                 | £'000's                       | £'000's  | £'000's             |
| Landfill Provision   | 14,315             | 354                                     | 0                       | 0                             | 352  | 15,021              |
| Severance Payments   | 200                | 0                                       | (200)                   | 0                             | 0  | 0                   |
|                      | <b>14,515</b>      | <b>354</b>                              | <b>(200)</b>            | <b>0</b>                      | <b>352</b>                                       | <b>15,021</b>       |
|                      | £'000's            | £'000's                                 | £'000's                 | £'000's                       | £'000's  | £'000's             |
| Current Provisions   | 200                | 0                                       | (200)                   | 0                             | 0  | 0                   |
| Long Term Provisions | 14,315             | 354                                     | 0                       | 0                             | 352  | 15,021              |
|                      | <b>14,515</b>      | <b>354</b>                              | <b>(200)</b>            | <b>0</b>                      | <b>352</b>                                       | <b>15,021</b>       |

**Landfill closure & aftercare**

Landfill provisions are in place in respect of all council landfill sites at Craigahulliar (Portrush), Crosstagherty (Ballymoney) and Drumaduff (Limavady). The provisions cover the estimated future costs of closure and subsequent aftercare for at least 30 years following closure. RPS Consulting Engineers submitted formal closure reports to the Council for each site, which included the cost estimates used in the calculation of the provision. A revised Craigahulliar closure plan was submitted to Council in March 2019. It included revised cost estimates which with capacity added £353,721 to provisions. The provisions, which are based on current cost prices, have been discounted using prescribed discount rates in accordance with IAS37. The basis of the discounts rates was amended by DfC in 2018/19 to reflect interest rates and inflation. The amendment mitigates the impact of changes to the discount rate by creating a negative landfill provisions discount rate reserve (note 3b&c). During the year changes to the discount rates resulted in decreases to the provisions of £980,958 (2019 - increases £352,265). The provisions by site are set out below.

| Landfill Site | Closure      |                 | At 31 March   | Closure      |                 | At 31 March   |
|---------------|--------------|-----------------|---------------|--------------|-----------------|---------------|
|               | Costs        | Aftercare Costs | 2020          | Costs        | Aftercare Costs | 2019          |
|               | £'000's      | £'000's         | £'000's       | £'000's      | £'000's         | £'000's       |
| Craigahulliar | 2,179        | 3,140           | 5,319         | 2,213        | 3,330           | 5,543         |
| Crosstagherty | 269          | 761             | 1,030         | 1,740        | 788             | 2,528         |
| Drumaduff     | 4,512        | 2,293           | 6,805         | 4,559        | 2,391           | 6,950         |
|               | <b>6,960</b> | <b>6,194</b>    | <b>13,154</b> | <b>8,512</b> | <b>6,509</b>    | <b>15,021</b> |



**20 Financial Instruments**

The Council has no material exposure to any of the risk types identified below in its dealings with Financial Instruments.

**Credit Risk**

Credit risk arises from deposits with banks and financial institutions, as well as credit exposures to the Council's customers. Customers are assessed, taking into account their financial position, past experience and other factors, with individual credit limits being set in accordance with internal ratings in accordance with parameters set by the Council. The provision for bad and doubtful debts reflects the Council's assessment of the risk of non-payment by trade debtors and, as such, there is no further additional estimated exposure to default and inability to collect.

Trade debtors are aged in Note 12 c to these accounts.

There is no historical experience of default in relation to deposits with banks and other financial institutions. Therefore there is no estimated exposure to risk of default.

**Liquidity Risk**

As the Council has ready access to borrowings from the Department of Finance's Consolidated Fund, there is no significant risk that it will be unable to raise finance to meet its commitments under Financial Instruments. The maturity analysis of financial liabilities is included in notes 15 to 19. All trade and other payables are due for payment within one year.

**Market Risk****Interest rate risk**

The Council has no material risk exposure in terms of its exposure to interest rate movements on its borrowings and investments.

**Foreign exchange risk**

The Council received minimal grant receipts denominated in euros and these were lodged at spot rates and thus has no material exposure to loss arising from movements in exchange rates.

**Fair Value of Soft Loans and Government Loans**

The Council is in receipt of loans from the Department of Finance (Government Loans) that differ from the prevailing market rates. The fair value of these loans together with Market Loans is analysed as follows.

|                  | 2020          | 2019          |
|------------------|---------------|---------------|
|                  | £'000's       | £'000's       |
| Government Loans | 82,370        | 78,012        |
| Market Loans     | 10,000        | 10,000        |
| <b>Total</b>     | <b>92,370</b> | <b>88,012</b> |

The Council has not made any loans, at less than market rates (soft loans), to any voluntary or other external body.

**21 Retirement Benefits****21 a Participation in the Northern Ireland Local Government Officers' Pension Fund.**

As part of the terms and conditions of employment of its officers and other employees, the Council offers retirement benefits. Although these benefits will not actually be payable until employees retire, the Council has a commitment to make the payments that need to be disclosed at the time that employees earn their future entitlement.

The Council participates in the Northern Ireland Local Government Officers' Pension Fund administered by the Northern Ireland Local Government Officers' Superannuation Committee. This is a funded scheme, meaning that the Council and employees pay contributions into a fund, calculated at a level intended to balance the pension's liabilities with investment assets.

**21 b Transactions relating to retirement benefits - Comprehensive Income and Expenditure Statement Charges:**

The Council recognises the cost of retirement benefits in the Cost of Services on Continuing Operations when they are earned by employees, rather than when the benefits are eventually paid as pensions.

However, the charge the Council is required to make against district rates is based on the cash payable in the year, and the real cost of retirement benefits is reversed out in the adjustments between accounting basis & funding basis under regulations line, in the Movement on Reserves Statement.

The following transactions have been made in the Comprehensive Income and Expenditure Statement and the adjustments between accounting basis & funding basis under regulations line, in the Movement on Reserves Statement during the year:

|   | Note | 2020           | 2019           |
|---|------|----------------|----------------|
|   |      | £'000's        | £'000's        |
| <b>Net cost of services:</b>  |      |                |                |
| Current service cost  | 21 c | 7,321          | 6,151          |
| Past service cost/(gain)  | 21 c | 2,042          | 3,486          |
| <b>Net operating expenditure:</b>   |      |                |                |
| Net Interest on net defined benefit Liability (asset)                                       | 9    | 889            | 900            |
| <b>Total Post-employment Benefits charged to the Surplus or Deficit on</b>                  |      | <b>10,252</b>  | <b>10,537</b>  |
| <b>Movement in Reserves Statement:</b>  |      |                |                |
| Reversal of net charges made for retirement benefits in accordance with IAS 19 and the Code |      | (10,252)       | (10,537)       |
| <b>Actual amount charged against the general fund balance for pensions</b>                  |      |                |                |
| Employers' contributions payable to scheme  | 21 c | 5,790          | 3,703          |
| <b>Net charge to the Comprehensive Income and Expenditure Statement</b>                     |      | <b>(4,462)</b> | <b>(6,834)</b> |
| The service cost figures include an allowance for administration expenses of £0.            |      |                |                |
| <b>Remeasurements recognised in Other Comprehensive Income and Expenditure</b>              |      |                |                |
|   | Note | 2020           | 2019           |
|   |      | £'000's        | £'000's        |
| Liability gains/(losses) due to change in assumptions                                       | 21 c | 3,951          | (10,729)       |
| Liability experience gains/(losses) arising in the year                                     | 21 c | 6,741          | 7,760          |
| Actuarial gains/(losses) on plan assets   | 21 c | (3,429)        | (222)          |
| Other   | 21 c | (9,362)        | 6,609          |
| <b>Total gains/(losses) recognised in Other Comprehensive Income and Expenditure</b>        |      | <b>(2,099)</b> | <b>3,418</b>   |

**21 c Assets and liabilities in relation to retirement benefits**

| <b>Reconciliation of present value of the scheme liabilities:</b>      |             | <b>2020</b>    | <b>2019</b>    |
|--|-------------|----------------|----------------|
|  |             | <b>£'000's</b> | <b>£'000's</b> |
|  | <b>Note</b> |                |                |
| Balance as at 1 April  |             | 196,594        | 182,509        |
| Current service cost   | 21 b        | 7,321          | 6,151          |
| Interest cost  |             | 4,676          | 4,701          |
| Contributions by members   |             | 1,170          | 1,149          |
| <b>Remeasurement (gains) and losses:</b>                               |             |                |                |
| Actuarial (gains)/losses arising from changes in financial assumptions | 21 b        | (3,951)        | 10,729         |
| Actuarial gains/losses arising from demographic changes                | 21 b        | (6,741)        | (7,760)        |
| Actuarial (gains)/losses arising on liabilities from experience        | 21 b        | 3,429          | 222            |
| Past service costs/(gains)   | 21 b        | 2,042          | 3,486          |
| Estimated unfunded benefits paid                                       |             | (30)           | (30)           |
| Estimated benefits paid  |             | (4,818)        | (4,563)        |
| <b>Balance as at 31 March</b>  |             | <b>199,692</b> | <b>196,594</b> |

| <b>Reconciliation of present value of the scheme assets:</b> |             | <b>2020</b>    | <b>2019</b>    |
|--|-------------|----------------|----------------|
|  |             | <b>£'000's</b> | <b>£'000's</b> |
|  | <b>Note</b> |                |                |
| Balance as at 1 April  |             | 156,680        | 146,011        |
| Interest Income  |             | 3,787          | 3,801          |
| Contributions by members                                     |             | 1,170          | 1,149          |
| Contributions by employer                                    |             | 5,760          | 3,673          |
| Contributions in respect of unfunded benefits                |             | 30             | 30             |
| Remeasurement gain/(loss)                                    |             | (9,362)        | 6,609          |
| Unfunded benefits paid                                       |             | (30)           | (30)           |
| Benefits paid  |             | (4,818)        | (4,563)        |
| <b>Balance as at 31 March</b>                                |             | <b>153,217</b> | <b>156,680</b> |

The actual return on scheme assets in the year was a loss of £5,575,000 (2018/2019- gain of £10,410,000)

| <b>Fair Value of Plan Assets</b> | <b>2020</b>    | <b>2019</b>    |
|----------------------------------|----------------|----------------|
|                                  | <b>£'000's</b> | <b>£'000's</b> |
| Equity investments               | 65,270         | 93,225         |
| Government Bonds                 | 39,990         | 25,852         |
| Corporate Bonds                  | 19,305         | 10,968         |
| Property                         | 15,322         | 17,548         |
| Other                            | 6,129          | 4,857          |
| Cash                             | 7,201          | 4,230          |
|                                  | <b>153,217</b> | <b>156,680</b> |

The above asset values are at bid value as required by IAS 19.

The amounts included in the fair value of plan assets for property occupied by the Council was £0.

The Council's share of the Net Pension Liability (included in the Balance Sheet):

|  | <b>2020</b>     | <b>2019</b>     |
|--|-----------------|-----------------|
|  | <b>£'000's</b>  | <b>£'000's</b>  |
| Fair Value of Employer Assets  | 153,217         | 156,680         |
| Present value of funded defined benefit obligation                       | (199,692)       | (196,141)       |
| <b>Pension asset/(liability) of Funded Scheme</b>                        | <b>(46,475)</b> | <b>(39,461)</b> |
| Present Value of unfunded defined benefit obligation                     | 0               | (453)           |
| <b>Net asset/(liability) arising from the defined benefit obligation</b> | <b>(46,475)</b> | <b>(39,914)</b> |
| <b>Amount in the Balance sheet:</b>                                      |                 |                 |
| Liabilities  | (46,475)        | (39,914)        |
| Assets   | 0               | 0               |
| <b>Net Asset/(Liability)</b>   | <b>(46,475)</b> | <b>(39,914)</b> |

**21 d Scheme history**

| Analysis of scheme assets and liabilities  | 2020            | 2019            |
|--|-----------------|-----------------|
|  | £'000's         | £'000's         |
| Fair Value of Assets in pension scheme   | 153,217         | 156,680         |
| Present Value of Defined Benefit Obligation  | (199,692)       | (196,594)       |
| <b>Surplus/(deficit) in the Scheme</b>   | <b>(46,475)</b> | <b>(39,914)</b> |
| Amount recognised in Other Comprehensive Income  | 2020            | 2019            |
|  | £'000's         | £'000's         |
| Actuarial gains/(losses)   | (2,099)         | 3,418           |
| <b>Remeasurements recognised in the Other Comprehensive Income and Expenditure Statement</b> | <b>(2,099)</b>  | <b>3,418</b>    |
| Experience gains and (losses) on assets  | (9,362)         | 6,609           |
| Experience gains and (losses) on liabilities   | 7,263           | (3,191)         |

The liabilities show the underlying commitments that the Council has in the long run to pay retirement benefits. The total liability of £199,692,000 has a substantial impact on the net worth of the Council as recorded in the Balance Sheet, resulting in a net liability of £46,475,000.

**Allowance for the McCloud Judgement and GMP Indexation / Equalisation**

Retirement Benefits includes an estimated allowance for additional liabilities that are now probable arising from the McCloud Judgement and GMP Indexation and Equalisation cases outlined below.

The additional liability is shown as a Past Service Cost over the accounting period based on an effective date of 31 March 2019.

**McCloud Judgement**

In December 2018 the Court of Appeal ruled in the "McCloud/Sargeant" judgement that the transitional protection arrangements put in place when the Firefighters' and Judges' pension schemes were reformed were age discriminatory. The Government applied to the Supreme Court for permission to appeal this judgement, however the Supreme Court rejected the request on 27/06/19. The next stage is for the case to be referred to the Employment Tribunal to agree the remedy, following appropriate consultation.

While the judgement was not in relation to members with Local Government Pension Scheme (NI) benefits it would be reasonable to assume that the Government will now seek remedy for all public sector schemes, including Local Government Pension Scheme (NI).

The additional liability was calculated to be 3.2% of the Council's active liabilities using a salary increase assumption of 1.5% above CPI inflation

**GMP Indexation and Equalisation**

Guaranteed Minimum Pension (GMP) is a portion of pension that is payable to members who were contracted out of the State Second Pension and accrued benefits in the scheme between 6 April 1978 and 5 April 1997. The LGPS (NI) was contracted out.

The GMP was intended to approximately replace the State Pension which members were giving up, however the payment terms of GMP are different between men and women, which was a consequence of the state pension itself being unequal at that time.

**Analysis of projected amount to be charged to the Comprehensive Income and Expenditure Statement for the year to 31 March 2021**

|   | 2021         |
|---|--------------|
|   | £'000's      |
| Projected current cost                                    | 7,014        |
| Net Interest on the net defined benefit liability (asset) | 1,026        |
|   | <b>8,040</b> |

The total contributions expected to be made to the Northern Ireland Local Government Officers' Pension Fund by the Council in the year to 31 March 2021 is £8,040,000.

**History of experience gains and losses**

The actuarial gains identified as movements on the Pensions Reserve 2019/20 can be analysed into the following categories, measured as a percentage of opening assets or liabilities for that year.

|  | 2020    | 2019  |
|--|---------|-------|
|  |         | %     |
| Experience gains and (losses) on Assets      | (6.11%) | 4.22% |
| Experience gains and (losses) on Liabilities | (3.64%) | 1.62% |

**21 e Basis for estimating assets and liabilities**

Liabilities have been assessed on an actuarial basis using the projected unit method, an estimate of the pensions that will be payable in the future years dependent on assumptions about mortality rates, salary levels, etc. The Council's Fund liabilities have been assessed by Aon Hewitt Limited, an independent firm of actuaries, estimates for the Council Fund being based on data pertaining to the latest full valuation of the scheme as at 31 March 2020.

**Mortality assumptions:**

Longevity at 65 current pensioners:

|       |            |            |
|-------|------------|------------|
| Men   | 21.8 years | 22.6 years |
| Women | 25.0 years | 24.9 years |

**Longevity at 65 for future pensioners (aged 45 at accounting date):**

|                                 |            |            |
|---------------------------------|------------|------------|
| Men                             | 23.2 years | 24.3 years |
| Women                           | 26.4 years | 26.7 years |
| Inflation/Pension Increase Rate | 2.00%      | 2.20%      |
| Salary Increase Rate            | 3.50%      | 3.70%      |
| Discount Rate                   | 2.30%      | 2.40%      |

**21 f Major categories of plan assets as percentage of total plan assets**

The Northern Ireland Local Government Officers' Pension Fund's assets consist of the following categories, by proportion of the total assets held:

|                    | 2020          | 2019          |
|--------------------|---------------|---------------|
|                    | %             | %             |
| Equity investments | 42.60         | 59.50         |
| Government Bonds   | 26.10         | 16.50         |
| Corporate Bonds    | 12.60         | 7.00          |
| Property           | 10.00         | 11.20         |
| Other              | 4.00          | 3.10          |
| Cash               | 4.70          | 2.70          |
|                    | <b>100.00</b> | <b>100.00</b> |

**21 g Sensitivity Analysis**

The results of the actuary's report shown above are sensitive to the assumptions used.

The approximate impact of changing the key assumptions on the present value of the funded defined benefit obligation as at 31 March 2020 and the projected service cost for the year ending 31 March 2021 is set out below.

In each case, only the assumption mentioned is altered; all other assumptions remain the same and are as summarised in Note 21.e.

On the grounds of materiality no sensitivity analysis has been applied to unfunded benefits.

|   | Positive<br>Movement | Negative<br>Movement |
|---|----------------------|----------------------|
| <b>Adjustment to Discount Rate</b>                    | <b>0.1% p.a</b>      | <b>(0.1%) p.a</b>    |
| Present Value of total obligation £'000's             | 195,736              | 202,866              |
| % change in present value of total obligation         | (1.8%)               | 1.8%                 |
| Projected Service Cost £'000's                        | 6,787                | 7,248                |
| Approximate % change in projected service cost        | (3.2%)               | 3.3%                 |
| <b>Adjustment to salary increase rate</b>             | <b>0.1% p.a</b>      | <b>(0.1%) p.a</b>    |
| Present Value of total obligation £'000's             | 200,054              | 198,493              |
| % change in present value of total obligation         | 0.4%                 | (0.4%)               |
| Projected Service Cost £'000's                        | 7,014                | 7,014                |
| Approximate % change in projected service cost        | 0.0%                 | 0.0%                 |
| <b>Adjustment to pension increase rate</b>            | <b>0.1% p.a</b>      | <b>(0.1%) p.a</b>    |
| Present Value of total obligation £'000's             | 202,680              | 195,925              |
| % change in present value of total obligation         | 1.7%                 | (1.7%)               |
| Projected Service Cost £'000's                        | 7,248                | 6,787                |
| Approximate % change in projected service cost        | 3.3%                 | (3.2%)               |
| <b>Adjustment to mortality age rate increase rate</b> | <b>(1 Year)</b>      | <b>1 Year</b>        |
| Present Value of total obligation £'000's             | 205,705              | 192,895              |
| % change in present value of total obligation         | 3.2%                 | (3.2%)               |
| Projected Service Cost £'000's                        | 7,281                | 6,750                |
| Approximate % change in projected service cost        | 3.8%                 | (3.8%)               |

**21 h The Northern Ireland Civil Service (NICS) Pension Arrangements**

The Northern Ireland Civil Service Pension arrangements are unfunded multi-employer defined benefit schemes but the Council is unable to identify its share of the underlying assets and liabilities. The most up to date actuarial valuation was carried out as at 31/03/20. This valuation is then reviewed by the Scheme Actuary and updated to reflect current conditions and rolled forward to the reporting date of the DoF Superannuation and Other Allowances Resource Accounts as at 31 March 2020.

Guaranteed Minimum Pension (GMP) is a portion of pension that was accrued by individuals who were contracted out of the state pension prior to 6 April 1997. At present there is an inequality of benefits between male and female members who have GMP. Although the Government intends that GMP should be equalised, at present it is not clear how this equalisation will be implemented. In July 2014 the Government stated an intention to develop fully considered proposals and to publish guidance when this work is completed, but no target date was given. The impact of any liabilities relating to the Council is therefore uncertain and no provision has been made in these financial statements.

During the the year Council made contributions of £246,671 (2018/19- 190,243) to the Northern Ireland Civil Service Pension Scheme (Note 7e refers.)

**22 Donated Assets Account**

| 22 a | Donated Assets Account                                      | Note | 2019/20   | 2018/19    |
|------|---|------|-----------|------------|
|      |   |      | £'000's   | £'000's    |
|      | Opening balance   |      | 109       | 109        |
|      | Add: new donated assets received (condition of use not met) |      | 0         | 0          |
|      | Less: amounts utilised in year                              |      | (28)      | 0          |
|      | <b>Closing Balance</b>                                      |      | <b>81</b> | <b>109</b> |

**22 b Analysis of Donated Assets Account**

The balance of the Donated Assets Account represents donations received that have yet to be recognised as income, as they have conditions attached to them, which will require the donated assets to be returned, if conditions are not met. The balances at the year end are as follows:

| Donated Assets Account         | Note | 2019/20   | 2018/19    |
|--------------------------------|------|-----------|------------|
|                                |      | £'000's   | £'000's    |
| John Onslow Springhall Bequest |      | 81        | 109        |
|                                |      | <b>81</b> | <b>109</b> |

Council received a cash bequest to be utilised for operational and/or capital improvements to "Flowerfield Arts Centre".

**23 Capital Grants Received in Advance**

| 23 a | Capital Grants Received in Advance   | Government   | Non Government | Total        |
|------|--|--------------|----------------|--------------|
|      |  | £'000's      | £'000's        | £'000's      |
|      | Opening balance at 01 April 2018   | 0            | 0              | 0            |
|      | Add: new capital grants received in advance (condition of use not met)       | 2,634        | 54             | 2,688        |
|      | Less: amounts released to the Comprehensive Income and Expenditure Statement | 0            | 24             | 24           |
|      | <b>Closing Balance at 31 March 2019</b>                                      | <b>2,634</b> | <b>78</b>      | <b>2,712</b> |
|      | Add: new capital grants received in advance (condition of use not met)       | 2,800        | 771            | 3,571        |
|      | Less: amounts released to the Comprehensive Income and Expenditure Statement | (5,169)      | (220)          | (5,389)      |
|      | <b>Closing Balance</b>   | <b>265</b>   | <b>629</b>     | <b>894</b>   |

In the current year £5,388,993 of capital grant was applied, however whilst £26,000 was released in 2018/19, £49,684 previously applied in 2017/18 was not received thus creating a net negative release of £23,684 in 2018/19 and is disclosed under Taxation and Non Specific Grant - Note 10 refers.

**23 b Analysis of Capital Grants Receipts in Advance Balance**

The balance of Capital Grants Receipts in Advance represents grants received that have yet to be recognised as income, as they have conditions attached to them, which will require the grant to be repaid, if conditions are not met. The balances at the year end are as follows:

| Analysis of Capital Grants Receipts in Advance Balance | 2019/20    | 2018/19      |         |
|--|------------|--------------|---------|
|  |            | £'000's      | £'000's |
| Portrush Public Realm                                  | 98         | 2,615        |         |
| Village Renewal  | 144        | 68           |         |
| Garvagh Forest Bike trail                              | 0          | 29           |         |
| Dunluce Car Park                                       | 23         | 0            |         |
| Benone Beach   | 32         | 0            |         |
| Waterways Ireland                                      | 56         | 0            |         |
| Peace Schemes  | 541        | 0            |         |
|  | <b>894</b> | <b>2,712</b> |         |

**24 Contingencies**

In accordance with the Code (and IAS 37), Councils should disclose by way of note if there is a possible obligation arising 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 the authority, or a present obligation that arises from past events but is not recognised because:

- a) it is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation, or
- b) the amount of the obligation cannot be measured with sufficient reliability.

**Landfill Provisions**

Provision has been made in the accounts for landfill closure and aftercare costs based on reports from RPS Consulting Engineers. Until the necessary engineering works begins to close the landfill sites, however, there is uncertainty surrounding the actual final closure and aftercare costs and as a consequence the current landfill closure and aftercare provisions may change.

**Legal Issues**

Whilst Council is involved in various legal cases no provision has been made for future economic outflows that may or may not ensue as a result of litigation. Council has adopted this approach as it considers significant detrimental outflows unlikely and impossible to estimate.

**25 Notes to the cash flow statement****25 a Analysis of Adjustments to Surplus/Deficit on the Provision of Services**

| Adjustment to surplus or deficit on the provision of services for noncash movements            | Notes     | 2019/20<br>£'000's | 2018/19 as<br>restated<br>£'000's |
|--|-----------|--------------------|-----------------------------------|
| Depreciation & Amortisation of non-current assets  | 11a / 11b | 8,585              | 7,653                             |
| Impairment & downward revaluations (& non-sale derecognitions) of (Increase)/Decrease in Stock | 11d<br>14 | (757)<br>3         | (632)<br>(43)                     |
| (Increase)/Decrease in Debtors   | 12        | 668                | 67                                |
| Increase/(decrease) in impairment provision for bad debts                                      | 12        | 2                  | (4)                               |
| Increase/(Decrease) in Creditors   | 18a       | (1,514)            | 868                               |
| Increase/(Decrease) in Interest Creditors/Debtors  | 18a       | (5)                | (5)                               |
| Pension fund adjustments   | 21b       | 4,462              | 6,834                             |
| Carrying amount of non-current assets sold   | 11e       | 3                  | 13                                |
| WIP written off to Net Cost of Services  | 11f       | 7,026              | 189                               |
| Contributions to Other Reserves/Provisions   | 19a / 19b | (1,867)            | 506                               |
| (Increase)/Decrease in Fair Value of Investment Property                                       | 9         | (2)                | 1,005                             |
| Amounts posted to DFS from Donated Assets Account  | 22        | (28)               | 0                                 |
| <b>Total Adjustments for Non Cash Movements</b>  |           | <b>16,576</b>      | <b>16,451</b>                     |

**25 b Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing activities**

|  | Notes        | 2019/20<br>£'000's | 2018/19<br>£'000's |
|--|--------------|--------------------|--------------------|
| Proceeds from the sale of PP&E, investment property and intangible |              | (83)               | (19)               |
| Capital grants included in "Taxation & non-specific grant income"  | 2a,2b,2c,23a | (5,389)            | 24                 |
| <b>Total Investing and Financing Adjustments</b>                   |              | <b>(5,472)</b>     | <b>5</b>           |



**25 c Cash and Cash Equivalents**

For the purposes of the cash flow statement, cash and cash equivalents include cash on hand and in bank and short

|   | 2019/20      | 2018/19       |
|---|--------------|---------------|
|   | £'000's      | £'000's       |
| Cash and Bank balances                                  | 480          | 787           |
| Cash and Bank balances after Bank Overdraft Offset      | 480          | 787           |
| Short Term Deposits (considered to be Cash Equivalents) | 5,205        | 10,789        |
| <b>Total Cash and Cash Equivalents</b>                  | <b>5,685</b> | <b>11,576</b> |

**25 d Cash Flow Statement-Operating Activities**

The cash flows from operating activities include:

|                   | 2019/20 | 2018/19 |
|-------------------|---------|---------|
|                   | £'000's | £'000's |
| Interest received | 108     | 103     |
| Interest paid     | 2,981   | 3,135   |

**25 e Cash flows from Investing Activities**

|   | 2019/20        | 2018/19        |
|---|----------------|----------------|
|   | £'000's        | £'000's        |
| Purchase of PP&E, investment property and intangible assets                     | (10,090)       | (9,106)        |
| Opening Capital Creditors   | (160)          | (190)          |
| Closing Capital Creditors   | 131            | 160            |
| Proceeds from the sale of PP&E, investment property and intangible assets       | 83             | 19             |
| Capital grants & contributions included in Taxation & non specific grant income | 5,389          | (24)           |
| Opening Capital Grant Debtors   | 0              | 268            |
| Closing Capital Grant Debtors   | (656)          | 0              |
| Movement in Grants received in advance  | (1,818)        | 2,712          |
| <b>Net Cash flows from Investing Activities</b>                                 | <b>(7,121)</b> | <b>(6,161)</b> |

**25 f Cash flows from Financing Activities**

|   | 2019/20    | 2018/19      |
|---|------------|--------------|
|   | £'000's    | £'000's      |
| Other Receipts from Financing Activities        | 5,959      | 9,274        |
| Repayment of Short and Long Term Borrowing      | (5,020)    | (7,175)      |
| <b>Net Cash flows from Financing Activities</b> | <b>939</b> | <b>2,099</b> |

**26 Usable Reserves****26 a Capital Receipts Reserve**

These are capital receipts which have originated primarily from the sale of assets which have not yet been used to finance capital expenditure.

The Capital Receipts Reserve is credited with the proceeds from fixed asset sales and other monies defined by statute as capital receipts. These are originally credited to the Comprehensive Income and Expenditure Statement as part of the gain/loss on disposal and posted out via the Movement in Reserves Statement to the Capital Receipts Reserve. The reserve is written down when resources are applied to finance new capital expenditure or set aside to reduce the Council's capital financing requirement (or used for other purposes permitted by statute).

| Capital Receipts Reserve                             | Notes | 2019/20<br>£'000's | 2018/19<br>£'000's |
|--|-------|--------------------|--------------------|
| <b>Movement</b>                                      |       |                    |                    |
| Proceeds of sale                                     |       | 83                 | 19                 |
| Capital Receipts used to finance capital expenditure |       | (83)               | (19)               |
| Net Movement   |       | 0                  | 0                  |
| <b>At 31 March</b>                                   |       | <b>0</b>           | <b>0</b>           |

**27 Significant Trading Operations**

The council considers its only significant trading operations to be the provision of car parking and camping and caravanning facilities

| Significant Trading Operations     | 2019/20<br>£'000's<br>Turnover | 2019/20<br>£'000's<br>Profit/(Loss) | 2018/19<br>£'000's<br>Turnover | 2018/19<br>£'000's<br>Profit/(Loss) |
|------------------------------------|--------------------------------|-------------------------------------|--------------------------------|-------------------------------------|
| Car Parking Facilities             | 1,124                          | 622                                 | 1,103                          | 584                                 |
| Camping and Caravanning Facilities | 2,929                          | 1,351                               | 2,982                          | 1,354                               |
| <b>Totals</b>                      | <b>4,053</b>                   | <b>1,973</b>                        | <b>4,085</b>                   | <b>1,938</b>                        |

Car Parking forms an integral part of Environmental Services - Infrastructure Note 30b.

Camping and caravanning facilities form an integral part of Tourism within the Leisure and Recreation segment as disclosed under Note 30a.

**28 Agency Services**

The Council acts as a Lead Partner for various schemes, projects or Committees. The common characteristic of these projects or Committees is that Council finances the project expenditure and is subsequently reimbursed. The following represents expenditure paid by Council (and hence income receivable) for the current and previous financial years together with amounts outstanding and included within short term debtors - Note 12b.

As a consequence of the relationship described above these financial statements only include that expenditure which relates to Council's share of costs associated with the project or Committee. In the case of fully funded projects no income or expenditure is recognised in these financial statements.

|                             | 2019/20<br>Income /<br>Expenditure<br>£'000's | 2019/20<br>Year end Debtors<br>£'000's | 2019/20<br>Council's<br>share of<br>costs<br>£'000's | 2018/19<br>Income /<br>Expenditure<br>£'000's | 2018/19<br>Year end Debtors<br>£'000's | 2018/19<br>Council's<br>share of costs<br>£'000's |
|-----------------------------|---|--|--|---|--|---|
| Peace IV                    | 939   | 868                                    | 0  | 1,086   | 1,010                                  | 0   |
| Rural Development Programme | 378   | 168                                    | 0  | 0   | 0                                      | 0   |
| <b>Totals</b>               | <b>1,317</b>                                  | <b>1,036</b>                           | <b>0</b>   | <b>1,086</b>                                  | <b>1,010</b>                           | <b>0</b>  |

**29 Related Party Transactions**

A Related Party transaction is a transfer of resources or obligations between related parties, regardless of whether a price is charged. Related Party transaction exclude transactions with any other entity that is a related party solely because of its economic dependence on the Council or the Government of which it forms part. A related party is one that has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. This includes cases where the related party entity and another entity are subject to common control but excludes providers of finance in the course of their normal business with the Council and Trade Unions in the course of their normal dealings with the Council. In addition where the relationship with the Council and the entity is solely that of an Agency these are not deemed to be Related Party transactions - Note 28 refers.

Transactions with related parties not disclosed elsewhere in these financial statements are set out below (detailing the name of the body and the amount of the transaction [if any]). Note that related party relationships where control exists are disclosed irrespective of whether there have been transactions between the related parties.

**29 a Community Group payments greater than £5,000.**

Council paid a total of £1,006,775 (2019 - £1,036,685) in grants to 201 (2019 - 360) community associations. Only 31 (2019 - 25) of these organisations received amounts of £5,000; those with Elected Members involvement are as follows:

| Name of Body                                     | 2019/20                | 2018/19                | 2019/20 | 2018/19 |
|--|------------------------|------------------------|---------|---------|
|  | No. of Elected Members | No. of Elected Members | £       | £       |
| Causeway Citizens Advice Bureau                  | 2                      | 2                      | 231,249 | 297,307 |
| Limavady Sports Council                          | 2                      | 2                      | 8,000   | 6,562   |
| Ballymoney Sports Advisory Committee             | 2                      | 2                      | 8,000   | 7,562   |
| Riverside Theatre University of Ulster Coleraine | 3                      | 3                      | 107,500 | 105,625 |
| Portrush Heritage Group                          | 1                      | 1                      | 15,000  | 10,000  |
| Garvagh Museum                                   | 1                      | 1                      | 7,500   | 7,500   |
| Coleraine Street Pastors                         | 1                      | 1                      | 5,000   | 7,500   |
| Kilrea TH Management Committee                   | 1                      | 1                      | 6,750   | 6,750   |

**29 b Community Group payments less than £5,000 but including Council representation .**

Council paid grants of under £5,000 to 13 community groups which had Councillor representation. These grants in total cost £33,167.

**29 c Group or Joint Committees payments where Council is a member**

|  |                         | 2019/20 | 2018/19 |
|--|-------------------------|---------|---------|
| Name of Body                               | Lead Council            | £       | £       |
| NI Local Government Association            |                         | 43,610  | 47,749  |
| National Association of Councillors        |                         | 3,200   | 3,200   |
| North West Regional Waste Management Group | Derry City and Strabane | 72,030  | 50,595  |

**29 d Payments to Other Councils**

| Name of Council                         | 2019/20 | 2018/19 |
|---|---------|---------|
|   | £       | £       |
| Antrim and Newtownabbey Borough Council | 7,970   | 680     |
| Belfast City Council                    | 7,164   | 6,450   |
| Derry City & Strabane District Council  | 93,368  | 220,244 |
| Fermanagh & Omagh District Council      | 3,166   | 2,536   |
| Mid & East Antrim Borough Council       | 168     | 15,008  |
| Mid-Ulster District Council             | 4,563   | 23,092  |
| Ards and North Down                     | 2,483   | 3,139   |
| Armagh, Banbridge and Craigavon         | 30      | 357     |
| Lisburn and Castlereagh                 | 65,274  | 68,440  |
| Newry Mourne and Down District Council  | 36,183  | 71      |

The figure of £93,368 to Derry City & Strabane District Council includes £72,030 paid in relation to the North West Regional Waste Management Group - Note 29c refers.

**29 e Department for Communities**

Council receives an annual grant from the Department of Communities. During 2019/20 it received £4,396,109 (2018/19-£5,937,111).

**29 f Causeway Coast and Glens Policing and Community Safety Partnership**

Council is represented by 10 Councillors on the Causeway Coast and Glens Policing and Community Safety Partnership, one of which acts as Chairperson. During 2019/20 council made net contributions of £77,312 (2018/19 £85,067) to the running costs of the partnership. Council provides legal, financial and personnel services to the Partnership for which it received £384,668 in 2019/20 ( 2018/19 £389,471)

**29 g Employee Car Loans**

Council makes car loans available to employees who are designated essential car users i.e. for whom it is essential to have access to a car to carry out their duties.

The total amount outstanding in respect of car loans to designated employees at 31st March 2020 was £96,803 (at 31st March 2019 - £100,202).

30 The purpose of this note is to provide additional analysis of the income & expenditures for each of the Council's Reporting Committees as reported in monthly Management accounts. Annual Accounting Adjustments do not form part of Management accounts & are therefore separately disclosed in this note to reconcile Management accounts to the annual financial statements.

30 a Detailed Income & Expenditure Analysis for the year ended 31 March 2020 - Leisure & Development

| Service Heading                  | Management Accounts |              |                 | Annual Adjustments |            |                      |                                     |  |                 | Financial Statements 2019/20 |                       |                          |
|----------------------------------|---------------------|--------------|-----------------|--------------------|------------|----------------------|-------------------------------------|--|-----------------|------------------------------|-----------------------|--------------------------|
|                                  | Gross Expenditure   | Gross Income | Net Expenditure | Capital            | Pension    | Accumulated Absences | Total Gross Expenditure Adjustments | Impairment Reversal and Capital Grants | Net Adjustments | Gross Expenditure per CIES   | Gross Income per CIES | Net Expenditure per CIES |
|                                  | £'000's             | £'000's      | £'000's         | £'000's            | £'000's    | £'000's              | £'000's                             | £'000's                                | £'000's         | £'000's                      | £'000's               | £'000's                  |
| Community & Culture              | 3,510               | 2,054        | 1,456           | 188                | 106        | (4)                  | 290                                 | 0                                      | 290             | 3,800                        | 2,054                 | 1,746                    |
| Prosperity & Place               | 2,276               | 942          | 1,334           | 406                | 57         | 2                    | 465                                 | 0                                      | 465             | 2,741                        | 942                   | 1,799                    |
| Leisure & Development Management | 491                 | 6            | 485             | 0                  | 44         | (4)                  | 40                                  | 0                                      | 40              | 531                          | 6                     | 525                      |
| Sport & Wellbeing                | 8,147               | 2,942        | 5,205           | 3,215              | 356        | (8)                  | 3563                                | 522                                    | 3041            | 11,710                       | 3,464                 | 8,246                    |
| Tourism & Recreation             | 4,778               | 3,294        | 1,484           | 1,164              | 129        | (6)                  | 1287                                | 2                                      | 1285            | 6,065                        | 3,296                 | 2,769                    |
| Funding Unit                     | 175                 | 2            | 173             | 103                | 12         | 0                    | 115                                 | 0                                      | 115             | 290                          | 2                     | 288                      |
| Strategic Projects               | 87                  | 0            | 87              | 0                  | 0          | 0                    | 0                                   | 0                                      | 0               | 87                           | 0                     | 87                       |
| <b>Leisure &amp; Development</b> | <b>19,464</b>       | <b>9,240</b> | <b>10,224</b>   | <b>5,076</b>       | <b>704</b> | <b>(20)</b>          | <b>5,760</b>                        | <b>524</b>                             | <b>5,236</b>    | <b>25,224</b>                | <b>9,764</b>          | <b>15,460</b>            |

30 b Detailed Income & Expenditure Analysis for the year ended 31 March 2020 - Environmental Services

| Service Heading                           | Management Accounts |              |                 | Annual Adjustments |            |                      |                                     |  |                 | Financial Statements 2019/20 |                       |                          |
|---|---------------------|--------------|-----------------|--------------------|------------|----------------------|-------------------------------------|--|-----------------|------------------------------|-----------------------|--------------------------|
|   | Gross Expenditure   | Gross Income | Net Expenditure | Capital            | Pension    | Accumulated Absences | Total Gross Expenditure Adjustments | Impairment Reversal and Capital Grants | Net Adjustments | Gross Expenditure per CIES   | Gross Income per CIES | Net Expenditure per CIES |
|   | £'000's             | £'000's      | £'000's         | £'000's            | £'000's    | £'000's              | £'000's                             | £'000's                                | £'000's         | £'000's                      | £'000's               | £'000's                  |
| Estates                                   | 3,603               | 217          | 3,386           | 593                | 176        | 12                   | 781                                 | 253                                    | 528             | 4,384                        | 470                   | 3,914                    |
| Health & Build Environment                | 3,340               | 1,539        | 1,801           | 17                 | 239        | (4)                  | 252                                 | 0                                      | 252             | 3,592                        | 1,539                 | 2,053                    |
| Infrastructure                            | 1,408               | 1,561        | (153)           | 6,724              | 43         | 1                    | 6,768                               | 89                                     | 6,679           | 8,176                        | 1,650                 | 6,526                    |
| Operations                                | 18,102              | 1,592        | 16,510          | 1,548              | 470        | 21                   | 2,039                               | 10                                     | 2,029           | 20,141                       | 1,602                 | 18,539                   |
| Environmental Services Business Support   | 533                 | 0            | 533             | 0                  | 50         | 0                    | 50                                  | 0                                      | 50              | 583                          | 0                     | 583                      |
| Environmental Services Central Management | 167                 | 34           | 133             | 0                  | 11         | 3                    | 14                                  | 0                                      | 14              | 181                          | 34                    | 147                      |
| <b>Environmental Services</b>             | <b>27,153</b>       | <b>4,943</b> | <b>22,210</b>   | <b>8,882</b>       | <b>989</b> | <b>33</b>            | <b>9,904</b>                        | <b>352</b>                             | <b>9,552</b>    | <b>37,057</b>                | <b>5,295</b>          | <b>31,762</b>            |

30 c Detailed Income & Expenditure Analysis for the year ended 31 March 2020 - Corporate Policy & Resources

| Service Heading                         | Management Accounts |              |                 | Annual Adjustments |              |                      |                                     |  |                 | Financial Statements 2019/20 |                       |                          |
|---|---------------------|--------------|-----------------|--------------------|--------------|----------------------|-------------------------------------|--|-----------------|------------------------------|-----------------------|--------------------------|
|   | Gross Expenditure   | Gross Income | Net Expenditure | Capital            | Pension      | Accumulated Absences | Total Gross Expenditure Adjustments | Impairment Reversal and Capital Grants | Net Adjustments | Gross Expenditure per CIES   | Gross Income per CIES | Net Expenditure per CIES |
|   | £'000's             | £'000's      | £'000's         | £'000's            | £'000's      | £'000's              | £'000's                             | £'000's                                | £'000's         | £'000's                      | £'000's               | £'000's                  |
| Democratic & Registration               | 2,070               | 265          | 1,805           | 10                 | 113          | 5                    | 128                                 | 0                                      | 128             | 2,198                        | 265                   | 1,933                    |
| Corporate Support Services              | 2,890               | 22           | 2,868           | 206                | 172          | 10                   | 388                                 | 0                                      | 388             | 3,278                        | 22                    | 3,256                    |
| * Performance                           | 1,905               | 148          | 1,757           | 439                | 68           | 5                    | 512                                 | 0                                      | 512             | 2,417                        | 148                   | 2,269                    |
| * Financial Services                    | 1,737               | 73           | 1,664           | 2,451              | 1,461        | (5)                  | 3907                                | 0                                      | 3907            | 5,644                        | 73                    | 5,571                    |
| * Legal Services                        | 101                 | 1            | 100             | 0                  | 1            | (1)                  | 0                                   | 0                                      | 0               | 101                          | 1                     | 100                      |
| <b>Corporate Policy &amp; Resources</b> | <b>8,703</b>        | <b>509</b>   | <b>8,194</b>    | <b>3,106</b>       | <b>1,815</b> | <b>14</b>            | <b>4,935</b>                        | <b>0</b>                               | <b>4,935</b>    | <b>13,638</b>                | <b>509</b>            | <b>13,129</b>            |

These departments report directly to the Chief Executive and separately report to the Corporate Policy and Resources Committee - the remaining departments channel their reports via the director of corporate services.

30 d Detailed Income & Expenditure Analysis for the year ended 31 March 2020 - Planning & Non Service Items

| Service Heading                                      | Management Accounts |               |                 | Annual Adjustments |              |                      |                                     |  |                 | Financial Statements 2019/20 |                       |                          |
|--|---------------------|---------------|-----------------|--------------------|--------------|----------------------|-------------------------------------|--|-----------------|------------------------------|-----------------------|--------------------------|
|  | Gross Expenditure   | Gross Income  | Net Expenditure | Capital            | Pension      | Accumulated Absences | Total Gross Expenditure Adjustments | Impairment Reversal and Capital Grants | Net Adjustments | Gross Expenditure per CIES   | Gross Income per CIES | Net Expenditure per CIES |
|  | £'000's             | £'000's       | £'000's         | £'000's            | £'000's      | £'000's              | £'000's                             | £'000's                                | £'000's         | £'000's                      | £'000's               | £'000's                  |
| <b>Planning</b>                                      | <b>2,202</b>        | <b>1,509</b>  | <b>693</b>      | <b>0</b>           | <b>65</b>    | <b>1</b>             | <b>66</b>                           | <b>0</b>                               | <b>66</b>       | <b>2,268</b>                 | <b>1,509</b>          | <b>759</b>               |
| <b>Service Totals</b>                                | <b>57,522</b>       | <b>16,201</b> | <b>41,321</b>   | <b>17,064</b>      | <b>3,573</b> | <b>28</b>            | <b>20,665</b>                       | <b>876</b>                             | <b>19,789</b>   | <b>78,187</b>                | <b>17,077</b>         | <b>61,110</b>            |
| Other Operating Expenditure                          | 0                   | 0             | 0               | 0                  | 0            | 0                    | 0                                   | 80                                     | (80)            | 0                            | 80                    | (80)                     |
| Financing & Investment Income & Expenditure          | 3,018               | 640           | 2,378           | 0                  | 889          | 0                    | 889                                 | 2                                      | 887             | 3,907                        | 642                   | 3,265                    |
| Taxation & Non-Specific Grant Income                 | 0                   | 48,093        | (48,093)        | 0                  | 0            | 0                    | 0                                   | 5,389                                  | (5,389)         | 0                            | 53,482                | (53,482)                 |
| (Surplus) / Deficit on the Provision of Services     | 60,540              | 64,934        | (4,394)         | 17,064             | 4,462        | 28                   | 21,554                              | 6,347                                  | 15,207          | 82,094                       | 71,281                | 10,813                   |
| Minimum Revenue Provision reported to Management     |                     |               | 5,535           |                    |              |                      |                                     |  |                 |                              |                       |                          |
| Deficit that should be reported to Management        |                     |               | 1,141           |                    |              |                      |                                     |  |                 |                              |                       |                          |
| <b>Management Account Adjustments</b>                |                     |               |                 |                    |              |                      |                                     |  |                 |                              |                       |                          |
| Annual Adjustments                                   |                     | 15,207        |                 |                    |              |                      |                                     |  |                 |                              |                       |                          |
| MRP already reported                                 |                     | (5,535)       |                 |                    |              |                      |                                     |  |                 |                              |                       |                          |
| <b>Total Adjustments from Management Accounts</b>    |                     |               | <b>9,672</b>    |                    |              |                      |                                     |  |                 |                              |                       |                          |
| <b>Deficit per CIES on the provision of services</b> |                     |               | <b>10,813</b>   |                    |              |                      |                                     |  |                 |                              |                       |                          |

## 30 e Detailed Income &amp; Expenditure Analysis for the year ended 31 March 2019 - Leisure &amp; Development

| Service Heading                  | Management Accounts |              |                 | Annual Adjustments |            |                      |                                     |  |                 | Financial Statements 2018/19 |                       |                          |
|----------------------------------|---------------------|--------------|-----------------|--------------------|------------|----------------------|-------------------------------------|--|-----------------|------------------------------|-----------------------|--------------------------|
|                                  | Gross Expenditure   | Gross Income | Net Expenditure | Capital            | Pension    | Accumulated Absences | Total Gross Expenditure Adjustments | Impairment Reversal and Capital Grants | Net Adjustments | Gross Expenditure per CIES   | Gross Income per CIES | Net Expenditure per CIES |
|                                  | £'000's             | £'000's      | £'000's         | £'000's            | £'000's    | £'000's              | £'000's                             | £'000's                                | £'000's         | £'000's                      | £'000's               | £'000's                  |
| Community & Culture              | 3,728               | 2,181        | 1,547           | 203                | 115        | (2)                  | 316                                 | 0                                      | 316             | 4,044                        | 2,181                 | 1,863                    |
| Prosperity & Place               | 2,255               | 832          | 1,423           | 277                | 95         | 1                    | 373                                 | 0                                      | 373             | 2,628                        | 832                   | 1,796                    |
| Leisure & Development Management | 390                 | 0            | 390             | 0                  | 53         | 1                    | 54                                  | 0                                      | 54              | 444                          | 0                     | 444                      |
| Sport & Wellbeing                | 8,115               | 2,827        | 5,288           | 3,087              | 405        | 7                    | 3499                                | 81                                     | 3418            | 11,614                       | 2,908                 | 8,706                    |
| Tourism & Recreation             | 4,531               | 3,294        | 1,237           | 1,059              | 158        | 5                    | 1222                                | 824                                    | 398             | 5,753                        | 4,118                 | 1,635                    |
| Funding Unit                     | 167                 | 0            | 167             | 273                | 0          | 1                    | 274                                 | 0                                      | 274             | 441                          | 0                     | 441                      |
| Strategic Projects               | 80                  | 16           | 64              | 0                  | 0          | 0                    | 0                                   | 0                                      | 0               | 80                           | 16                    | 64                       |
| <b>Leisure &amp; Development</b> | <b>19,266</b>       | <b>9,150</b> | <b>10,116</b>   | <b>4,899</b>       | <b>826</b> | <b>13</b>            | <b>5,738</b>                        | <b>905</b>                             | <b>4,833</b>    | <b>25,004</b>                | <b>10,055</b>         | <b>14,949</b>            |

## 30 f Detailed Income &amp; Expenditure Analysis for the year ended 31 March 2019 - Environmental Services

| Service Heading                           | Management Accounts |              |                 | Annual Adjustments |              |                      |                                     |  |                 | Financial Statements 2018/19 |                       |                          |
|---|---------------------|--------------|-----------------|--------------------|--------------|----------------------|-------------------------------------|--|-----------------|------------------------------|-----------------------|--------------------------|
|   | Gross Expenditure   | Gross Income | Net Expenditure | Capital            | Pension      | Accumulated Absences | Total Gross Expenditure Adjustments | Impairment Reversal and Capital Grants | Net Adjustments | Gross Expenditure per CIES   | Gross Income per CIES | Net Expenditure per CIES |
|   | £'000's             | £'000's      | £'000's         | £'000's            | £'000's      | £'000's              | £'000's                             | £'000's                                | £'000's         | £'000's                      | £'000's               | £'000's                  |
| Estates                                   | 3,843               | 243          | 3,600           | 574                | 182          | 1                    | 757                                 | 2                                      | 755             | 4,600                        | 245                   | 4,355                    |
| Health & Build Environment                | 3,429               | 1,655        | 1,774           | 5                  | 283          | 10                   | 298                                 | 0                                      | 298             | 3,727                        | 1,655                 | 2,072                    |
| Infrastructure                            | 1,480               | 1,470        | 10              | 979                | 45           | 1                    | 1025                                | 47                                     | 978             | 2,505                        | 1,517                 | 988                      |
| Operations                                | 18,640              | 1,252        | 17,388          | 1,228              | 532          | (6)                  | 1754                                | 2                                      | 1752            | 20,394                       | 1,254                 | 19,140                   |
| Environmental Services Business Support   | 550                 | 0            | 550             | 0                  | 57           | 1                    | 58                                  | 0                                      | 58              | 608                          | 0                     | 608                      |
| Environmental Services Central Management | 118                 | 0            | 118             | 0                  | 12           | 0                    | 12                                  | 0                                      | 12              | 130                          | 0                     | 130                      |
| <b>Environmental Services</b>             | <b>28,060</b>       | <b>4,620</b> | <b>23,440</b>   | <b>2,786</b>       | <b>1,111</b> | <b>7</b>             | <b>3,904</b>                        | <b>51</b>                              | <b>3,853</b>    | <b>31,964</b>                | <b>4,671</b>          | <b>27,293</b>            |

## 30 g Detailed Income &amp; Expenditure Analysis for the year ended 31 March 2019 - Corporate Policy &amp; Resources

| Service Heading                         | Management Accounts |              |                 | Annual Adjustments |              |                      |                                     |  |                 | Financial Statements 2018/19 |                       |                          |
|---|---------------------|--------------|-----------------|--------------------|--------------|----------------------|-------------------------------------|--|-----------------|------------------------------|-----------------------|--------------------------|
|   | Gross Expenditure   | Gross Income | Net Expenditure | Capital            | Pension      | Accumulated Absences | Total Gross Expenditure Adjustments | Impairment Reversal and Capital Grants | Net Adjustments | Gross Expenditure per CIES   | Gross Income per CIES | Net Expenditure per CIES |
|   | £'000's             | £'000's      | £'000's         | £'000's            | £'000's      | £'000's              | £'000's                             | £'000's                                | £'000's         | £'000's                      | £'000's               | £'000's                  |
| Democratic & Registration               | 1,514               | 244          | 1,270           | 10                 | 102          | 0                    | 112                                 | 0                                      | 112             | 1,626                        | 244                   | 1,382                    |
| Corporate Support Services              | 3,214               | 19           | 3,195           | 261                | 213          | (3)                  | 471                                 | 0                                      | 471             | 3,685                        | 19                    | 3,666                    |
| Performance                             | 2,247               | 134          | 2,113           | 412                | 76           | 4                    | 492                                 | 0                                      | 492             | 2,739                        | 134                   | 2,605                    |
| Financial Services                      | 1,680               | 29           | 1,651           | 141                | 3,602        | 6                    | 3749                                | 0                                      | 3749            | 5,429                        | 29                    | 5,400                    |
| Legal Services                          | 440                 | 3            | 437             | 0                  | 4            | 3                    | 7                                   | 0                                      | 7               | 447                          | 3                     | 444                      |
| <b>Corporate Policy &amp; Resources</b> | <b>9,095</b>        | <b>429</b>   | <b>8,666</b>    | <b>824</b>         | <b>3,997</b> | <b>10</b>            | <b>4,831</b>                        | <b>0</b>                               | <b>4,831</b>    | <b>13,926</b>                | <b>429</b>            | <b>13,497</b>            |

These departments report directly to the Chief Executive and separately report to the Corporate Policy and Resources Committee - the remaining departments channel their reports via the director of corporate services.

## 30 h Detailed Income &amp; Expenditure Analysis for the year ended 31 March 2019 - Planning &amp; Non Service Items

| Service Heading                                    | Management Accounts |               |                 | Annual Adjustments |              |                      |                                     |  |                 | Financial Statements 2018/19 |                       |                          |
|--|---------------------|---------------|-----------------|--------------------|--------------|----------------------|-------------------------------------|--|-----------------|------------------------------|-----------------------|--------------------------|
|  | Gross Expenditure   | Gross Income  | Net Expenditure | Capital            | Pension      | Accumulated Absences | Total Gross Expenditure Adjustments | Impairment Reversal and Capital Grants | Net Adjustments | Gross Expenditure per CIES   | Gross Income per CIES | Net Expenditure per CIES |
|  | £'000's             | £'000's       | £'000's         | £'000's            | £'000's      | £'000's              | £'000's                             | £'000's                                | £'000's         | £'000's                      | £'000's               | £'000's                  |
| <b>Planning</b>                                    | <b>2,080</b>        | <b>1,468</b>  | <b>612</b>      | <b>0</b>           | <b>0</b>     | <b>(2)</b>           | <b>(2)</b>                          | <b>0</b>                               | <b>(2)</b>      | <b>2,078</b>                 | <b>1,468</b>          | <b>610</b>               |
| <b>Service Totals</b>                              | <b>58,501</b>       | <b>15,667</b> | <b>42,834</b>   | <b>8,509</b>       | <b>5,934</b> | <b>28</b>            | <b>14,471</b>                       | <b>956</b>                             | <b>13,515</b>   | <b>72,972</b>                | <b>16,623</b>         | <b>56,349</b>            |
| Other Operating Expenditure                        | 0                   | 0             | 0               | (6)                | 0            | 0                    | (6)                                 | 0                                      | (6)             | (6)                          | 0                     | (6)                      |
| Financing & Investment Income & Expenditure        | 3,151               | 625           | 2,526           | 1,005              | 900          | 0                    | 1905                                | 0                                      | 1905            | 5,056                        | 625                   | 4,431                    |
| Taxation & Non-Specific Grant Income               | 0                   | 48,698        | (48,698)        | 0                  | 0            | 0                    | 0                                   | (24)                                   | 24              | 0                            | 48,674                | (48,674)                 |
| (Surplus) / Deficit on the Provision of Services   | 61,652              | 64,990        | (3,338)         | 9,508              | 6,834        | 28                   | 16,370                              | 932                                    | 15,438          | 78,022                       | 65,922                | 12,100                   |
| MRP & sinking fund movement reported to Management |                     |               | 6,196           |                    |              |                      |                                     |  |                 |                              |                       |                          |
| Deficit that should be reported to Management      |                     |               | 2,858           |                    |              |                      |                                     |  |                 |                              |                       |                          |
| Not Reported to Management                         |                     |               |                 |                    |              |                      |                                     |  |                 |                              |                       |                          |
| Repairs utilised from Earmarked Reserves           |                     |               | (150)           |                    |              |                      |                                     |  |                 |                              |                       |                          |
| Capital write-offs                                 |                     |               | (55)            |                    |              |                      |                                     |  |                 |                              |                       |                          |
| Deficit per Management Accounts                    |                     |               | 2,653           |                    |              |                      |                                     |  |                 |                              |                       |                          |

**Events after the Reporting Period**

On 17 October 2020, the First-tier Tribunal issued its decision in relation to a dispute concerning the VAT liability of charges paid by members of the public for access to sport and leisure facilities provided by Mid-Ulster District Council. The appeal by Mid-Ulster District Council was allowed and now the quantum has to be agreed between both parties.

However, pursuant to Rule 39 of the Tribunal Procedure (First-tier Tribunal) (Tax Chamber) Rules 2009, any party dissatisfied with the decision has a right to apply for permission to appeal not later than 56 days after the date of this decision.

Therefore, at this stage it is too early to assess the impact of this decision on council finances.

On 30 November 2020, the Minister for Communities advised the Council that in line with Article 22 of the Local Government (Northern Ireland) Order 2005, she had directed the Local Government Auditor to undertake an extraordinary audit of the accounts of Causeway Coast and Glens Borough Council concentrating on land disposals and easements and related asset management policies and procedures. This audit is on-going.

**The Chief Financial Officer authorised these financial statements for issue on 26th July 2021**